



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Dynasty Modular Furnitures Pvt Ltd.

**Report on the Audit of Financial Statements**

We have audited the accompanying Financial Statements of **DYNASTY MODULAR FURNITURES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, 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 notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("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, 2020, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 find as and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

**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 products being sold is transferred to the customer and when there are no unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of order / contract with the customer. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected.

We identified revenue recognition as a key audit matter since revenue is significant to the financial statements and is required to be recognized as per the requirements of applicable accounting framework.

**How our audit addressed the Key Audit Matter**

- We assessed the appropriateness of the revenue recognition accounting policies by comparing them with applicable Indian Accounting Standards (Ind AS).





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- 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.
- Tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognized in the appropriate financial period, and timely. Based on the above stated procedures, no significant exceptions were noted in revenue recognition.

### **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 processes. Therefore inventory quantities and valuation is identified as a key audit matter.

#### **How our audit addressed the Key Audit Matter**

- We have 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.
- Verified 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 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 but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained 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 Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) 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.





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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2020 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.






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- (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 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a Director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 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;
- (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 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.

For NARENDRA SHARMA & CO.  
Chartered Accountants  
(Firm Regn No. 004983C)

  
(YOGESH GAUTAM)  
Partner  
Membership No. 072676  
UDIN : 20072676AAAABG6390



Place : Jaipur  
Date : 28<sup>th</sup> July 2020



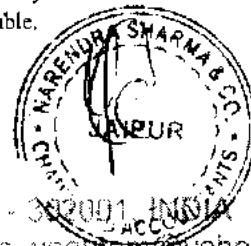
# Narendra Sharma & Company

## 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 **DYNASTY MODULAR FURNITURES PRIVATE LIMITED** on the Financial Statements for the year ended on 31<sup>st</sup> March 2020, 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) As per information and explanation given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.
  - a. In respect of loan granted to the body corporate, the terms and conditions of the loans are prima facie not prejudicial to the interest of the company.
  - b. The terms of arrangement do not stipulate any repayment schedule. The borrower has been regular in the payment of interest as stipulated.
  - c. As there is no specified repayment schedule of the loan granted to the body corporate, the clause (iii) (c) of the order is not applicable to the company.
- (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) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (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 31st March, 2020 for a period of more than six months from the date they became payable.





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- 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.
- (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 Directors of its subsidiary companies 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 NARENDRA SHARMA & CO.

Chartered Accountants

(Firm Regn No. 004983C)

(YOGESH GAUTAM)

Partner

Membership No. 072676

UDIN : 20072676AAAABG6390

Place : Jaipur

Date : 28<sup>th</sup> July 2020



# Narendra Sharma & Company

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### 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 DYNASTY MODULAR FURNITURES PRIVATE LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 Act, 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.

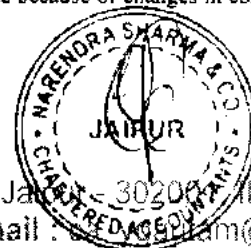
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Financial Statements.

#### **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.

#### **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.





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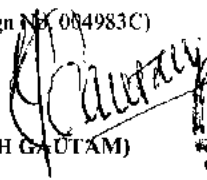
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## **Opinion**

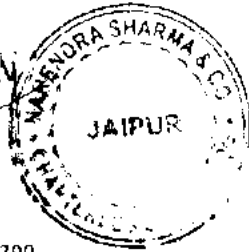
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NARENDRA SHARMA & CO.

Chartered Accountants  
(Firm Regn. No. 004983C)

  
(YOGESH GAUTAM)  
Partner

Membership No. 072676  
UDIN : 20072676AAAABG6390



Place : Jaipur  
Date : 28<sup>th</sup> July 2020



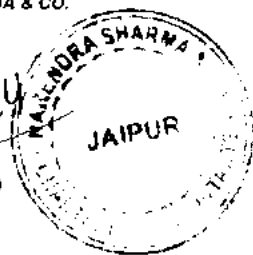
**DYNASTY MODULAR FURNITURES PVT. LTD.**

**BALANCE SHEET**  
As at 31st March, 2020

Particulars		Note	As at 31 March, 2020	As at 31 March, 2019
<b>A.</b>	<b>ASSETS</b>			
<b>1.</b>	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	4	37985088	33019436
	(b) Capital work-in-progress		0	0
	(c) Other Intangible assets		0	0
	(d) Financial Assets			
	(i) Investments	5	3000	3000
	(ii) Loans	6	12206820	382300
	(iii) Others		0	0
	(e) other non-current assets		0	0
	<b>Total-Non-current assets</b>		<b>50194908</b>	<b>33404736</b>
<b>2.</b>	<b>Current assets</b>			
	(a) Inventories	7	48756456	66778275
	(b) Financial Assets			
	(i) Trade receivables	8	52529002	24173713
	(ii) Cash and cash equivalents	9	5555390	6659089
	(iii) Bank balances other than (ii) above		0	0
	(iv) Loans	10	3350761	3141870
	(v) Others	11	417078	808421
	(c) Other current assets	12	5414916	4102164
	<b>Total Current assets</b>		<b>116023603</b>	<b>105663532</b>
	<b>Total Assets</b>		<b>166218511</b>	<b>139068268</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Equity</b>			
	(a) Equity Share capital	13	7561000	7561000
	(b) Other Equity	14	39646588	32529860
	<b>Total Equity</b>		<b>47207588</b>	<b>40090860</b>
<b>2.</b>	<b>LIABILITIES</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	50074145	33786387
	(ii) Other financial liabilities	16	104882	229076
	(b) Provisions	17	2884443	2027752
	(c) Deferred tax liabilities (net)	18	489958	360677
	(d) Other non-current liabilities		0	0
	<b>Total Non current liabilities</b>		<b>53553428</b>	<b>36403892</b>
<b>3.</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	19	27012794	19097776
	(ii) Trade Payables	20		
	- Dues to Micro and Small Enterprises		462812	1015657
	- Dues to Creditors other than Micro and Small		14751447	21882746
	(iii) Other financial liabilities	21	15176904	10432720
	(b) Other current liabilities	22	2227538	5044367
	(c) Provisions	23	4906174	4194832
	(d) Current tax liabilities (Net)	24	919826	905418
	<b>Total Current liabilities</b>		<b>65457495</b>	<b>62573518</b>
	<b>Total Equity and Liabilities</b>		<b>166218511</b>	<b>139068268</b>
	See accompanying notes to the financial statements	1 to 44		

As per our report of even date  
For **NARENDRA SHARMA & CO.**  
Chartered Accountants  
Firm Regn. No. 004983C

**(CA YOGESH GAUTAM)**  
Partner  
M. No. 072676



For **DYNASTY MODULAR FURNITURES PVT. LTD.**

**(DIGVIJAY DHABRIYA)**  
Director  
Din No. 00519946

**(HITESH AGRAWAL)**  
Director  
Din No. 00519922

Place : Jaipur  
Date : 28th July, 2020

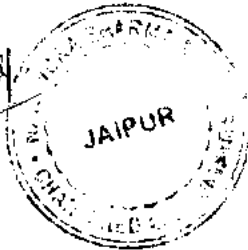
**DYNASTY MODULAR FURNITURES PVT. LTD.**

**STATEMENT OF PROFIT AND LOSS**  
For the year ended on 31st March, 2020

Sl. No.	Particulars	Note	For the year ended 31 March, 2020	For the year ended 31 March, 2019
I	<b>Revenue</b>			
	Revenue from Operations	25	234483347	185813180
II	Other income	26	1035829	560779
III	<b>Total Income (I + II)</b>		<b>235519176</b>	<b>186373959</b>
IV	<b>Expenses</b>			
	(a) Cost of materials consumed	27	146021513	129871309
	(b) Purchase of Stock in Trade	28	2597774	3134735
	(c) Changes in inventories of finished goods and stock-in-trade	29	8086723	(8763721)
	(d) Employee benefits expense	30	37152364	30953428
	(e) Finance costs	31	9095148	6579903
	(f) Depreciation and amortisation expense	32	4827544	3865528
	(g) Other expenses	33	17206724	15598014
	<b>Total Expenses (IV)</b>		<b>224987790</b>	<b>181239197</b>
V	<b>Profit before Taxes (III - IV)</b>		<b>10531386</b>	<b>5134762</b>
VI	<b>Tax expenses / (credit)</b>	24		
	(a) Current tax expense for current year		2430000	1500000
	(b) Deferred tax		314650	(253721)
	(c) Previous year tax		142421	(110)
	<b>Total Tax</b>		<b>2887071</b>	<b>1246169</b>
VII	<b>Profit for the period (V - VI)</b>		<b>7644315</b>	<b>3888593</b>
VIII	<b>Other Comprehensive Income (OCI)</b>			
	Item that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit liabilities		(712955)	206841
	- Income tax relating to items that will not be reclassified to profit or loss		185368	(53779)
	<b>Other Comprehensive Income for the period After Tax</b>		<b>(527587)</b>	<b>153062</b>
IX	<b>Total Comprehensive Income for the period After Tax (VII + VIII)</b>		<b>7116728</b>	<b>4041655</b>
X	<b>Earnings per share (of Rs.10/- each):</b>	34		
	Basic & Diluted		10.11	5.14
	See accompanying notes to the financial statements	1 to 44		

As per our report of even date  
For **NARENDRA SHARMA & CO.**  
Chartered Accountants  
Firm Regn. No. 004983C

(CA **YOGESH GAUTAM**)  
Partner  
M. No. 072676



For **DYNASTY MODULAR FURNITURES PVT. LTD.**

(**DIGVIJAY DHABRIYA**)  
Director  
Din No. 00519946

(**HITESH AGRAWAL**)  
Director  
Din No. 00519922

Place : Jaipur  
Date : 28th July, 2020

**DYNASTY MODULAR FURNITURES PVT. LTD.**

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended on 31st March, 2020

**A. Equity share capital**

Particulars	Amount
Balance as at April 1, 2018	7561000
Changes in equity share capital during the year	0
Balance as at 31st March, 2019	7561000
Changes in equity share capital during the year	0
Balance as at 31st March, 2020	7561000

**B. Other Equity**

Particulars	Other Equity		Amount
	Reserve and Surplus		
	General Reserve	Retained Earning Account	
Balance as at April 1, 2018	28488204	0	28488204
1. Profit for the year	0	4041655	4041655
2. Other comprehensive income for the year, net of income tax	0	0	0
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>4041655</b>	<b>4041655</b>
3. Gratuity Expenses Provision	0		0
4. Deferred Tax on Gratuity not provided for earlier	0		0
5. Transfer to / (from) Retained earnings	4041655	(4041655)	0
Balance as at 31st March, 2019	32529860	0	32529860
1. Profit for the year	0	7644315	7644315
2. Other comprehensive income for the year, net of income tax	0	(527587)	(527587)
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>7116728</b>	<b>7116728</b>
3. Transfer to / (from) Retained Earnings	7116728	(7116728)	0
Balance as at 31st March, 2020	39646588	0	39646588

As per our report of even date  
For NARENDRA SHARMA & CO.  
Chartered Accountants  
Firm Regd. No. 004983C

*(Signature)*  
**(CA YOGESH GAUTAM)**  
Partner  
M. No. 072676



For DYNASTY MODULAR FURNITURES PVT. LTD.

*(Signature)*  
**(DIGVIJAY DHABRIYA)**  
Director  
Din No. 00519946

*(Signature)*  
**(HITESH AGRAWAL)**  
Director  
Din No. 00519922


Place : Jaipur  
Date : 28th July, 2020


**DYNASTY MODULAR FURNITURES PVT. LTD.**

**CASH FLOW STATEMENT**  
For the year ended on 31st March, 2020

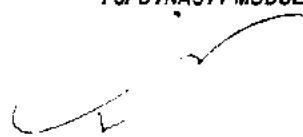
Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per Profit & Loss Statement		10531386		5134762
<b>Adjusted for :</b>				
Depreciation and amortization expenses	4827544		3865528	
Finance Costs	9095148		6579903	
Interest Income	(584281)		(236407)	
<b>Operating profit before working capital changes</b>		13338411		10209024
<b>Adjustment for :</b>		23869797		15343786
(Increase) / Decrease in Trade Receivables	(28355289)		(7498901)	
(Increase) / Decrease in Inventories	18021819		(4315752)	
(Increase) / Decrease in Other Assets	(12954821)		(344579)	
(Decrease) / Increase in Trade Payables	(7684144)		2765481	
(Decrease) / Increase in Provisions	1568033		929761	
(Decrease) / Increase in Other Liabilities	132544		(2007738)	
<b>Cash generated from / (used in) operations</b>		(29271858)		(10471728)
Direct Taxes paid		(5402061)		4872058
		(1652595)		(594471)
<b>Net cash generated from/(used in) operating activities - (A)</b>		(7054656)		4277587
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payment for Property, plant and equipment and Capital work in progress and investment properties	(9793196)		(2455572)	
Interest income	584281		236407	
<b>Net cash generated from/(used in) Investing Activities - (B)</b>		(9208915)		(2219165)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Non-Current borrowings	37517276		21659836	
Repayment of Non-Current borrowings	(21177275)		(9965030)	
Proceeds from Issue of share Capital	0		0	
Net Increase/(decrease) in Current borrowings	7915018		(2020804)	
Interest paid	(9095148)		(6579903)	
<b>Net cash generated from/(used in) financing activities - (C)</b>		15159872		3094099
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		(1103699)		5152521
Cash and cash equivalents at the beginning of the year		6659089		1506568
<b>Cash and cash equivalents at the end of the year</b>		<b>5555390</b>		<b>6659089</b>
<b>1. Cash and cash equivalents at the end of year comprises :</b>				
Cash on hand		52871		66517
Balances with banks				
(i) In current accounts		51375		101285
(ii) In fixed deposit accounts		5451144		6491287
<b>Total</b>		<b>5555390</b>		<b>6659089</b>

In terms of our report attached  
For NARENDRA SHARMA & CO.  
Chartered Accountants  
Firm Regn. No. 004983C

  
(CA YOGESH GAUTAM)  
Partner  
M. No. 072676



For DYNASTY MODULAR FURNITURES PVT LTD

  
(DIGVIJAY DHABRIYA)  
Director  
Din No. 00519946

  
(HITESH AGRAWAL)  
Director  
Din No. 00519922

Place : Jaipur  
Date : 28th July, 2020

**1. CORPORATE INFORMATION**

Dynasty Modular Furnitures Private Limited ('The Company') is a Private Limited Company domiciled and incorporated in India in 1995. 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 Jaipur in Rajasthan and having its state-of-art Modular Furniture Manufacturing unit at Jaipur - Rajasthan. The Company is one of the leading manufacturer & suppliers of Modular Office Furniture Systems, Modular Kitchen & Doors etc. All the product range of Company are developed & produced on Save Trees concept without using natural wood.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPERATION AND PRESENTATION**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

**B. CURRENT AND NON-CURRENT CLASSIFICATION**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is :

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

All other assets are classified as non-current.

A liability is current when it is :

- Expected to be settled in normal operating cycle;
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

**C. 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.

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.

**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.



#### **D. 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 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.

#### **E. 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.

#### **F. 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.

#### **G. 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.

#### **H. 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.



**I. 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.

**J. 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 twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**K. 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 twelve months after the reporting period.

**L. 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.

**M. 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.

**N. FINANCIAL INSTRUMENTS**

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



*Notes to the Financial Statements*  
for the year ended 31 March, 2020

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 CONTINGENT LIABILITIES**

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.

**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 twelve months for the purpose of classification of its assets and liabilities as current and non-current.

**3. CRITICAL ESTIMATES AND JUDGEMENTS**

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 recognized 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.

**(iii) Impairment of investments:**

The Company reviews its carrying value of long-term investments in equity shares of subsidiaries and other companies carried at cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.



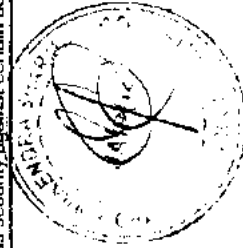
Notes to the Financial Statements  
for the year ended 31 March, 2020

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

As at 31 March, 2020 and 31 March, 2019

Particulars	Gross Carrying Amount			Accumulated Depreciation		Net Carrying Amount			
	Balance as at 01 April, 2019	Additions / Adjustments	Disposals / discard of assets	As at 31 March, 2020	Balance as at 01 April, 2019	Depreciation for the year	Eliminated on Disposals / discard of assets	As at 31 March, 2020	As at 31 March, 2019
Leasehold Land	9717458			9717458	0			9717458	9717458
Building	6449795			6449795	1479749	529764		4440282	4970046
Plant & Equipment	23423904	9154418		32578321	7772905	3310503		21494914	15650999
Misc. Fixed Assets	1581277	432952		2014229	575362	175845		1263022	1005915
Computers	1476062	35593		1511655	408267	663801		439587	1067795
Dies & Moulds	72701			72701	35445	5669		31587	37256
Furniture & Fixtures	578757	170233		748990	67940	141600		539450	510817
Office Equipments	27497			27497	9226	362		17909	18271
Vehicles	101898			101898	61019	0		40879	40879
<b>TOTAL</b>	<b>43429349</b>	<b>9793196</b>	<b>0</b>	<b>53222545</b>	<b>10409913</b>	<b>4827544</b>	<b>0</b>	<b>37885088</b>	<b>33019436</b>
Capital Work-in-progress	0	0	0	0				0	0

(1) Property, plant and equipment have been pledged as security against certain borrowings of the Company as at 31 March, 2020. Refer note 15 & 19.



Notes to the Financial Statements  
for the year ended 31 March, 2020

**5. Investments - Non-Current**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Units	Amount	No. of Units	Amount
<b>A. Investment in Equity Instruments</b>	0	0	0	0
<b>B. Other Equity Instruments</b> (Unquoted, fully paid-up shares, valued at cost)	0	0	0	0
<b>C. Investment in Government Securities</b> (Unquoted, valued at amortised cost) - National Saving Certificates	-	3000	-	3000
<b>Total</b>		<b>3000</b>		<b>3000</b>

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Security Deposits	382300	382300
Loans to Body Corporates	11824520	0
<b>Total</b>	<b>12206820</b>	<b>382300</b>

**7. Inventories**

Particulars	As at 31 March, 2020	As at 31 March, 2019
At Lower of cost or net realization value :		
Raw Materials	42352951	39437814
Packing Materials	251768	375944
Work-in-Progress	1626942	14359000
Finished Goods - Manufactured	1404958	7877831
Finished Goods - Traded	1888812	2376186
Consumables Items, Stores and Spare Parts	1225026	2351500
<b>Total</b>	<b>48756456</b>	<b>66778275</b>

**8. Trade Receivables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good : Trade Receivables	52529002	24173713
<b>Total</b>	<b>52529002</b>	<b>24173713</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, 2020	As at 31 March, 2019
Cash and Cash Equivalents :		
(a) Cash on hand	52871	66517
(b) Balances with banks		
(i) In current accounts	51375	101285
(ii) In fixed deposit accounts	5451144	6481287
<b>Total</b>	<b>5555390</b>	<b>8859089</b>

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Security & Other Deposits	3350761	3141870
<b>Total</b>	<b>3350761</b>	<b>3141870</b>

**11. Other Current Financial Assets**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Balance With Government Authorities	176436	485691
Other Advances recoverable in cash	240642	322730
<b>Total</b>	<b>417078</b>	<b>808421</b>

**12. Other Current Assets**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Advances to Suppliers	4349655	1885632
Prepaid & Deferred Revenue Expenses	709262	2152417
Other Advances recoverable for value to be received	355999	64115
<b>Total</b>	<b>5414916</b>	<b>4102164</b>



Notes to the Financial Statements  
for the year ended 31 March, 2020

13. Equity Share Capital

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
(a) Authorised Equity shares of Rs. 10/- each	800000	8000000	800000	8000000
(b) Issued Equity shares of Rs. 10/- each	756100	7561000	756100	7561000
(c) Subscribed and fully paid up Equity shares of Rs. 10/- each	756100	7561000	756100	7561000
(d) Reconciliation of shares outstanding at the beginning & at the end of the reporting period At the beginning of the period	756100	7561000	756100	7561000
Outstanding at the end of the period	756100	7561000	756100	7561000

(e) Details of shareholders holding more than 5% equity shares in the Company :	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
M/s Dhebriya Polywood Limited	756100	100.00%	756100	100.00%

(f) Shares held by holding/ ultimate holding company/ or their subsidiaries/ associates	756100	100.00%	756100	100.00%
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(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. There are no rights, preferences and restrictions attached to any share.
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(h) There is no share reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
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14. Other Equity

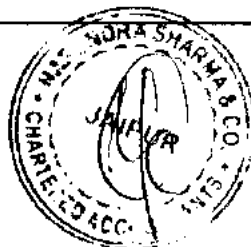
Particulars	As at 31 March, 2020	As at 31 March, 2019
(A) General Reserves		
Balance at the Beginning of the Year	32529860	28488204
Less : Gratuity Expenses Provision	0	0
Add : Deferred Tax on Gratuity not provided for earlier	0	0
Add: Transfer from Retained Earnings	7116728	4041655
Closing balance	39646588	32529860
(B) Retained Earning Account		
Balance at the Beginning of the Year	0	0
Add: Profit for the year	7644315	3888593
Add: Other Comprehensive Income for the year, net of income tax	(527587)	153062
	7116728	4041655
Less : Transfer to General Reserve	(7116728)	(4041655)
Closing balance	0	0
Total	39646588	32529860

15. Borrowings - Non-Current

Particulars	As at 31 March, 2020	As at 31 March, 2019
SECURED - At Amortised Cost		
Term Loan from Banks / Financial Institutions*	48776441	29283066
Less : Current maturities of term loans	(7688921)	(7646679)
	41077520	21636387
UNSECURED - At Amortised Cost		
From Corporates	3150000	650000
From Banks & Others	5846626	11500000
	8996626	12150000
Total	50074145	33786387

\* Term Loan from HDFC Bank Ltd. is secured against equitable mortgage on the immovable properties of the Company and Term Loan from SIDBI is secured by the guarantees / security extended by directors of the Company. Total repayment period of the term loans are :

- HDFC Bank Term Loan (Loan Against Property) of Rs. 100.00 Lakhs taken during the year 2019-20 is repayable in 126 monthly instalments commencing from February 2020 and last instalment due in July 2030.
- SIDBI Term Loan of Rs. 250.00 Lakhs taken during the year 2015-16 is repayable in 90 monthly instalments commencing from August 2016 and last instalment due in January 2024.
- SIDBI Term Loan of Rs. 100.00 Lakhs taken during the year 2018-19 is repayable in 90 monthly instalments commencing from April 2019 and last instalment due in September 2026.
- SIDBI Term Loan of Rs. 115.00 Lakhs taken during the year 2019-20 is repayable in 90 monthly instalments commencing from March 2020 and last instalment due in August 2027.
- HDFC Bank Machine Term Loan of Rs. 64.79 Lakhs taken during the year 2018-19 is repayable in 60 monthly instalments commencing from August 2019 and last instalment due in July 2024.



Notes to the Financial Statements  
for the year ended 31 March, 2020

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade/ security deposits received	104882	229076
<b>Total</b>	<b>104882</b>	<b>229076</b>

**17. Provisions - Non-Current**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for Employee Benefits : Gratuity Provision	2884443	2027752
<b>Total</b>	<b>2884443</b>	<b>2027752</b>

**18. Deferred Tax Liabilities (net)**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Tax effect of items constituting deferred tax liability :</b>		
Property, Plant & Equipments	1303928	931647
	1303928	931647
<b>Tax effect of items constituting deferred tax assets :</b>		
Provision for gratuity	813970	570970
	813970	570970
<b>Net Deferred Tax Liability</b>	<b>489958</b>	<b>360677</b>

**19. Borrowings - Current**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>SECURED - At Amortised Cost</b>		
<b>Working Capital Loans From Banks*</b>		
Cash Credit Facility	27012794	17006447
Buyer's Credit / WCGL Facility	0	2091329
<b>Total</b>	<b>27012794</b>	<b>19097776</b>

\* Cash Credit Limits & Buyer's Credit / WCGL Facilities from HDFC Bank Ltd. are secured against equitable mortgage / hypothecation on all the immovable and movable properties of the Company, inventory and book debts, both present and future.

**20. Trade Payables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Trade payables</b>		
Total Outstanding dues of Micro and Small enterprises	462812	1015657
Others	14751447	21862746
<b>Total</b>	<b>15214259</b>	<b>22898403</b>

**21. Other Financial Liabilities - Current**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current maturities of Term Loans*	7698921	7646679
Statutory Remittances	6070494	627516
Other Payables	1407489	2158525
<b>Total</b>	<b>15178904</b>	<b>10432720</b>

\* Refer notes in Note 16 Borrowings - Non-Current for details of security.

**22. Other Current Liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Credit Balances of Receivables	2227538	5044367
<b>Total</b>	<b>2227538</b>	<b>5044367</b>

**23. Provisions - Current**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for Expenses	4658965	4026546
Provision for Employee Benefits - Gratuity	246209	168286
<b>Total</b>	<b>4905174</b>	<b>4199432</b>



Notes to the Financial Statements  
for the year ended 31 March, 2020

**24. Income Taxes**

**a) Income Tax Expenses**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Current Tax :</b>		
- Current Tax	2430000	1500000
- Tax pertaining to earlier years	142421	(110)
<b>Deferred Tax</b>	314660	(253721)
<b>Total</b>	<b>2887071</b>	<b>1246169</b>

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 31 March, 2020	For the year ended 31 March, 2019
Profit before tax	10531386	5134762
Enacted tax rate in India including surcharge / cess, if any	26.000%	26.000%
Expected income tax expenses at statutory tax rate	2738160	1335038
<b>Tax Impact on account of</b>		
Depreciation under income tax act	(371666)	166636
Expenses allowed only on payment basis	57631	0
Others	5874	(674)
Tax expenses pertaining to current year	2430000	1500000
Effective Income Tax Rate	23.074%	29.213%

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for Income Tax	2430000	1500000
Less : Advance Tax and TDS	1510174	594582
Net Provision for Income Tax	919826	905418
<b>Total</b>	<b>919826</b>	<b>905418</b>

**25. Revenue From Operations**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Sale of Products (A)</b>		
Sale of Products	234151723	184486411
	234151723	184486411
<b>Sale of Services (B)</b>		
Installation and Fixing Income	331624	1326769
<b>Total(A+B)</b>	<b>234483347</b>	<b>185813180</b>

**26. Other Income**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Interest Income	584281	238407
Foreign Exchange Gains (Net)	445581	324372
Interest on Income Tax Refund	5967	
<b>Total</b>	<b>1035829</b>	<b>560779</b>

**27. Cost of Material Consumed**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Inventory of Materials and Stock-in-Process at the beginning of the year	54172757	58620726
Add: Purchases of Materials during the year	136086417	125423341
	190259175	184044067
Less: Inventory of the Materials and Stock-in-Process at the end of the year	44237662	54172757
<b>Total</b>	<b>146021513</b>	<b>129871309</b>

**28. Purchase of Stock in Trade**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Purchase of Trading Goods	2597774	3134735
<b>Total</b>	<b>2597774</b>	<b>3134735</b>



Notes to the Financial Statements  
for the year ended 31 March, 2020

**29. Changes in Inventories of Finished Goods & Stock in Trade**

Particulars	For the year ended	For the year ended
	31 March, 2020	31 March, 2019
Inventories at the end of the year:		
Finished Goods - Manufactured	1404956	7877831
Finished Goods - Trading	1888812	2376186
Stores & spare Parts	1225026	2351500
<b>TOTAL</b>	<b>4518794</b>	<b>12605518</b>
Inventories at the beginning of the year:		
Finished Goods - Manufactured	7877831	0
Finished Goods - Trading	2376186	1653296
Stores & spare Parts	2351500	2188500
<b>TOTAL</b>	<b>12605518</b>	<b>3841796</b>
Net (increase) / decrease	<b>8086723</b>	<b>(8763721)</b>

**30. Employees Benefit Expense**

Particulars	For the year ended	For the year ended
	31 March, 2020	31 March, 2019
Salary, Wages and Bonus etc to Employees	29884766	2549032
Contributions to Provident Fund	533894	329801
Remuneration to Directors	6000000	4575000
Gratuity	662660	456336
Staff Welfare Expenses	70944	83259
<b>Total</b>	<b>37152364</b>	<b>30953428</b>

**31. Finance Cost**

Particulars	For the year ended	For the year ended
	31 March, 2020	31 March, 2019
Interest expense	8028687	5593452
Bank Charges & other financial charges	1065460	986461
<b>Total</b>	<b>9095148</b>	<b>6579903</b>

**32. Depreciation and Amortization Expense**

Particulars	For the year ended	For the year ended
	31 March, 2020	31 March, 2019
Depreciation on Property, Plant and Equipment	4827544	3855528
<b>Total</b>	<b>4827544</b>	<b>3855528</b>

**33. Other Expenses**

Particulars	For the year ended	For the year ended
	31 March, 2020	31 March, 2019
<b>Manufacturing Expenses</b>		
Power & Fuel	2879833	2722858
Repair & Maintenance of Plant & Machinery	2777128	3172358
Electric Repair and Maintenance	62869	72308
Carriage inward	953322	972031
Factory Expenses	679512	1350794
Water Charges	120593	170632
Installation & site work charges	2131192	1426585
Expenses for Import of Raw Material	674347	931911
	<b>10278776</b>	<b>10819477</b>
<b>Office &amp; Administrative Expenses</b>		
Auditor Fees	25000	25000
Insurance expenses	245995	189610
Internet & Website Expenses	17200	0
Legal & Professional expenses	173250	58900
Showroom / Office Rent	0	765600
Postage & Telegram Expenses	172988	145110
Printing & Stationery	142320	169212
Registration and filing fee	63427	37351
Rent, Rate and Tax	879136	11807
Computer Repair & Maintenance	34667	48022
Building Repair & Maintenance	78802	10451
ISO Certification charges	0	40000
Subscription & Membership Fee	30000	30000
Telephone & Postage expenses	81187	101776
Conveyance & Site Expenses	1470088	1253049
Vehicle Running & Maintenance	148149	150394
	<b>3582220</b>	<b>3036281</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement & Sales Promotion Expenses	327936	116742
Travelling Expenses	606630	635086
Carriage Outward	1191865	957460
Tender Expenses	18500	11805
Exhibition Expenses	1028000	0
Discount Allowed	(43972)	19912
Commission on Sales	236768	1250
	<b>3385728</b>	<b>1742256</b>
<b>Total</b>	<b>17206724</b>	<b>15598014</b>





*Notes to the Financial Statements  
for the year ended 31 March, 2020*

**34. Earning Per Share**

Particulars	2019-20	2018-19
(a) Net Profit after Tax as per Statement of Profit & Loss	7644315	3888593
(b) Net Profit available to Equity Shareholders	7644315	3888593
(c) Number of equity shares at year end	756100	756100
(d) Weighted Average No. of Equity Shares	756100	756100
(e) Basic / Diluted Earning per Share (b)/(d)	10.11	5.14
(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 31 March, 2020	For the year ended 31 March, 2019
Employer's contribution to provident fund (includes pension fund)	533994	329801
Employer's contribution to Employees State Insurance	347806	398607

**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	2019-20	2018-19
<b>1. Amounts Recognized in Statement of Profit and Loss</b>		
a. Current Service Cost	508937	307992
b. Interest on Defined Benefit Obligation	153723	158344
c. Past Service Cost	0	0
Total amount included in "Employee Benefit Expense" (Note 30)	662660	468336
<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	712955	(206841)
Unrecognized actuarial Losses/ (Gains) for the year	712955	(206841)
<b>3. Amount Recognized in Balance Sheet</b>		
a. Present Value of Unfunded Obligations	3130652	2196038
Net Liability	3130652	2196038
b. Net Liability is bifurcated as follows:		
Current	246209	168286
Non Current	2884443	2027752
Net Liability	3130652	2196038
<b>4. Reconciliation of present value of defined benefit obligations</b>		
a. Present value of obligation as at the beginning of the period	2196038	2043155
b. Current Service Cost	508937	307992
c. Interest Cost	153723	158344
d. Actuarial Losses/ (Gain)	712955	(206841)
e. Past Service Cost - recognized th. Reserve	0	0
f. Benefits Paid	(441001)	(106612)
g. Present value of obligation as at the end of the period	3130652	2196038
<b>5. Actuarial Assumptions of the defined benefit obligations</b>		
a. Discount Rate (p.a.)	7.00%	7.75%
b. Salary Escalation Rate (p.a.)	6.00%	6.00%

**36. CIF Value of Imports**

Particulars	2019-20	2018-19
a. Raw Materials	20126354	26812666
<b>Total</b>	<b>20126354</b>	<b>26812666</b>

**37. Imported and Indigenous Material Consumed**

Particulars	2019-20	2018-19
a. Total value of imported raw materials, spare parts and components consumed during the financial year	20009181	22655369
b. Total value of all indigenous raw materials, spare parts and components similarly consumed	128789461	110358299
c. Total value of imported and indigenous raw material, spare parts and components consumed during the financial year	148798641	133043667
d. Imported raw material, spare parts and components consumed in %	13.45%	17.05%
e. Indigenous raw material, spare parts and components consumed in %	86.55%	82.95%



**Notes to the Financial Statements**  
for the year ended 31 March, 2020

**38. Segment Reporting**

In accordance with para 4 of Ind AS 108 - Operating Segments, since the company operates in one segment of activity viz. Modular Furniture therefore no separate segment reported.

**39. Contingent Liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Performance Bank Guarantees given to third parties for contractual obligations	18986162	17732243

**40. Related Party Disclosures**

a) Related Parties and their relationship
<b>I. Holding Company</b>
* Dhabriya Polywood Limited
<b>II. Key Management Personnels</b>
* Mr. Digvijay Dhabriya, Director
* Mr. Hitesh Agarwal, Director
<b>III. Enterprises over which Key Managerial Personnels are able to exercise significant influence / control :</b>
* Polywood India Limited
* Polywood Green Building Systems Pvt. Ltd.
* Polywood Profiles Pvt. Ltd.

b) Transactions with related parties for the year ended 31 March, 2020

Nature of Transactions	Holding Company		Enterprises over which KMP exercise significant influence / control		Key Management Personnel and their relatives	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Remuneration to Key Management Personnels	0	0	0	0	6000000	4575000
Interest Payment	0	0	30000	34048	0	0
Interest Received	138356	0	0	0	0	0
Sales of Goods	30602778	15711315	3500	472845	0	0
Purchase of Goods	32112941	7480277	233920	0	0	0
Other Expenses	32859					
Purchase of Property, plant and equipment	128399	74614	0	0	0	0
<b>Balance as at 31st March</b>						
Long Term Borrowing			200000	200000	850000	0
Provisions - Current			0	0	448400	298600
Non Current Financial Assets - Loan	11624520		0			
Trade Receivables	15349961	10326312	0	0	0	0

**41. 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, 2020 and March 31, 2019.

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.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Long term borrowings	50074145	33786387
Current maturities of long term debt	7698921	7646679
Short term borrowings	27012794	19097776
Less : Cash and cash equivalents	(5555390)	(6659089)
Less : Bank Balances other than Cash and cash equivalents	0	0
<b>Net Debt</b>	<b>78230471</b>	<b>53871753</b>
<b>Total Equity</b>	<b>47207588</b>	<b>40090860</b>
<b>Gearing Ratio</b>	<b>1.68</b>	<b>1.34</b>



**Notes to the Financial Statements**  
for the year ended 31 March, 2020

**b. Categories of financial instruments**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>Measured at amortised cost</b>				
Loans	15557581	15557581	3524170	3524170
Other Financial Assets	417078	417078	808421	808421
Trade Receivables	52529002	52529002	24173713	24173713
Cash and Cash equivalents	5555390	5555390	6659089	6659089
Non current Investment	3000	3000	3000	3000
<b>Total Financial Assets at amortised cost (A)</b>	<b>74062051</b>	<b>74062051</b>	<b>35168393</b>	<b>35168393</b>
<b>Measured at Fair Value through other comprehensive income (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Measured at fair value through profit and loss (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financial Assets (A+B+C)</b>	<b>74062051</b>	<b>74062051</b>	<b>35168393</b>	<b>35168393</b>
<b>Financial Liabilities</b>				
<b>Measured at amortised cost</b>				
Long Term Borrowings	50074145	50074145	33786387	33786387
Current Maturities of Long Term Borrowings	7698921	7698921	7646679	7646679
Short Term Borrowings	27012794	27012794	19097776	19097776
Trade Payables	15214259	15214259	22898403	22898403
Other Financial Liabilities	7582865	7582865	3015117	3015117
<b>Total Financial Liabilities carried at amortised cost</b>	<b>107582985</b>	<b>107582985</b>	<b>86444361</b>	<b>86444361</b>

**c. 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 exchanges 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/EURO 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 :

Particulars	Less Than 1 year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2020</b>				
Borrowings	27012794	38168367	11905778	77086939
Trade and Other payables	15214259	0	0	15214259
Other Financial Liabilities	15281786	0	0	15281786
<b>Total</b>	<b>57508840</b>	<b>38168367</b>	<b>11905778</b>	<b>107582985</b>
<b>As at March 31, 2019</b>				
Borrowings	19097776	30446387	3340000	52884162
Trade and Other payables	22898403	0	0	22898403
Other Financial Liabilities	10661796	0	0	10661796
<b>Total</b>	<b>52657975</b>	<b>30446387</b>	<b>3340000</b>	<b>86444361</b>



**Notes to the Financial Statements**  
for the year ended 31 March, 2020

**42. 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, 2020	As at 31 March, 2019
Principal amount due to suppliers as at the end of the year	462812	1015657
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 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	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>462812</b>	<b>1015657</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.

**43. Other Notes**

(a) In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nationwide lockdown from 24th March 2020, which has impacted normal business operations of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories and trade receivables etc. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company has resumed its business activities by reopening of manufacturing unit and supplies to customers, in line with the guidelines issued by the Government authorities, taken steps to strengthen its liquidity position and initiated cost restructuring exercise. However the Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is yet closely monitoring the situation as it evolves in the future.

(b) Company does not have any long-term contract including derivative contract for which there are any material foreseeable losses.

(c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund.

(d) Previous year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary.

**44. Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 28th July, 2020.

As per our Report of even date  
For NARENDRA SHARMA & CO.

Chartered Accountants

Regn. No. 004983C

(CA YOGESH GAUTAM)

Partner -

M. No. 072676

Place : Jaipur

Date : 28th July, 2020

For DYNASTY MODULAR FURNITURES PVT. LTD.

(DIGVIJAY DHABRIYA)

Director

Din No. 00519946

(HITESH AGRAWAL)

Director

Din No. 00519922