Narendra Sharma & Company
CHARTERED ACCOUNTANTS

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 31st March, 2021, 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, 2021, 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, 2021. 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).

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

- 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.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

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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, 2021 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.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid 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 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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, 2021 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts, hence, the question of any material foreseeable losses does not arise;

iii. 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)

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

(YOGESH GAUTAM)
Partner
Membership No. 072676
UDIN : 21072676AAAABM6269

Place : Jaipur
Date : 28th June 2021

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 31st March 2021, 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, 2021 for a period of more than six months from the date they became payable.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

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)

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

Gautam

(YOGESH GAUTAM)
Partner
Membership No. 072676
UDIN : 21072676AAAABM6269

Place : Jaipur
Date : 28th June 2021

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, 2021 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.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

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, 2021, 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)

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

(YOGESH GAUTAM)
Partner
Membership No. 072676
UDIN : 21072676AAAABM6269

Place : Jaipur
Date : 28th June 2021

DYNASTY MODULAR FURNITURES PVT. LTD.

BALANCE SHEET

As at 31st March, 2021

	Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
A.	**ASSETS**			
1.	**Non-current Assets**			
	(a) Property, Plant and Equipment	4	61443949	37985088
	(b) Capital work-in-progress		2807600	0
	(c) Other Intangible assets		0	0
	(d) Financial Assets			
	(i) Investments	5	3000	3000
	(ii) Loans	6	13407300	12206820
	(iii) Others		0	0
	(e) other non-current assets		0	0
	Total-Non-current assets		**77661849**	**50194908**
2.	**Current assets**			
	(a) Inventories	7	43788429	48756456
	(b) Financial Assets			
	(i) Trade receivables	8	31915497	52529002
	(ii) Cash and cash equivalents	9	5906405	5555390
	(iii) Bank balances other than (ii) above		0	0
	(iv) Loans	10	1578715	3350761
	(v) Others	11	852920	417078
	(c) Other current assets	12	5103907	5414916
	Total Current assets		**89145873**	**116023603**
	Total Assets		**166807722**	**166218511**
B.	**EQUITY AND LIABILITIES**			
1.	**Equity**			
	(a) Equity Share capital	13	7561000	7561000
	(b) Other Equity	14	43810759	39646588
	Total Equity		**51371759**	**47207588**
	LIABILITIES			
2.	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	53370995	50074145
	(ii) Other financial liabilities	16	59012	104882
	(b) Provisions	17	2958005	2884443
	(c) Deferred tax liablities (net)	18	972892	489958
	(d) Other non-current liabilities		0	0
	Total Non current liabilities		**57360904**	**53553428**
3.	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	26048489	27012794
	(ii) Trade Payables	20		
	- Dues to Micro and Small Enterprises		531701	462812
	- Dues to Creditors other than Micro and Small		9103675	14751447
	(iii) Other financial liabilities	21	15406658	15176904
	(b) Other current liabilities	22	2937610	2227538
	(c) Provisions	23	4571320	4906174
	(d) Current tax liabilities (Net)	24	(524394)	919826
	Total Current liabilities		**58075059**	**65457496**
	Total Equity and Liabilities		**166807722**	**166218511**
	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
UDIN : 21072676AAAABM6269

For DYNASTY MODULAR FURNITURES PVT. LTD.

(DIGVIJAY DHABRIYA)
Director
Din No. 00519946

(HITESH AGRAWAL)
Director
Din No.00519922

Place : Jaipur
Date : 28th June, 2021

DYNASTY MODULAR FURNITURES PVT. LTD.

STATEMENT OF PROFIT AND LOSS

For the year ended on 31st March, 2021

Sl. No.	Particulars	Note	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	Revenue			
I	Revenue from Operations	25	189704045	234483347
II	Other income	26	2021140	1035829
III	**Total Income (I + II)**		**191725185**	**235519176**
IV	**Expenses**			
	(a) Cost of materials consumed	27	107839734	146021513
	(b) Purchase of Stock in Trade	28	1019156	2597774
	(c) Changes in inventories of finished goods and stock-in-trade	29	227881	8086723
	(d) Employee benefits expense	30	37711123	37152364
	(e) Finance costs	31	10556712	9095148
	(f) Depreciation and amortisation expense	32	5837779	4827544
	(g) Other expenses	33	22902955	17206724
	Total Expenses (IV)		**186095341**	**224987790**
V	**Profit before Taxes (III - IV)**		**5629844**	**10531386**
VI	**Tax expenses / (credit)**	24		
	(a) Current tax expense for current year		1040000	2430000
	(b) Deferred tax		423981	314650
	(c) Previous year tax		169479	142421
	Total Tax		1633460	2887071
VII	**Profit for the period (V - VI)**		**3996384**	**7644315**
VIII	**Other Comprehensive Income (OCI)**			
	Item that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit liabilities		226739	(712955)
	- Income tax relating to items that will not be reclassified to profit or loss		(58952)	185368
	Other Comprehensive Income for the period After Tax		167787	(527587)
IX	**Total Comprehensive Income for the period After Tax (VII + VIII)**		**4164171**	**7116728**
X	**Earnings per share (of Rs.10/- each):**	34		
	Basic & Diluted		5.29	10.11
	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

Gautam

(CA YOGESH GAUTAM)
Partner
M. No. 072676
UDIN : 21072676AAAABM6269

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

Dynasty Modular Furnitures Pvt. Ltd. JAIPUR

For DYNASTY MODULAR FURNITURES PVT. LTD.

(DIGVIJAY DHABRIYA)
Director
Din No. 00519946

(HITESH AGRAWAL)
Director
Din No.00519922

Place : Jaipur
Date : 28th June, 2021

DYNASTY MODULAR FURNITURES PVT. LTD.

STATEMENT OF CHANGES IN EQUITY

For the year ended on 31st March, 2021

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2019	**7561000**
Changes in equity share capital during the year	0
Balance as at 31st March, 2020	**7561000**
Changes in equity share capital during the year	0
Balance as at 31st March, 2021	**7561000**

B. Other Equity

Particulars	Other Equity		Amount
	Reserve and Surplus		
	General Reserve	Retained Earrning Account	
Balance as at April 1, 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)
Total Comprehensive Income for the year	**0**	**7116728**	**7116728**
3. Gratuity Expenses Provision	0		0
4. Deferred Tax on Gratuity not provided for earlier	0		0
5. Transfer to / (from) Retained earnings	7116728	(7116728)	0
Balance as at 31st March, 2020	**39646588**	**0**	**39646588**
1. Profit for the year	0	3996384	3996384
2. Other comprehensive income for the year, net of income tax	0	167787	167787
Total Comprehensive Income for the year	**0**	**4164171**	**4164171**
3. Transfer to / (from) Retained Earnings	4164171	(4164171)	0
Balance as at 31st March, 2021	**43810759**	**0**	**43810759**

As per our report of even date

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

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

(CA YOGESH GAUTAM)
Partner
M. No. 072676
UDIN : 21072676AAAABM6269

Dynasty Modular Furnitures Pvt. Ltd. JAIPUR

For DYNASTY MODULAR FURNITURES PVT. LTD.

(DIGVIJAY DHABRIYA)
Director
Din No. 00519946

(HITESH AGRAWAL)
Director
Din No.00519922

Place : Jaipur
Date : 28th June, 2021

DYNASTY MODULAR FURNITURES PVT. LTD.

CASH FLOW STATEMENT

For the year ended on 31st March, 2021

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
A. *CASH FLOW FROM OPERATING ACTIVITIES*				
Net Profit before tax as per Profit & Loss Statement		5629844		10531386
Adjusted for :				
Depreciation and amortization expenses	5837779		4827544	
Finance Costs	10556712		9095148	
Interest Income	(2021140)		(584281)	
		14373351		13338411
Operating profit before working capital changes		20003196		23869797
Adjustement for :				
(Increase) / Decrease in Trade Receivables	20613505		(28355289)	
(Increase) / Decrease in Inventories	4968027		18021819	
(Increase) / Decrease in Other Assets	446734		(12954821)	
(Decrease) / Increase in Trade Payables	(5578883)		(7684144)	
(Decrease) / Increase in Provisions	(261292)		1568033	
(Decrease) / Increase in Other Liabilities	(5029352)		132544	
		15158739		(29271858)
Cash generated from / (used in) operations		35161934		(5402061)
Direct Taxes paid		(1733873)		(1652595)
Net cash generated from/(used in) operating activities - (A)		33428061		(7054656)
B. *CASH FLOW FROM INVESTING ACTIVITIES*				
Payment for Property, plant and equipment and Capital work in progress and Investment properties	(32104241)		(9793196)	
Interest income	2021140		584281	
Net cash generated from/(used in) Investing Activities - (B)		(30083101)		(9208915)
C. *CASH FLOW FROM FINANCING ACTIVITIES*				
Proceeds from Non-Current borrowings	21500000		37517276	
Repayment of Non-Current borrowings	(12972928)		(21177275)	
Proceeds from Issue of share Capital	0		0	
Net Increase/(decrease) in Current borrowings	(964305)		7915018	
Interest paid	(10556712)		(9095148)	
Net cash generated from/(used in) financing activities - (C)		(2993945)		15159872
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)		351015		(1103699)
Cash and cash equivalents at the beginning of the year		5555390		6659089
Cash and cash equivalents at the end of the year		**5906405**		**5555390**
1. *Cash and cash equivalents at the end of year comprises :*				
Cash on hand		169716		52871
Balances with banks				
(i) In current accounts		121472		51375
(ii) In fixed deposit accounts		5615217		5451144
Total		**5906405**		**5555390**

In terms of our report attached

For NARENDRA SHARMA & CO.

Chartered Accountants

Firm Regn. No: 004983C

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

(CA YOGESH GAUTAM)

Partner

M. No. 072676

UDIN : 21072676AAAABM6269

Place : Jaipur

Date : 28th June, 2021

For DYNASTY MODULAR FURNITURES PVT LTD

Dynasty Modular Furnitures Pvt. Ltd. JAIPUR

(DIGVIJAY DHABRIYA)

Director

Din No. 00519946

(HITESH AGRAWAL)

Director

Din No. 00519922

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.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

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) isincreased 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.

NARENDRA SHARMA & CO. CHARTERED ACCOUNTANTS JAIPUR

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-refundablepurchase 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 materialsand 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.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

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 sheetwhether 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 recognizedwhen 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 recognizedat fair value and subsequently, these liabilities are held at amortizedcost, 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 recognizedin 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 aprovision 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.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

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 it's 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.

NARENDRA SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

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

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

As at 31 March, 2021 and 31 March, 2020

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	Balance as at 01 April, 2020	Additions / Adjustments	Disposals / discard of assets	As at 31 March, 2021	Balance as at 01 April, 2020	Depreciation for the year	Eliminated on Disposals / discard of assets	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Leasehold Land	9717458			9717458	0			0	9717458	9717458
Building	6449795	16105000		22554795	2009513	485897		2495410	20059385	4440282
Plant & Equipment	32578321	10634144		43212465	11083408	4238222		15321630	27890835	21494914
Misc. Fixed Assets	2014229	737744		2751973	751207	249978		1001185	1750788	1263022
Computers	1511655	1669124		3180779	1072068	724530		1796598	1384181	439587
Dies & Moulds	72701			72701	41114	3466		44580	28121	31587
Furniture & Fixtures	748990	150629		899619	209540	135654		345194	554424	539450
Office Equipments	27497			27497	9588	32		9620	17877	17909
Vehicles	101898			101898	61019	0		61019	40879	40879
TOTAL	**53222545**	**29296641**	**0**	**82519186**	**15237457**	**5837779**	**0**	**21075237**	**61443949**	**37985088**
Capital Work-in-progress	**0**	**2807600**	**0**	**2807600**					**2807600**	**0**

(i) Property, plant and equipment have been pledged as security against certain borrowings of the Company as at 31 March, 2021. Refer note 15 & 19.

5. Investments - Non-Current

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Units	Amount	No. of Units	Amount
A. Investment in Equity Instruments	0	0	0	0
B. Other Equity Instruments (Unquoted, fully paid-up shares, valued at cost)	0	0	0	0
C. Investment in Government Securities (Unquoted, valued at amortised cost)				
- National Saving Certificates	-	3000	-	3000
Total		3000		3000

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Security Deposits	407300	382300
Loans to Body Corporates	13000000	11824520
Total	13407300	12206820

7. Inventories

Particulars	As at 31 March, 2021	As at 31 March, 2020
At Lower of cost or net realization value :		
Raw Materials	36334406	42358951
Packing Materials	203389	251768
Work-in-Progress	2959720	1626942
Finished Goods - Manufactured	1397961	1404956
Finished Goods - Traded	1642251	1888812
Consumables Items, Stores and Spare Parts	1250702	1225026
Total	43788429	48756456

8. Trade Receivables

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good :		
Trade Receivables	31915497	52529002
Total	31915497	52529002

* 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, 2021	As at 31 March, 2020
Cash and Cash Equivalents :		
(a) Cash on hand	169716	52871
(b) Balances with banks		
(i) In current accounts	121472	51375
(ii) In fixed deposit accounts	5615217	5451144
Total	5906405	5555390

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Security & Other Deposits	1578715	3350761
Total	1578715	3350761

11. Other Current Financial Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balance With Government Authorities	184298	176436
Other Advances recoverable in cash	668622	240642
Total	852920	417078

12. Other Current Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
Advances to Suppliers	4004391	4349655
Prepaid & Deferred Revenue Expenses	639568	709262
Other Advances recoverable for value to be received	459948	355999
Total	5103907	5414916

JAIPUR

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

13. Equity Share Capital

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	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, 2021		As at 31 March, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
M/s Dhabriya 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%

(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.

(h) There is no share reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

14. Other Equity

Particulars	As at 31 March, 2021	As at 31 March, 2020
(A) General Reserves		
Balance at the Beginning of the Year	39646588	32529860
Less : Gratuity Expenses Provision	0	0
Add : Deferred Tax on Gratuity not provided for earlier	0	0
Add: Transfer from Retained Earnings	4164171	7116728
Closing balance	43810759	39646588
(B) Retained Earning Account		
Balance at the Beginning of the Year	0	0
Add: Profit for the year	3996384	7644315
Add: Other Comprehensive Income for the year, net of income tax	167787	(527587)
	4164171	7116728
Less : Transfer to General Reserve	(4164171)	(7116728)
Closing balance	0	0
Total	43810759	39646588

15. Borrowings - Non-Current

Particulars	As at 31 March, 2021	As at 31 March, 2020
SECURED - At Amortised Cost		
Term Loan from Banks / Financial Institutions*	65723697	48776441
Less : Current maturities of term loans	(12929143)	(7698921)
	52794554	41077520
UNSECURED - At Amortised Cost		
From Corporates	150000	3150000
From Banks & Others	426441	5846626
	576441	8996626
Total	53370995	50074146

* 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 :

(i) HDFC Bank Term Loan (Loan Against Property) of Rs. 100.00 Lakhs taken during the year 2019-20 is repayble in 126 monthly instalments commencing from February 2020 and last instalment due in July 2030.

(ii) SIDBI Term Loan of Rs. 250.00 Lakhs taken during the year 2015-16 is repayble in 90 monthly instalments commencing from August 2016 and last instalment due in January 2024.

(iii) SIDBI Term Loan of Rs. 100.00 Lakhs taken during the year 2018-19 is repayble in 90 monthly instalments commencing from April 2019 and last instalment due in September 2026.

(iv) SIDBI Term Loan of Rs. 115.00 Lakhs taken during the year 2019-20 is repayble in 90 monthly instalments commencing from March 2020 and last instalment due in August 2027.

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(v) HDFC Bank Machine Term Loan of Rs. 64.79 Lakhs taken during the year 2018-19 is repayble in 60 monthly instalments commencing from August 2019 and last instalment due in July 2024.

(vi) HDFC Bank Machine Term Loan of Rs. 65 Lakhs taken during the year 2020-21 is repayble in 60 monthly instalments commencing from August 2020 and last instalment due in July 2025.

(vii) GECL-TLs of Rs. 85 Lakhs and 65 Lakhs taken from HDFC Bank and SIDBI respectively during the year are repayble in 36 monthly instalments after availing 12 month moratorium as per the ECLGS of Central Government.

16. Other Financial Liabilites - Non-Current

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade/ security depsoits received	59012	104882
Total	59012	104882

17. Provisions - Non-Current

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for Employee Benefits :		
Gratuity Provision	2958005	2884443
Total	2958005	2884443

18. Deferred Tax Liablities (net)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Tax effect of items constituting deferred tax liability :		
Property, Plant & Equipments	1807214	1303928
	1807214	1303928
Tax effect of items constituting deferred tax assets :		
Provision for gratuity	834322	813970
	834322	813970
Net Deferred Tax Liability	972892	489958

19. Borrowings - Current

Particulars	As at 31 March, 2021	As at 31 March, 2020
SECURED - At Amortised Cost		
Working Capital Loans From Banks*		
Cash Credit Facility	26048489	27012794
Total	26048489	27012794

* Cash Credit Limits 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, 2021	As at 31 March, 2020
Trade payables		
Total Outstanding dues of Micro and Small enterprises	531701	462812
Others	9103675	14751447
Total	9635376	15214259

21. Other Financial Liabilites - Current

Particulars	As at 31 March, 2021	As at 31 March, 2020
Current maturities of Term Loans*	12929143	7698921
Statutory Remittances	508244	6070494
Other Payables	1969271	1407489
Total	15406658	15176904

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

22. Other Current Liabilites

Particulars	As at 31 March, 2021	As at 31 March, 2020
Credit Balances of Receivables	2937610	2227538
Total	2937610	2227538

23. Provisions - Current

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for Expenses	4320396	4659965
Provision for Employee Benefints - Gratuity	250924	246209
Total	4571320	4906174

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

24. Income Taxes

a) Income Tax Expenses

Particulars	As at 31 March, 2021	As at 31 March, 2020
Current Tax :		
- Current Tax	1040000	2430000
- Tax pertaining to earlier years	169479	142421
Deferred Tax	423981	314650
Total	1633460	2887071

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, 2021	For the year ended 31 March, 2020
Profit before tax	5629844	10531386
Enacted tax rate in India including surcharge / cess, if any	26.000%	26.000%
Expected income tax expenses at statutory tax rate	1463759	2738160
Tax Impact on account of		
Depreciation under income tax act	(503286)	(371666)
Expenses allowed only on payment basis	79304	57631
Others	222	5875
Tax expenses pertaining to current year	1040000	2430000
Effective Income Tax Rate	18.473%	23.074%

b) Current Tax Liability (Net)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for Income Tax	1040000	2430000
Less : Advance Tax and TDS	1564394	1510174
Net Provision for Income Tax	(524394)	919826
Total	(524394)	919826

25. Revenue From Operations

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Sale of Products (A)		
Sale of Products	188768116	234151723
	188768116	234151723
Sale of Services (B)		
Installation and Fixing Income	935929	331624
Total(A+B)	189704045	234483347

26. Other Income

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest Income	2021140	584281
Foreign Exchange Gains (Net)	0	445581
Interest on Income Tax Refund	0	5967
Total	2021140	1035829

27. Cost of Material Consumed

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2020
Inventory of Materials and Stock-in-Process at the beginning of the year	44237662	54172757
Add: Purchases of Materials during the year	103099588	136086417
	147337250	190259175
Less: Inventory of the Materials and Stock-in-Process at the end of the year	39497515	44237662
Total	107839734	146021513

28. Purchase of Stock in Trade

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Purchase of Trading Goods	1019156	2597774
Total	1019156	2597774

NARENDRA SHARMA & CO. KANPUR CHARTERED ACCOUNTANTS

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

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

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Inventories at the end of the year:		
Finished Goods - Manufactured	1397961	1404956
Finished Goods - Trading	1642251	1888812
Stores & spare Parts	1250702	1225026
TOTAL	4290914	4518794
Inventories at the beginning of the year:		
Finished Goods - Manufactured	1404956	7877831
Finished Goods - Trading	1888812	2376186
Stores & spare Parts	1225026	2351500
TOTAL	4518794	12605518
Net (increase) / decrease	227881	8086723

30. Employees Benefit Expense

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Salary, Wages and Bonus etc to Employees	29437498	29884766
Contributions to Provident Fund	722954	533994
Remuneration to Directors	6600000	6000000
Gratuity	774631	662660
Staff Welfare Expenses	176040	70944
Total	37711123	37152364

31. Finance Cost

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest expense	9216293	8028687
Bank Charges & other financial charges	1340419	1066460
Total	10556712	9095147

32. Depreciation and Amortization Expense

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation on Property, Plant and Equipment	5837779	4827544.278
Total	5837779	4827544

33. Other Expenses

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Manufacturing Expenses		
Power & Fuel	2758617	2879833
Repair & Maintanance of Plant & Machinery	1823112	2777128
Electric Repair and Maintinance	411644	62889
Carriage inward	509086	953322
Factory Expenses	818023	679512
Water Charges	141697	120553
Installation & site work charges	9761951	2131192
Expenses for Import of Raw Material	99227	674347
	16323357	10278776
Office & Administrative Expenses		
Auditor Fees	25000	25000
Insurance expenses	326913	245995
Internet & Website Expenses	35765	17200
Legal & Professional expenses	75450	173250
Postage & Telegram Expenses	127930	172998
Printing & Stationary	80667	142320
Registration and filling fee	96195	63427
Rent Rate and Tax	1028830	879136
Computer Repair & Maintenance	137491	34667
Building Repair & Maintenance	373830	78802
Subscription & Membership Fee	30000	30000
Telephone & Postage expenses	75730	81187
Conveyance & Site Expenses	857269	1470088
Vehicle Running & Maintenance	170779	148149
	3441849	3562220
Selling & Distribution Expenses		
Advertisement & Sales Promotion Expenses	614465	327936
Travelling Expenses	555319	606630
Carriage Outward	2056074	1191865
Tender Expenses	0	18500
Exhibition Expenses	0	1028000
Discount Allowed	(88110)	(43972)
Commission on Sales	0	236768
	3137749	3365728
Total	22902955	17206724

NARENDRA SHARMA & CO.
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34. Earning Per Share

Particulars	2020-21	2019-20
(a) Net Profit after Tax as per Statement of Profit & Loss	3996384	7644315
(b) Net Profit available to Equity Shareholders	3996384	7644315
(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)	5.29	10.11
(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, 2021	For the year ended 31 March, 2020
Employer's contribution to provident fund (includes pension fund)	722954	533994
Employer's contribution to Employees State Insurance	282493	347806

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	2020-21	2019-20
1. Amounts Recognized in Statement of Profit and Loss		
a. Current Service Cost	555485	508937
b. Interest on Defined Benefit Obligation	219146	153723
c. Past Service Cost	0	0
Total amount included in "Employee Benefit Expense" (Note 30)	774631	662660
2. Amounts Recognized in other comprehensive income (OCI)		
a. Net cumulative unrecognized actuarial Losses/ (Gains) opening	0	0
b. Net Actuaral Losses/ (Gains) Recognized in Year	(226739)	712955
Unrecognized actuarial Losses/ (Gains) for the year	(226739)	712955
3. Amount Recognized in Balance Sheet		
a. Present Value of Unfunded Obligations	3208929	3130652
Net Liability	3208929	3130652
b. Net Liability is bifurcated as follows:		
Current	250924	246209
Non Current	2958005	2884443
Net Liability	3208929	3130652
4. Reconciliation of present value of defined benefit obligations		
a. Present value of obligation as at the beginning of the period	3130652	2196038
b. Current Service Cost	555485	508937
c. Interest Cost	219146	153723
d. Actuarial Losses/ (Gain)	(226739)	712955
e. Past Service Cost - recognized th. Reserve	0	0
f. Benefits Paid	(469615)	(441001)
g. Present value of obligation as at the end of the period	3208929	3130652
5. Actuarial Assumptions of the defined benefit obligations		
a. Discount Rate (p.a.)	7.00%	7.00%
b .Salary Escalation Rate (p.a.)	6.00%	6.00%

36. CIF Value of Imports

Particulars	2020-21	2019-20
a. Raw Materials	9297715	20126354
Total	**9297715**	**20126354**

37. Imported and Indigenous Material Consumed

Particulars	2020-21	2019-20
a. Total value of imported raw materials, spare pares and components consumed during the financial year	13730485	20009181
b. Total value of all indigenous raw materials, spare parts and components similarly consumed	95932362	128789461
c. Total value of imported and indigenous raw material, spare parts and components consumed during the financial year	109662846	148798641
d. Imported raw material, spare parts and components consumed in %	12.52%	13.45%
e. Indigenous raw material, spare parts and components consumed in %	87.48%	86.55%

SHARMA & CO. JAIPUR CHARTERED ACCOUNTANTS

Notes to the Financial Statements

for the year ended 31 March, 2021

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, 2021	As at 31 March, 2020
a) Perfonance Bank Guarantees given to third parties for contractual obligations	25721908	18986162

40. Related Party Disclosures

a) Related Parties and their relationship

I. Holding Company

* Dhabriya Polywood Limited

II. Key Management Personnels

* Mr. Digvijay Dhabriya, Director
* Mr. Hitesh Agarwal, Director

III. Enterprises over which Key Managerial Personnels are able to exercise significant influence / control :

* Polywood India Limited
* Polywood Green Building Systems Pvt. Ltd.
* Polywood Profiles Pvt. Ltd.

b) Transactions with related parties for the year ended 31 March, 2021

Nature of Transactions	Holding Company		Enterprises over which KMP exercise significate influence / control		Key Management Personnel and their relatives	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Remuneration to Key Management Personnels	0	0	0	0	6600000	6000000
Salary to employees	0	0	0	0	1050000	0
Interest Payment	0	0	30000	30000	0	0
Interest Received	1867455	138356	0	0	0	0
Sales of Goods	21254797	30602778	0	3500	0	0
Purchase of Goods	29365503	32112941	0	233920	0	0
Other Expenses	30916	32959	0	0	0	0
Purchase of Property, plant and equipment	150628	129399	0	0	14800000	0
Balance as at 31st March						
Long Term Borrowing	0	0	150000	200000	0	850000
Provisions - Current	0	0	0	0	512800	448400
Non Current Financial Assets - Loan	13000000	11824520	0	0	0	0
Trade Receivables	0	15349961	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, 2021 and March 31, 2020.

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 equivelents, bank balances other than cash and cash equivalents.

Particulars	As at 31 March, 2021	As at 31 March, 2020
Long term borrowings	53370995	50074145
Current maturiteis of long term debt	12929143	7698921
Short term borrowings	26048489	27012794
Less : Cash and cash equivalents	(5906405)	(5555390)
Less : Bank Balances other than Cash and cash equivalents	0	0
Net Debt	**86442222**	**79230471**
Total Equity	**51371759**	**47207588**
Gearing Ratio	**1.68**	**1.68**

Notes to the Financial Statements

for the year ended 31 March, 2021

b. Categories of financial instruments

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at amortised cost				
Loans	14986015	14986015	15557581	15557581
Other Financial Assets	852920	852920	417078	417078
Trade Receivables	31915497	31915497	52529002	52529002
Cash and Cash equivalents	5906405	5906405	5555390	5555390
Non current Investment	3000	3000	3000	3000
Total Financial Assets at amortised cost (A)	53663837	53663837	74062051	74062051
Measured at Fair Value through other comprehensive income (B)	0	0	0	0
Measured at fair value through profit and loss (C)	0	0	0	0
Total Financial Assets (A+B+C)	53663837	53663837	74062051	74062051
Financial Liabilities				
Measured at amortised cost				
Long Term Borrowings	53370995	53370995	50074145	50074145
Current Maturities of Long Term Borrowings	12929143	12929143	7698921	7698921
Short Term Borrowings	26048489	26048489	27012794	27012794
Trade Payables	9635376	9635376	15214259	15214259
Other Financial Liabilities	2536527	2536527	7582865	7582865
Total Financial Liabilities carried at amortised cost	104520530	104520530	107582985	107582985

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
As at March 31, 2021				
Borrowings	26048489	43953410	9417585	79419484
Trade and Other payables	9635376	0	0	9635376
Other Financial Liabilities	15465670	0	0	15465670
Total	51149535	43953410	9417585	104520530
As at March 31, 2020				
Borrowings	27012794	38168367	11905778	77086939
Trade and Other payables	15214259	0	0	15214259
Other Financial Liabilities	15281786	0	0	15281786
Total	57508840	38168367	11905778	107582985

SHARMA & CO. KANPUR CHARTERED ACCOUNTANTS

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, 2021	As at 31 March, 2020
Principal amount due to suppliers as at the end of the year	531701	462812
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 accured 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
Total	531701	462812
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) Company does not have any long-term contract including derivative contract for which there are any material forseable losses.

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

(c) Previous year figures have been reworked, regrouped, rearragned and reclassified, wherever necessary.

44. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 28th June, 2021.

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

JAIPUR

(CA YOGESH GAUTAM)
Partner
M. No. 072676
UDIN : 21072676AAAABM6269

For DYNASTY MODULAR FURNITURES PVT. LTD.

JAIPUR

(DIGVIJAY DHABRIYA)
Director
Din No. 00519946

(HITESH AGRAWAL)
Director
Din No.00519922

Place : Jaipur
Date : 28th June, 2021