



INDEPENDENT AUDITOR'S REPORT

To the Members of **Polywood Green Building Systems Pvt. Ltd.**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **POLYWOOD GREEN BUILDING SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, 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 ("the financial statements") give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2022. 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.

Key Audit Matter	How the matter was addressed in our audit
A. Revenue Recognition <ul style="list-style-type: none">The Company's revenue is principally derived from sale of products and/or execution of works related to uPVC Windows, Extruded PVC Profiles and other similar items. Revenue from sale of goods is recognized when 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.	Our audit procedure: <ul style="list-style-type: none">We assessed the appropriateness of the revenue recognition accounting policies by comparing them with applicable Indian Accounting Standards (Ind AS).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.





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• Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected.

Hence, 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.

• 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.

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.

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, 2022 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, 2020 ("the Order") issued by the Central Government of India 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.
 - (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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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, 2022 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;





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- iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a). The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b). The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c). Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

(YOGESH GAUTAM)
Partner

Membership No. 072676
UDIN : 22072676AJUQIV2359



Place : Jaipur
Date : 28th May 2022



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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of **POLYWOOD GREEN BUILDING SYSTEMS PRIVATE LIMITED** on the Financial Statements for the year ended on 31st March 2022, we report that:

- (i) In respect of its Property, plant and equipment :
- The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, plant and equipment) on the basis of available information.
 - As explained to us, 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.
 - 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.
 - According to the information and explanation given to us and on the basis of our examination of the records, the Company has not revalued its Property, Plant and Equipment during the year. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable.
 - According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceedings initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- The management has conducted physical verification of inventory in phased manner at reasonable intervals to cover all the items during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
 - According to the information and explanations given to us, during the year Company has not taken/availed working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets, therefore reporting regarding filing of quarterly returns or statements by the company with the bank is not applicable.
- (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.
- 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.
 - The terms of arrangement do not stipulate any repayment schedule. The borrower has been regular in the payment of interest as stipulated.
 - 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 Act 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.





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- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie, the required accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) In our opinion and according to information and explanations given to us and based on the audit procedures performed by us in respect of statutory dues:
- 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 with the appropriate authorities.
 - 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 arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) a. 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.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or other lender.
- c. In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
- f. According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) a. The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of material fraud by the Company or on the Company has been noticed or reported during the year.
- b. No report under section 143(12) of the Companies Act, 2013 has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.





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- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management and based on our examination, the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable. The Company has disclosed the details of the related party transactions in the Notes to the Financial Statements, as required by the applicable Indian Accounting Standards.
- (xiv) a. The Company has an internal audit system manned by in-house internal audit department, which is commensurate with the size and nature of its business.
b. As per the internal audit plan approved by the Board of Directors of the Company, internal audit is performed in a year in annual/half yearly cycles covering the current financial year and previous periods. We have considered, the internal audit reports issued during the year under audit and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) Based on our examination of the books and records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, reporting under clause 3(xvii) of the Order is not applicable to the Company.
- (xviii) There has been no resignation of the Statutory Auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, Company is not covered under the criteria as specified under Section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 therefore there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For NARENDRA SHARMA & CO.

Chartered Accountants

(Firm Regn No. 004983C)

(YOGESH GAUTAM)

Partner

Membership No. 072676

UDIN : 22072676AJUQIV2359

Place : Jaipur

Date : 28th May 2022





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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **POLYWOOD GREEN BUILDING SYSTEMS PRIVATE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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





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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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NARENDRA SHARMA & CO.

Chartered Accountants

(Firm Regn No. 004983C)

(YOGESH GAUTAM)

Partner

Membership No. 072676

UDIN : 22072676AJUQIV2359



Place : Jaipur

Date : 28th May 2022

POLYWOOD GREEN BUILDING SYSTEMS PVT LTD

BALANCE SHEET
As at 31st March, 2022

Particulars		Note	As at 31 March, 2022	As at 31 March, 2021
A.	ASSETS			
1.	Non-current Assets			
	(a) Property, Plant and Equipment	4	1410235	195273
	(b) Capital work-in-progress		0	0
	(c) Other Intangible assets		0	0
	(d) Financial Assets			
	(i) Investments		0	0
	(ii) Loans	5	24500000	24500000
	(iii) Others		0	0
	(e) Deferred Tax Assets (Net)	6	373163	389507
	(f) Other non-current assets		0	0
	Total-Non-current assets		26283398	25084780
2.	Current assets			
	(a) Inventories	7	11198054	6243233
	(b) Financial Assets			
	(i) Trade receivables	8	37515048	47427229
	(ii) Cash and cash equivalents	9	1302808	2660164
	(iii) Bank balances other than (ii) above		0	0
	(iv) Loans	10	262525	262525
	(v) Others	11	853138	869125
	(c) Other current assets	12	1955357	1257666
	Total Current assets		53086930	58719943
	Total Assets		79370328	83804723
B.	EQUITY AND LIABILITIES			
1.	Equity			
	(a) Equity Share capital	13	500000	500000
	(b) Other Equity	14	37098683	36491810
	Total Equity		37598683	36991810
2.	LIABILITIES			
	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	33086550	34023475
	(ii) Other financial liabilities		0	0
	(b) Provisions	16	899232	912845
	(c) Other non-current liabilities		0	0
	Total Non current liabilities		33985782	34936320
3.	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		0	0
	(ii) Trade Payables	17		
	- Dues to Micro and Small Enterprises		0	0
	- Dues to Creditors other than Micro and Small Enterprises		71056	2306154
	(iii) Other financial liabilities	18	7215907	8430338
	(b) Other current liabilities	19	96003	2550
	(c) Provisions	20	579637	1170634
	(d) Current tax liabilities (Net)	21	(176739)	(33083)
	Total Current liabilities		7785863	11876593
	Total Equity and Liabilities		79370328	83804723

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date

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

(CA YOGESH GAUTAM)
Partner
M. No. 072676

Place : Jaipur
Date : 28th May, 2022



For and on behalf of the Board of Directors
POLYWOOD GREEN BUILDING SYSTEMS PVT LTD

(ANITA DHABRIYA)
Director
Din No.00359317

(SOURABH MATHUR)
Director
Din No.05252070



POLYWOOD GREEN BUILDING SYSTEMS PVT LTD

STATEMENT OF CHANGES IN EQUITY
For the year ended on 31st March, 2022

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2020	500000
Changes in equity share capital during the year	0
Balance as at 31st March, 2021	500000
Changes in equity share capital during the year	0
Balance as at 31st March, 2022	500000

B. Other Equity

Particulars	Other Equity Reserve and Surplus			Amount
	General Reserve	Share Premium Account	Retained Earning Account	
Balance as at April 1, 2020	35005613	0	0	35005613
1. Profit for the year	0	0	1462313	1462313
2. Other comprehensive income for the year, net of income tax	0	0	23884	23884
Total Comprehensive Income for the year	0	0	1486197	1486197
3. Transfer to / (from) Retained earnings	1486197	0	(1486197)	0
Balance as at 31st March, 2021	36491810	0	0	36491810
1. Profit for the year	0	0	548013	548013
2. Other comprehensive income for the year, net of income tax	0	0	58861	58861
Total Comprehensive Income for the year	0	0	606873	606873
3. Transfer to / (from) Retained earnings	606873	0	(606873)	0
Balance as at 31st March, 2022	37098683	0	0	37098683

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.
This is the Statement of Changes in Equity referred to in our report of even date.

For NARENDRA SHARMA & CO.
Chartered Accountants
Firm Regn. No. 001983C

(CA YOGESH GAUTAM)
Partner
M. No. 072676

Place : Jaipur
Date : 28th May, 2022



For and on behalf of the Board of Directors
POLYWOOD GREEN BUILDING SYSTEMS PVT LTD



(ANITA DHABRIYA)
Director
Din No. 00359317

(SOURABH MATHUR)
Director
Din No. 05252070

POLYWOOD GREEN BUILDING SYSTEMS PVT LTD

STATEMENT OF PROFIT AND LOSS
For the year ended on 31st March, 2022

Sl. No.	Particulars	Note	For the year ended 31 March, 2022	For the year ended 31 March, 2021
I	Revenue			
	Revenue from Operations	22	21412704	38539782
II	Other income	23	2322494	1919784
III	Total Income (I + II)		23735198	40459566
IV	Expenses			
	(a) Cost of materials consumed		0	0
	(b) Purchase of Goods	24	13602100	9738911
	(c) Changes in inventories of finished goods	25	(4954820)	6290275
	(d) Employee benefits expense	26	5277558	6859891
	(e) Finance costs	27	3476458	4609526
	(f) Depreciation and amortisation expense	28	315535	72435
	(g) Other expenses	29	5317467	10933810
	Total Expenses (IV)		23034299	38504849
V	Profit before Taxes (III - IV)		700899	1954717
VI	Tax expenses / (credit)	21		
	(a) Current tax expense for current year		180000	427000
	(b) Deferred tax		(3452)	65404
	(c) Previous year tax		(23661)	0
	Total Tax		152887	492404
VII	Profit for the period (V - VI)		548013	1462313
VIII	Other Comprehensive Income (OCI)			
	Item that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit liabilities		78657	31917
	- Income tax relating to items that will not be reclassified to profit or loss		(19796)	(8033)
	Other Comprehensive Income for the period After Tax		58861	23884
IX	Total Comprehensive Income for the period After Tax (VII + VIII)		606873	1486197
X	Earnings per share (of Rs.10/- each):	30		
	Basic & Diluted		10.96	29.25

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

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



(CA YOGESH GAUTAM)
Partner
M. No. 072676

Place : Jaipur
Date : 28th May, 2022

For and on behalf of the Board of Directors
POLYWOOD GREEN BUILDING SYSTEMS PVT LTD



(ANITA DHABRIYA)
Director
Din No.00359317

(SOURABH MATHUR)
Director
Din No.05252070

POLYWOOD GREEN BUILDING SYSTEMS PVT LTD

CASH FLOW STATEMENT
For the year ended on 31st March, 2022

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per Profit & Loss Statement		700899		1954717
Adjustment for :				
Depreciation and amortization expenses	315535		72435	
Finance Cost	3476458		4609526	
Interest Income	(2322494)		(1919784)	
Operating profit before working capital changes		1489499		2762177
Adjustment for :		2170398		4716894
(Increase) / Decrease in Trade Receivables	9912181		4333063	
(Increase) / Decrease in Inventories	(4954820)		6290275	
(Increase) / Decrease in Other Assets	(681703)		(3336955)	
(Decrease) / Increase in Trade Payables	(2235098)		(4012844)	
(Decrease) / Increase in Provisions	(604610)		(245297)	
(Decrease) / Increase in Other Liabilities	(1438571)		(1733166)	
Cash generated from / (used in) operations		(2622)		1295076
Direct Taxes paid		2167776		6011970
Net cash generated from/(used in) operating activities - (A)		(333078)		(460083)
		1834698		5551887
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Property, plant and equipment and Capital work in progress	(1530497)		0	
Purchase of long-term investments	0		0	
Sale of tangible fixed assets	0		0	
Sale of long term investments	0		0	
Interest Income	2322494		1919784	
Net cash (used in) Investing Activities - (B)		791997		1919784
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Non-Current borrowings	3900000		3900000	
Repayment of Non-Current borrowings	(4407592)		(6920618)	
Net Increase/(decrease) in Current borrowings	0		0	
Interest paid	(3476458)		(4609526)	
Net cash(used in) / from financing activities - (C)		(3984050)		(7630144)
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)		(1357356)		(158473)
Cash and cash equivalents at the beginning of the year		2660164		2818638
Cash and cash equivalents at the end of the year		1302808		2660164
1. Cash and cash equivalents at the end of year comprises :				
Cash on hand		22477		88534
Balances with banks				
(i) In current accounts		592304		1004546
(ii) In fixed deposit accounts		688027		1567084
Total		1302808		2660164

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7, 'Statement of Cash Flow'.

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements. This is the Cash Flow Statement referred to in our report of even date.

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

(CA YOGESH GAUTAM)
Partner
M. No. 072676

Place : Jaipur
Date : 28th May, 2022



For and on behalf of the Board of Directors
POLYWOOD GREEN BUILDING SYSTEMS PVT LTD

(ANITA DHABRIYA)
Director
Din No.00359317

(SOURABH MATHUR)
Director
Din No.05252070



Notes to the Financial Statements

for the year ended March 31, 2022

1. CORPORATE INFORMATION

Polywood Green Building Systems Pvt. Ltd. ('The Company') [CIN : U45201RJ2012PTC038574] is a Private Limited Company domiciled and incorporated in India in 2012. The Company is a wholly owned subsidiary of Dhabriya Polywood Limited since inception, whose equity shares are listed at the Bombay Stock Exchange (BSE). It is headquartered in Jaipur in Rajasthan and having its branch network spread in multiple states to cover all major markets for the activity of trading and wholesale business related the uPVC Windows, Extruded PVC Profiles and Modular Furniture Products.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPERATION AND PRESENTATION

(i) Compliance with Ind AS

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 and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

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.

(iii) Current and non-current classification

The All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle for each of its businesses, as per the criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

B. USE OF ESTIMATES AND JUDGEMENTS

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

C. PROPERTY, PLANT AND EQUIPMENT (INCLUDING CAPITAL WORK-IN-PROGRESS)

On transition to Ind AS the Company had 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, if any, 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.



Notes to the Financial Statements

for the year ended March 31, 2022

D. IMPAIRMENT OF ASSETS

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

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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.

F. TRADE RECEIVABLES

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

G. INVENTORIES

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

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

H. 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 recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

I. 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.

J. 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.



Notes to the Financial Statements

for the year ended March 31, 2022

K. 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized 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.

L. 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.

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. 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.

Notes to the Financial Statements

for the year ended March 31, 2022

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.

O. FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

Initial recognition and measurement:

On initial recognition, a financial asset is recognized at fair value. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) depending on the classification of the financial assets. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Derecognition

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

Impairment of financial assets

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

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Classification as equity

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

Equity instruments

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

Financial liabilities

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



Notes to the Financial Statements

for the year ended March 31, 2022

All financial liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss. Interest expense are included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit 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.

P. 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.

Q. 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.



**Notes to the Financial Statements
for the year ended 31 March, 2022**

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

As at 31st March, 2022 and 31st March, 2021

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	Balance as at 01 April, 2021	Balance as at 01 April, 2021 Additions / Adjustments	Disposals / discard of assets	As at 31 March, 2022	Balance as at 01 April, 2021 Depreciation for the year	Eliminated on Disposals / discard of assets	As at 31 March, 2022	As at 31 March, 2021
Furniture & Fixtures	835570	189497	0	1025067	646066	0	696519	189504
Vehicles	21183	1341000	0	1362183	16472	0	281554	4711
Office Equipments	19,347	-	0	19347	18289	0	18289	1058
TOTAL	876100	1530497	0	2406597	680827	0	996362	195273



**Notes to the Financial Statements
for the year ended 31 March, 2022**

5. Loans - Non-Current (Unsecured, Considered Good)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans to Body Corporates	24500000	24500000
Total	24500000	24500000

6. Deferred tax assets (net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Tax effect of items constituting deferred tax liability :		
Property, Plant & Equipments	(36130)	(52474)
Tax effect of items constituting deferred tax assets :		
Provision for gratuity	337033	337033
Net Deferred Tax Assets	373163	389507

7. Inventories

Particulars	As at 31 March, 2022	As at 31 March, 2021
At Lower of cost or net realization value :		
Finished Goods	11198054	6243233
Total	11198054	6243233

8. Trade Receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
<i>Unsecured, considered good :</i>		
Trade Receivables	37515048	47427229
Receivables from Related Parties	0	0
Trade Receivables which have significant increase in credit risk	0	0
Total	37515048	47427229

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

Trade Receivables Ageing Schedule

As at March 31, 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 -2 years	2 -3 years	More Than 3 Year	
(i) Undisputed Trade receivables – considered good	1361249	5796439	6232461	14923509	9201390	37515048
(ii) Undisputed Trade receivables – which have significant increase in Credit risk	0	0	0	0	0	0
(iii) Undisputed Trade receivables – Credit impaired*	0	0	0	0	0	0
(iv) Disputed trade receivables- Considered good	0	0	0	0	0	0
(v) Disputed trade receivables- which have significant increase in Credit risk	0	0	0	0	0	0
(vi) Disputed Trade receivables – Credit impaired	0	0	0	0	0	0

Trade Receivables Ageing Schedule

As at March 31, 2021	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 -2 years	2 -3 years	More Than 3 Year	
(i) Undisputed Trade receivables – considered good	15930655	55738	19792005	8233455	3415376	47427229
(ii) Undisputed Trade receivables – which have significant increase in Credit risk	0	0	0	0	0	0
(iii) Undisputed Trade receivables – Credit impaired*	0	0	0	0	0	0
(iv) Disputed trade receivables- Considered good	0	0	0	0	0	0
(v) Disputed trade receivables- which have significant increase in Credit risk	0	0	0	0	0	0
(vi) Disputed Trade receivables – Credit impaired	0	0	0	0	0	0

9. Cash and Cash Equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and Cash Equivalents :		
(a) Cash on hand	22477	88534
(b) Balances with banks		
(i) In current accounts	592304	1004546
(ii) In fixed deposit accounts	688027	1587084
Total	1302908	2680164

10. Loans - Current (Unsecured, Considered Good)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security & Other Deposits	262525	262525
Total	262525	262525



**Notes to the Financial Statements
for the year ended 31 March, 2022**

11. Other Current Financial Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance With Government Authorities	327573	319781
Other Advances recoverable in cash	525565	549344
Total	853138	869125

12. Other Current Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances to Suppliers	1385378	842452
Prepaid Expenses	108221	199386
Other Advances recoverable for value to be received	461758	215828
Total	1955357	1257666

13. Equity Share Capital

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
(a) Authorised Equity shares of Rs. 10/- each	50000	500000	50000	500000
(b) Issued Equity shares of Rs. 10/- each	50000	500000	50000	500000
(c) Subscribed and fully paid up Equity shares of Rs. 10/- each	50000	500000	50000	500000
(d) Reconciliation of shares outstanding at the beginning & at the end of the reporting period At the beginning of the period	50000	500000	50000	500000
Outstanding at the end of the period	50000	500000	50000	500000

(e) Details of shareholders holding more than 5% equity shares in the Company :	As at 31 March, 2022		As at 31 March, 2021	
	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	49500	99.00%	49500	99.00%
(f) Shares held by holding/ ultimate holding company/ or their subsidiaries/ associates	49500	99.00%	49500	99.00%

(g) Details of equity shares held by Promoters in the company as at the end of year :	As at 31 March, 2022			As at 31 March, 2021		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
M/s Dhabriya Polywood Limited	49500	99.00%		49500	99.00%	
Mrs. Anita Dhabriya	500	1.00%		500	1.00%	

(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.
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14. Other Equity

Particulars	As at 31 March, 2022	As at 31 March, 2021
(A) General Reserves		
Balance at the Beginning of the Year	36491810	35005613
Add: Transfer from Retained Earnings	806873	1486197
Closing balance	37098683	36491810
(B) Retained Earning Account		
Balance at the Beginning of the Year	0	0
Add: Profit for the year	548013	1462313
Add: Other Comprehensive Income for the Year, net of income tax	58861	23884
Less : Transfer to General Reserve	606873	1486197
Closing balance	(606873)	(1486197)
Total	37098683	36491810

Description of nature and purpose of each reserve

(a) General reserve

The general reserve is created on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

(b) Retained earnings

Retained earnings represents surplus in Statement of Profit and Loss.



**Notes to the Financial Statements
for the year ended 31 March, 2022**

15. Borrowings - Non-Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
SECURED - At Amortised Cost		
Term Loan from Banks / Financial Institutions*	13746647	20255978
Less :- Current Maturities of term Loan	(6816000)	(6386667)
	6930647	13869311
UNSECURED - At Amortised Cost		
From Body Corporates	26155903	20154164
	26155903	20154164
Total	33086550	34023475

* There is no default in repayment of principal or payment of interest thereon.
**Term Loan from SIDBI of Rs. 250.00 Lakhs taken during the year 2018-19 is repayable in 54 monthly instalments commencing from April 2019 and last instalment due in September 2023 and same is secured by the guarantees / security extended by directors of the Company.
***GECL-TLs of Rs. 39 Lakhs taken from SIDBI during the year is repayable in 36 monthly instalments after availing 12 month moratorium as per the ECLGS of Central Government.

16. Provisions - Non-Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits : Gratuity Provision	899232	912845
Total	899232	912845

17. Trade Payables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade payables		
Total Outstanding dues of Micro and Small enterprises	0	0
Others	71056	2306154
Total	71056	2306154

(i) Trade Payable Ageing Schedule

As at March 31, 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	Total
Total outstanding dues of micro enterprises and small enterprises	0	0	0	0	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	71056	0	0	0	71056
Disputed dues of micro enterprises and small enterprises	0	0	0	0	0
Disputed dues of creditors other than micro enterprises and small enterprises	0	0	0	0	0

As at March 31, 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More Than 3 Year	Total
Total outstanding dues of micro enterprises and small enterprises	0	0	0	0	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	2306154	0	0	0	2306154
Disputed dues of micro enterprises and small enterprises	0	0	0	0	0
Disputed dues of creditors other than micro enterprises and small enterprises	0	0	0	0	0

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, 2022	As at 31 March, 2021
i) Principal amount due Outstanding as at end of the year	71,056	23,06,154
ii) Interest amount due and unpaid at end of the year	0	0
iii) 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 year	0	0
iv) 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
v) The amount of Interest accrued and remaining unpaid at the end of each accounting year	0	0
vi) 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	71056	2306154

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.



**Notes to the Financial Statements
for the year ended 31 March, 2022**

18. Other Financial Liabilities - Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current Maturities of Term Loans*	6816000	6386667
Statutory Remittances	133311	972344
Other Payables	266596	1071327
Total	7215907	8430338

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

19. Other Current Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Credit Balances of Receivables	96003	2550
Total	96003	2550

20. Provisions - Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for Expenses	525260	1030305
Provision for Employee Benefits - Gratuity	54377	140329
Total	579637	1170634

21. Income Taxes

a) Income Tax Expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current Tax :		
- Current Tax	180000	427000
- Tax pertaining to earlier years	(23661)	0
Deferred Tax	(3452)	65404
Total	152887	492404

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, 2022	For the year ended 31 March, 2021
Profit before tax	700899	1954717
Enacted tax rate in India	25.168%	25.168%
Expected income tax expenses at statutory tax rate	176402	491963
Tax impact on account of		
Depreciation under income tax act	59696	(1487)
Expenses allowed only on payment basis	(75902)	(63911)
Others	19803	435
Tax expenses pertaining to current year	180000	427000
Effective Income Tax Rate	25.681%	21.845%

b) Current Tax Liability (Net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for Income Tax	180000	427000
Less : Advance Tax and TDS	356739	460083
Net Provision for Income Tax	(176739)	(33083)
Total	(176739)	(33083)

22. Revenue From Operations

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of Products (A)		
Sales of Products	18775572	22844548
Sale of Services (B)		
Installation and Fixing Income	2637132	15695233
Total(A+B)	21412704	38539782

Disaggregate revenue information

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue by product type :		
Plastic Products (i.e. PVC Profiles and uPVC Windows & Doors etc)	18775572	22844548
Revenue from sale of services	2637132	15695233
Total	21412704	38539782
Revenue by Geography :		
Domestic	21412704	38539782
Exports	0	0
Total	21412704	38539782
Revenue by time :		
Revenue recognised at point in time	21412704	38539782
Total	21412704	38539782



**Notes to the Financial Statements
for the year ended 31 March, 2022**

23. Other Income

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Income	2322494	1919784
Total	2322494	1919784

24. Purchase of Stock in Trade

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Purchase of Goods	13602100	9738911
Total	13602100	9738911

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

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Inventories at the end of the year: Finished Goods	11198054	6243233
TOTAL Inventories at the beginning of the year: Finished Goods	11198054	6243233
TOTAL	6243233	12533508
Net (increase) / decrease	(4954820)	6290275

26. Employees Benefit Expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salary, Wages and Bonus etc to Employees	4991561	6533232
Contributions to Provident Fund	56905	54592
Gratuity	215632	263277
Staff Welfare Expenses	13460	8790
Total	5277558	6859891

27. Finance Cost

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest expense	3442831	4290848
Bank Charges & other financial charges	33627	318678
Total	3476458	4609526

28. Depreciation and Amortization Expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on Property, Plant and Equipment	315535	72435
Total	315535	72435

29. Other Expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Installation & Fixing charges	2469053	7795034
Carriage inward	319330	372210
Electricity Expenses	6425	6131
Glass Hardware & Fitting Expenses	15675	27926
Payment to Auditors :		
As Auditor		
Statutory Audit Fee	30000	30000
Internet Expenses	10354	8204
Insurance Charges	52673	51909
Legal & Professional expenses	24500	79800
Office /Branch and Misc. Expenses	28540	114680
Office & Godown Rents	1262575	1208040
Postage & Telegram Expenses	1270	330
Computer Repair & Mainlinance	7199	6386
Vehicle Repair & Maintenance	62898	15472
Advertisement & Exhibition Expenses	0	0
Printing & Stationary	13150	12571
Discount and Rate Differences	0	0
Cartage Outward	7000	34450
Registration and filling fee	3750	51100
Telephone & Postage expenses	32652	36726
Conveyance Expenses	831718	637141
Travelling Expenses	138705	445700
Total	5317467	10933810



**Notes to the Financial Statements
for the year ended 31 March, 2022**

30. Earning Per Share

Particulars	2021-22	2020-21
(a) Net Profit after Tax as per Statement of Profit & Loss	548013	1462313
(b) Net Profit available to Equity Shareholders	548013	1462313
(c) Number of equity shares at year end	50000	50000
(d) Weighted Average No. of Equity Shares	50000	50000
(e) Basic / Diluted Earning per Share (b)/(d)	10.96	29.25
(f) Face value per equity share	10.00	10.00

31. 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, 2022	For the year ended 31 March, 2021
Employer's contribution to provident fund (includes pension fund)	56905	54592
Employer's contribution to Employees State Insurance	- 46017	51194

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	31-Mar-22	31-Mar-21
1. Amounts Recognized in Statement of Profit and Loss		
a. Current Service Cost	139277	169545
b. Interest on Defined Benefit Obligation	76355	93732
c. Past Service Cost	0	0
Total amount included in "Employee Benefit Expense"	215632	263277
2. Amounts Recognized in other comprehensive income (OCI)		
a. Net cumulative unrecognized actuarial Losses/ (Gains) opening	0	0
b. Net Actuarial Losses/ (Gains) Recognized in Year	(78657)	(31917)
Unrecognized actuarial Losses/ (Gains) for the year	(78657)	(31917)
3. Amount Recognized in Balance Sheet		
a. Present Value of Unfunded Obligations	953609	1053174
Net Liability	953609	1053174
b. Net Liability is bifurcated as follows:		
Current	54377	140329
Non Current	899232	912845
Net Liability	953609	1053174
4. Reconciliation of present value of defined benefit obligations		
a. Present value of obligation as at the beginning of the period	1053174	1339027
b. Current Service Cost	139277	169545
c. Interest Cost	76355	93732
d. Actuarial Losses/ (Gain)	(78657)	(31917)
e. Past Service Cost - recognized th. Reserve	0	0
f. Benefits Paid	(236540)	(517213)
g. Present value of obligation as at the end of the period	953609	1053174
5. Actuarial Assumptions of the defined benefit obligations		
a. Discount Rate (p.a.)	7.25%	7.00%
b. Salary Escalation Rate (p.a.)	6.00%	6.00%
6. Maturity profile of defined benefit obligations		
0 to 1 Year	54377	140329
1 to 2 Year	14420	14752
2 to 3 Year	14667	14752
3 to 4 Year	14630	14854
4 to 5 Year	14666	14816
5 Year onwards	840849	853671



**Notes to the Financial Statements
for the year ended 31 March, 2022**

32. Segment Reporting

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

33. Contingent Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
a) Performance Bank Guarantees given to third parties for contractual obligations	10364262	19416741

34. Related Party Disclosures

a) Related Parties and their relationship
I. Holding Company
* Dhabriya Polywood Limited
II. Key Management Personnels
* Mrs. Anita Dhabriya, Director
* Mr. Sourabh Mathur, Director
* Mr. Sharad Kankaria, Independent Director
III. Enterprises over which Key Managerial Personnels are able to exercise Significant influence / control :
* Polywood Profiles Pvt Ltd
* Polywood India Limited
* Dynasty Modular Furnitures Pvt Ltd

b) Transactions with related parties for the year ended 31st March, 2022

Nature of Transactions	Holding Company		Enterprises over which KMP exercise significant influence / control		Key Management Personnel and their relatives	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Salary to Employees	0	0	0	0	0	200000
Interest Income	2205000	1828767	0	0	0	0
Interest Expenses			1823226	2000000		
Sales of Goods	0	0	0	0	0	0
Other Expenses	360000	1676600	0	0	120000	120000
Purchase of Goods	4944814	203459	8413138	9535452	0	0
Balance as at 31st March						
Provision - Current	0	0	0	0	0	0
Trade Payable	0	0	70171	2306154	0	0
Financial Assets Loans - Non Current	24665375	24500000				
Other Current Assets	1385378	842452	0	0	0	0
Financial Liabilities - Non Current			26155903	20154164		

35. 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, 2022 and March 31, 2021.



**Notes to the Financial Statements
for the year ended 31 March, 2022**

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
Long term borrowings	33086550	34023475
Current maturities of long term debt	6816000	6386667
Short term borrowings	0	0
Less : Cash and cash equivalents	(1302808)	(2660164)
Less : Bank Balances other than Cash and cash equivalents	0	0
Net Debt	38599742	37749978
Total Equity	37598683	36991810
Gearing Ratio	1.03	1.02

b. Categories of financial instruments

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at amortised cost				
Loans	24762525	24762525	24762525	24762525
Other Financial Assets	853138	853138	869125	869125
Trade Receivables	37515048	37515048	47427229	47427229
Cash and Cash equivalents	1302808	1302808	2660164	2660164
Non current Investment	0	0	0	0
Total Financial Assets at amortised cost (A)	64433519	64433519	75719043	75719043
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)	64433519	64433519	75719043	75719043

Financial Liabilities				
Measured at amortised cost				
Long Term Borrowings	33086550	33086550	34023475	34023475
Current Maturities of Long Term Borrowings	6816000	6816000	6386667	6386667
Short Term Borrowings	0	0	0	0
Trade Payables	71056	71056	2306154	2306154
Other Financial Liabilities	7215907	7215907	8430338	8430338
Total Financial Liabilities carried at amortised cost	47189513	47189513	51146634	51146634

b. Financial Risk Management objects and policies

In its ordinary operations, the company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign 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 arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kinds of loan arrangements with varied terms



**Notes to the Financial Statements
for the year ended 31 March, 2022**

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Value in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Financial Assets		
Fixed Rate		
Security Deposit	0	0
Bank Deposit	688027	1567084
Total	688027	1567084
Financial Liabilities		
Fixed Rate		
Term Loans	39902550	40410142
Variable Rate Instruments		
Loan repayable on demand	0	0
Total	39902550	40410142

Interest rate sensitivity : The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31 March, 2022	As at 31 March, 2021
0.5% Increase in Rate - Loan repayable on demand :		
Impact on P&L	0	0
0.5% Decrease in Rate - Loan repayable on demand :		
Impact on P&L	0	0

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, 2022				
Borrowings	0	33086550	0	33086550
Trade and Other payables	71056	0	0	71056
Other Financial Liabilities	7215907	0	0	7215907
Total	7286963	33086550	0	40373513
As at March 31, 2021				
Borrowings	0	34023475	0	34023475
Trade and Other payables	2306154	0	0	2306154
Other Financial Liabilities	8430338	0	0	8430338
Total	10736492	34023475	0	44759967



**Notes to the Financial Statements
for the year ended 31 March, 2022**

36. Specified ratios as per schedule III Requirements

Particulars	Numerator	Denominator	As at March 31, 2022 -	As at March 31, 2021	Change in %
Current ratio (in times)	Current assets	Current liabilities	1.56	1.68	-7%
Debt-equity ratio (In times)	Non-current borrowings + Current borrowings - Cash and cash equivalents	Total Equity	0.85	0.85	0%
Debt service coverage ratio (in times)	Earnings before Interest, Depreciation and Tax	Finance cost for the year + Principal Repayment of long term debt liabilities within one year	0.44	0.60	-28%
Inventory turnover (in times)	Revenue from operations	Average inventories	2.46	4.11	-40%
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	0.50	0.78	-35%
Trade payable turnover ratio (in times)	Cost of goods sold	Average trade payables	7.28	3.72	96%
Net capital turnover ratio (in times)	Revenue from operations	Working capital [Current assets - Current liabilities]	0.80	1.15	-30%
Net profit ratio (in %)	Profit after tax	Revenue from operations	2.56%	3.79%	-33%
Return on capital employed (in %)	Earnings before interest and taxes + provision for impairment in the value of investments	Capital employed = (Average of Equity and total borrowings)	5.90%	9.09%	-35%
Return on equity (in %)	Profit after tax	Average of total equity	1.47%	4.03%	-64%

- (i) Debt service coverage ratio (times): Reduced due to increase in interest cost on new borrowing and reduced profitability.
(ii) Inventory turnover ratio (times): Reduced due to increased level of inventory and reduced sales demand on account of covid-19.
(iii) Trade receivable turnover ratio (times): Reduced mainly due to the reduced demand and sales.
(iv) Trade Payables Turnover ratio (times): Improved due to reduced creditor base and sales.
(v) Net Capital Turnover ratio (times): Reduced mainly due to the reduced demand and sales.
(vi) Net Profit ratio (%): Reduced mainly due to the reduced demand and sales.
(vii) Return on capital employed ratio (%): Reduced mainly due to the reduced sales and profitability.
(viii) Return on Equity (%): Reduced mainly due to the reduced sales and profitability.

36. Other Notes

- (a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(b) The Company do not have any transactions with companies struck off.
(c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
(h) Company does not have any long-term contract including derivative contract for which there are any material foreseeable losses.
(i) There are no amounts which are required to be transferred to the Investor Education and Protection Fund.
(j) Previous year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary.
(k) All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised, have been considered in preparing these standalone financial statements.



**Notes to the Financial Statements
for the year ended 31 March, 2022**

37. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 28th May, 2022.

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

(CA YOGESH GAUTAM)
Partner
M. No. 072676



PLACE : Jaipur
Date : 28th May, 2022

For and on behalf of the Board of Directors
POLYWOOD GREEN BUILDING SYSTEMS PVT LTD



(ANITA DHABRIYA)
Director
Din No.00359317

(SOURABH MATHUR)
Director
Din No.05252070