



INDEPENDENT AUDITOR'S REPORT

To the Members of **Dynasty Modular Furnitures Pvt Ltd.**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **DYNASTY MODULAR FURNITURES 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(loss) 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
<p>A. Revenue Recognition</p> <ul style="list-style-type: none"> • The Company's revenue is principally derived from sale of Modular Furniture and others products. 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. • Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected. 	<p><u>Our audit procedure:</u></p> <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. • Tested, on a sample basis, specific revenue transactions recorded before and after the financial year





<p>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.</p>	<p>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.</p>
<p>B. Inventory Existence and Valuation</p> <ul style="list-style-type: none"> • There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse & numerous inventory products and work in progress at different stages of the processes. <p>Therefore inventory quantities and valuation is identified as a key audit matter.</p>	<p><u>Our audit procedure:</u></p> <ul style="list-style-type: none"> • We have attended inventory counts, which we selected based on financial significance and risk, observed management's inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts. • Assessed whether the management's internal controls relating to inventory's valuation are appropriately designed and implemented. • Discussed with the management on the management's process of identifying the stages of completion and valuing work in progress stock at the time of book closure process. • Verified the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

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





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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;





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- (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:
- The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;
 - The Company did not have any long-term contracts including derivative contracts, hence, the question of any material foreseeable losses does not arise;
 - There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (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(c), as provided under (a) and (b) above, contain any material misstatement.

For NARENDRA SHARMA & CO.

Chartered Accountants

(Firm Regn No. 01983C)

(YOGESH GAUTAM)

Partner

Membership No. 072676

UDIN : 22072676AJUQON1701

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 **DYNASTY MODULAR FURNITURES 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.
 - The Company has a working capital limit in excess of Rs 5 crore, sanctioned by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (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.





Narendra Sharma & 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.





Narendra Sharma & Company

CHARTERED ACCOUNTANTS

- (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 : 22072676AJUQON1701

Place : Jaipur
Date : 28th May 2022





ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **DYNASTY MODULAR FURNITURES PRIVATE LIMITED** ("the Company") as of March 31, 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. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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





Narendra Sharma & Company

CHARTERED ACCOUNTANTS

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 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 : 22072676AJUQON1701



Place : Jaipur

Date : 28th May 2022

DYNASTY MODULAR FURNITURES 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	62020342	61443949
	(b) Capital work-in-progress		12489390	2807600
	(c) Other Intangible assets		0	0
	(d) Financial Assets			
	(i) Investments	5	3000	3000
	(ii) Loans	6	602300	13407300
	(iii) Others		0	0
	(e) other non-current assets		0	0
	Total-Non-current assets		75175032	77661849
2.	Current assets			
	(a) Inventories	7	72133129	43788429
	(b) Financial Assets			
	(i) Trade receivables	8	38293025	31915497
	(ii) Cash and cash equivalents	9	4833507	5906405
	(iii) Bank balances other than (ii) above		0	0
	(iv) Loans	10	708388	1578715
	(v) Others	11	1757383	852920
	(c) Other current assets	12	3374175	5103906
	Total Current assets		121099608	89145873
	Total Assets		196274640	166807722
B.	EQUITY AND LIABILITIES			
1.	Equity			
	(a) Equity Share capital	13	7561000	7561000
	(b) Other Equity	14	41636313	43810759
	Total Equity		49197313	51371759
2.	LIABILITIES			
	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	64400028	53370995
	(ii) Other financial liabilities	16	59012	59012
	(b) Provisions	17	3121824	2958005
	(c) Deferred tax liabilities (net)	16	764121	972892
	(d) Other non-current liabilities		0	0
	Total Non current liabilities		68344985	57360904
3.	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	33051455	26048489
	(ii) Trade Payables	20		
	- Dues to Micro and Small Enterprises		899073	531701
	- Dues to Creditors other than Micro and Small		17393577	9103675
	(iii) Other financial liabilities	21	19577134	15406658
	(b) Other current liabilities	22	2968031	2937810
	(c) Provisions	23	5190178	4571320
	(d) Current tax liabilities (Net)	24	(347107)	(524394)
	Total Current liabilities		78732342	58075059
	Total Equity and Liabilities		196274640	166807722

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements. This is the Standalone 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: 20th May 2022



For and on behalf of the Board of Directors
DYNASTY MODULAR FURNITURES PVT. LTD.

(DIGVIJAY DHABRIYA)
Director
Din No. 00519946

(HITESH AGRAWAL)
Director
Din No. 00519922



DYNASTY MODULAR FURNITURES 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	25	145163366	189704045
II	Other income	26	2030108	2021140
III	Total Income (I + II)		147213474	191725186
IV	Expenses			
	(a) Cost of materials consumed	27	81044319	107839734
	(b) Purchase of Stock in Trade	28	2489498	1019156
	(c) Changes in inventories of finished goods and stock-in-trade	29	675912	227881
	(d) Employee benefits expense	30	36983563	37711123
	(e) Finance costs	31	7981544	10556712
	(f) Depreciation and amortisation expense	32	6499611	5837779
	(g) Other expenses	33	14289398	22902955
	Total Expenses (IV)		149963844	166095341
V	Profit before Taxes (III - IV)		(2750370)	5629844
VI	Tax expenses / (credit)	24		
	(a) Current tax expense for current year		0	1040000
	(b) Deferred tax		(301709)	423981
	(c) Previous year tax		(9701)	169479
	Total Tax		(311410)	1633460
VII	Profit for the period (V - VI)		(2438960)	3996384
VIII	Other Comprehensive Income (OCI)			
	Item that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit liabilities		357451	226739
	- Income tax relating to items that will not be reclassified to profit or loss		(92937)	(58952)
	Other Comprehensive Income for the period After Tax		264514	167787
IX	Total Comprehensive Income for the period After Tax (VII + VIII)		(2174446)	4164171
X	Earnings per share (of Rs.10/- each):	34		
	Basic & Diluted		(3.23)	5.29

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements. This is the Standalone 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
DYNASTY MODULAR FURNITURES PVT. LTD.

(DIGVIJAY DHABRIYA)

Director

Din No. 00519946

(HITESH AGRAWAL)

Director

Din No 00519922



DYNASTY MODULAR FURNITURES 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	7561000
Changes in equity share capital during the year	0
Balance as at 31st March, 2021	7561000
Changes in equity share capital during the year	0
Balance as at 31st March, 2022	7561000

B. Other Equity

Particulars	Other Equity		Amount
	Reserve and Surplus		
	General Reserve	Retained Earning Account	
Balance as at April 1, 2020	39646588	0	39646588
1. Profit for the year	0	3996384	3996384
2. Other comprehensive income for the year, net of income tax	0	167787	167787
Total Comprehensive Income for the year	0	4164171	4164171
3. Gratuity Expenses Provision	0		0
4. Deferred Tax on Gratuity not provided for earlier	0		0
5. Transfer to / (from) Retained earnings	4164171	(4164171)	0
Balance as at 31st March, 2021	43810759	0	43810759
1. Profit for the year	0	(2438960)	(2438960)
2. Other comprehensive income for the year, net of income tax	0	264514	264514
Total Comprehensive Income for the year	0	(2174446)	(2174446)
3. Transfer to / (from) Retained Earnings	(2174446)	2174446	0
Balance as at 31st March, 2022	41636313	0	41636313

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements. This is the Standalone Statement of Changes in Equity 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 : 26th May, 2022

For and on behalf of the Board of Directors
DYNASTY MODULAR FURNITURES PVT. LTD.


(DIGVIJAY DHABRIYA)
Director
Din No. 00519946




(HITESH AGRAWAL)
Director
Din No. 00519922

DYNASTY MODULAR FURNITURES 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		(2750370)		5029844
Adjusted for :				
Depreciation and amortization expenses	6409611		5837779	
Finance Costs	7981544		10556712	
Interest Income	(1187980)		(2021140)	
Operating profit before working capital changes		13293174		14373351
Adjustment for :		10542804		20003196
(Increase) / Decrease in Trade Receivables	(6377527)		20613505	
(Increase) / Decrease in Inventories	(28344700)		4968027	
(Increase) / Decrease in Other Assets	14440595		446734	
(Decrease) / Increase in Trade Payables	8657274		(5578883)	
(Decrease) / Increase in Provisions	782677		(261292)	
(Decrease) / Increase in Other Liabilities	3447380		(5029352)	
Cash generated from / (used in) operations		(7394331)		15158739
Direct Taxes paid		3148473		36161934
		(337406)		(1733873)
Net cash generated from/(used in) operating activities - (A)		2811067		33428061
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Property, plant and equipment and Capital work in progress and Investment properties	(16757794)		(32104241)	
Interest income	1187980		2021140	
Net cash generated from/(used in) Investing Activities - (B)		(15569814)		(30083101)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Non-Current borrowings	33805544		21500000	
Repayment of Non-Current borrowings	(21141118)		(12972928)	
Proceeds from Issue of share Capital	0		0	
Net Increase/(decrease) in Current borrowings	7002967		(964305)	
Interest paid	(7981544)		(10556712)	
Net cash generated from/(used in) financing activities - (C)		11685849		(2993945)
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)		(1072898)		351018
Cash and cash equivalents at the beginning of the year		5906406		5555390
Cash and cash equivalents at the end of the year		4833507		5906406
1. Cash and cash equivalents at the end of year comprises :				
Cash on hand		41101		189716
Balances with banks				
(i) In current accounts		11403		121472
(ii) In fixed deposit accounts		4781003		5615217
Total		4833507		5906406

The above standalone 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 standalone financial statements. This is the Standalone Cash Flow Statement referred to in our report of even date.

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



(CA YOGESH GADTAM)
Partner
M. No. 072676

Place : Jaipur
Date : 28th May, 2022

For and on behalf of the Board of Directors
DYNASTY MODULAR FURNITURES PVT. LTD.

(DIGVIJAY DHABRIYA)
Director
Din No. 00519996



(HITESH AGRAWAL)
Director
Din No. 00519922

1. CORPORATE INFORMATION

Dynasty Modular Furnitures Private Limited ("The Company") [CIN : U27108RJ1995PTC009339] is a Private Limited Company domiciled and incorporated in India in 1995. The Company is a wholly owned subsidiary of Dhabrya Polywood Limited, whose equity shares are listed at the Bombay Stock Exchange (BSE). It is headquartered in Jaipur in Rajasthan and having its state-of-art Modular Furniture Manufacturing unit at Jaipur - Rajasthan. The Company is one of the leading manufacturer & suppliers of Modular Office Furniture Systems, Modular Kitchen, & Doors etc. All the product range of Company are developed & produced on Save Trees concept without using natural wood.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPERATION AND PRESENTATION

(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.



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.

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. FOREIGN CURRENCY TRANSACTIONS

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

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

O. INCOME TAXES

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e. in other comprehensive income or equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e. in other comprehensive income.

P. FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

Initial recognition and measurement:

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

Derecognition

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



Impairment of financial assets

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

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Classification as equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

Offsetting

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

Q. EARNING PER SHARE

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

R. OPERATING CYCLE

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



3. CRITICAL ESTIMATES AND JUDGEMENTS

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

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

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

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

(ii) Taxation :

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

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



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

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

As at 31 March, 2022 and 31 March, 2021

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
	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
Leasehold Land	9717458			9717458	0			9717458	9717458
Building	22554795			22554795	2495410	437697		19621688	20059385
Plant & Equipment	43212465	3907292		47119757	15321630	4234990		27563137	27890835
Misc. Fixed Assets	2751973	970773		3722746	3001185	299482		1300667	1750788
Computers	3180779	787575		3968354	1796598	1000268		2796866	1384181
Dies & Tools	72701			72701	44580	1815		46395	28121
Furniture & Fixtures	899619	22956		922575	345194	143159		488353	554424
Office Equipments	27497			27497	9620			9620	17877
Vehicles	101898	1387408		1489306	61019	382200		443219	1046088
TOTAL	82519186	7076004	0	89596190	21076237	6499611	0	27574847	62020342

(i) Property, plant and equipment have been pledged as security against certain borrowings of the Company as at 31 March, 2022. Refer note 15 & 19.

Capital Work-in-progress

Particulars	Balance as at 01 April, 2020	Addition during the year	Capitalization during the year	As at 31 March, 2021	Addition during the year	Capitalization during the year	As at 31 March, 2022
Capital Work-in-progress	0	2807600	0	2807600	12488390	2807600	12488390

(i) Ageing schedule of capital work-in-progress is as follows:

Particulars	Ageing Schedule			Total
	Less than 1 year	1-2 years	More than 3 years	
As at 31 March, 2021	2807600	0	0	2807600
As at 31 March, 2022	28488390	0	0	12488390



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

5. Investments - Non-Current

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Units	Amount	No. of Units	Amount
A. Investment in Equity Instruments	0	0	0	0
B. Other Equity Instruments (Unquoted, fully paid-up shares)	0	0	0	0
C. Investment in Government Securities (Unquoted, valued at amortised cost) - National Saving Certificates	-	3000	-	3000
Total		3000		3000

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security Deposits	407300	407300
Loans to Body Corporates / Others	255000	13000000
Total	662300	13407300

7. Inventories

Particulars	As at 31 March, 2022	As at 31 March, 2021
At Lower of cost or net realization value:		
Raw Materials	58393591	36334408
Packing Materials	344183	203389
Work-in-Progress	9780052	2959720
Finished Goods - Manufactured	793755	1397961
Finished Goods - Traded	1570545	1642251
Consumables Items, Stores and Spare Parts	1250702	1250702
Total	72133129	43788429

8. Trade Receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good:		
Trade Receivables	34452635	31915497
Receivables from Related Parties	3840190	0
Trade Receivables which have significant increase in credit risk	0	0
Total	38293025	31915497

* 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 31 March, 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	22815310	2279027	8703553	2226630	2268199	38293025
(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 31 March, 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	23439958	854170	4687827	1670267	1263377	31915497
(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

*Above referred Trade Receivables have been pledged as security against certain borrowings of the Company. Refer note 15 & 19.

9. Cash and Cash Equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and Cash Equivalents		
(a) Cash on hand	41101	189716
(b) Balances with banks		
(i) in current accounts	11403	121472
(ii) in fixed deposit accounts	4781003	5615217
Total	4833007	5905405



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

10. Loans - Current (Unsecured, Considered Good)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security & Other Deposits	708388	1578715
Total	708388	1578715

11. Other Current Financial Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance With Government Authorities	40738	184298
Other Advances recoverable in cash	1718645	868622
Total	1759383	852920

12. Other Current Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances to Suppliers	2473875	4004391
Prepaid & Deferred Revenue Expenses	570080	639568
Other Advances recoverable for value to be received	330211	458948
Total	3374176	5102906

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	800000	8000000	800000	8000000
(b) Issued Equity shares of Rs. 10/- each	756100	7561000	756100	7561000
(c) Subscribed and fully paid up Equity shares of Rs. 10/- each	756100	7561000	756100	7561000
(d) Reconciliation of shares outstanding at the beginning & at the end of the reporting period At the beginning of the period	756100	7561000	756100	7561000
Outstanding at the end of the period	756100	7561000	756100	7561000

(e) Details of shareholders holding more than 5% equity shares in the Company :	As at 31 March, 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	756100	100.00%	756100	100.00%

(f) Shares held by holding/ ultimate holding company/ or their subsidiaries/ associates	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
	756100	100.00%	756100	100.00%

(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	756100	100.00%	-	756100	100.00%	-

(h) 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. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.
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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		39646588
Less : Gratuity Expenses Provision	43810759	0
Add : Deferred Tax on Gratuity not provided for earlier	0	0
Add: Transfer from Retained Earnings	(2174448)	4164171
Closing balance	41636313	43810759
(B) Retained Earning Account		
Balance at the Beginning of the Year		0
Add: Profit for the year	(2438990)	3996384
Add: Other Comprehensive Income for the year, net of income tax	264514	167787
Less : Transfer to General Reserve	(2174448)	4164171
Closing balance	2174448	(1164171)
Total	41636313	43810759



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

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.

15. Borrowings - Non-Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
SECURED - At Amortized Cost		
Term Loan from Banks / Financial Institutions*	61696585	65723697
Less : Current maturities of term loans	(14564536)	(12929143)
	47332049	52794554
Vehicle Loans**	1104850	0
Less : Current maturities of Vehicle loans	(405871)	0
	617979	0
UNSECURED - At Amortised Cost		
From Corporates	150000	150000
From Directors	16300000	0
From Banks & Others	0	426441
	16450000	576441
Total	64400028	53370986

* There is no default in repayment of principal or payment of interest thereon.

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

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

(ii) SIDBI Term Loan of Rs. 250.00 Lakhs taken during the year 2015-15 is repayable in 90 monthly instalments commencing from August 2016 and last instalment due in January 2024.

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

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

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

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

(vii) GECL-TLs of Rs. 85 Lakhs and 65 Lakhs taken from HDFC Bank and SIDBI respectively during the year 2020-21 are repayable in 36 monthly instalments after availing 12 month moratorium as per the ECLGS of Central Government.

(viii) GECL-TLs of Rs. 56.54 Lakhs and 32.50 Lakhs taken from HDFC Bank and SIDBI respectively during the year are repayable in 36 monthly instalments after availing 24 month moratorium as per the ECLGS of Central Government.

*** Car Loans Taken from banks/financial institutions are secured by way of individual hypothecation of the Vehicle purchased from the amount of loan.

16. Other Financial Liabilities - Non-Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade/ security deposits received	59012	59012
Total	59012	59012

17. Provisions - Non-Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits :		
Gratuity Provision	3121824	2958005
Total	3121824	2958005

18. Deferred Tax Liabilities (net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Tax effect of items constituting deferred tax liability :		
Property, Plant & Equipments	1649316	1807214
	1649316	1807214
Tax effect of items constituting deferred tax assets :		
Provision for gratuity	885195	834322
	885195	834322
Net Deferred Tax Liability	764121	972892



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

19. Borrowings - Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
SECURED - At Amortised Cost		
Working Capital Loans From Banks*		
Cash Credit Facility	25931912	26048489
Buyer's Credit/SBLC Facility	7119544	0
Total	33051456	26048489

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

20. Trade Payables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade payables		
Total Outstanding dues of Micro and Small enterprises	899073	531701
Others	17393577	9103675
Total	18292650	9635376

(i) Trade Payable Ageing Schedule

As at 31 March, 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	899073	0	0	0	899073
Total outstanding dues of creditors other than micro enterprises and small enterprises	17221545	172032	0	0	17393577
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 31 March, 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	531701	0	0	0	531701
Total outstanding dues of creditors other than micro enterprises and small enterprises	906998	33677	0	0	9103675
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

21. Other Financial Liabilities - Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current maturities of Term Loans*	14564536	12929143
Current maturities of Vehicle Loans*	486871	0
Statutory Remittances	1563303	508244
Other Payables	2962424	1969271
Total	19577134	15406658

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

22. Other Current Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Credit Balances of Receivables	2968031	2937610
Total	2968031	2937610

23. Provisions - Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for Expenses	4907406	4320396
Provision for Employee Benefits - Gratuity	282772	250824
Total	5190178	4571320

24. Income Taxes

a) Income Tax Expenses

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current Tax :		
- Current Tax	0	1040000
- Tax pertaining to earlier years	(9701)	169479
Deferred Tax	(301709)	423981
Total	(311410)	1633460



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

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		
Enacted tax rate in India including surcharge / cess, if any	(2750370)	5629844
Expected income tax expenses at statutory tax rate	26.000%	26.000%
Tax impact on account of	(715096)	1463760
Depreciation under income tax act		
Expenses allowed only on payment basis	(331210)	(2021108)
Others	72336	79304
Tax expenses pertaining to current year	973970	1518045
Effective Income Tax Rate	0	1040000
	0.000%	18.473%

b) Current Tax Liability (Net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for income Tax	0	1040000
Less : Advance Tax and TDS	347107	1564394
Net Provision for Income Tax	(347107)	(524394)
Total	(347107)	(524394)

25. Revenue From Operations

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of Products (A)		
Sale of Products	145098584	188768116
Sale of Services (B)	145098584	188768116
Installation and Fixing Income	84782	935929
Total(A+B)	145183366	189704045

Disaggregate revenue information

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue by product type :		
Modular Furnitures	145098584	188768116
Revenue from sale of services	84782	935929
Total	145183366	189704045
Revenue by Geography :		
Domestic	145183366	189704045
Exports	0	0
Total	145183366	189704045
Revenue by time :		
Revenue recognised at point in time	145183366	189704045
Total	145183366	189704045

26. Other Income

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Income	1187980	2021140
Foreign Exchange Gains (Net)	842128	0
Interest on Income Tax Refund	0	0
Total	2030108	2021140

27. Cost of Material Consumed

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Inventory of Materials and Stock-in-Process at the beginning of the year	39497515	44237662
Add: Purchases of Materials during the year	110064931	103099588
Less: Inventory of the Materials and Stock-in-Process at the end of the year	149562446	147337249
	68518127	39497515
Total	81044319	107839734

28. Purchase of Stock in Trade

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Purchase of Trading Goods	2489498	1019156
Total	2489498	1019156



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

29. 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 - Manufactured	793765	1397961
Finished Goods - Trading	1570545	1642251
Stores & spare Parts	1250702	1250702
TOTAL	3615002	4290914
Inventories at the beginning of the year:		
Finished Goods - Manufactured	1397961	1404956
Finished Goods - Trading	1642251	1888812
Stores & spare Parts	1250702	1225026
TOTAL	4290914	4518794
Net (Increase) / decrease	879912	227681

30. 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	27899700	29437496
Contributions to Provident Fund	941462	722954
Remuneration to Directors	7200000	6600000
Gratuity	747829	774631
Staff Welfare Expenses	194572	176040
Total	36983563	37711123

31. Finance Cost

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest expense	7654821	9216293
Bank Charges & other financial charges	326723	1340419
Total	7981544	10556711

32. 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	6499611	5837779
Total	6499611	5837779

33. Other Expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Manufacturing Expenses		
Power & Fuel	2543466	2758617
Repair & Maintenance of Plant & Machinery	2495930	1823112
Electric Repair and Maintenance	352286	411644.29
Carriage Inward	671273	509086
Factory Expenses	489316	818023
Water Charges	110156	141697
Installation & site work charges	823305	9761951
Expenses for Import of Raw Material	36500	99227
	7522234	16323357
Office & Administrative Expenses		
Payment to Auditors :		
As Auditor		
Statutory Audit Fee	25000	25000
Insurance expenses	292340	326913
Internet & Website Expenses	2296	35765
Legal & Professional expenses	120250	75450
Donation	500	0
Postage & Telegram Expenses	132838	127930
Printing & Stationary	107643	80667
Registration and filling fee	76972	96195
Rent Rate and Tax	1342937	1028830
Computer Repair & Maintenance	58059	127491
Software Expenses	13500	0
Building Repair & Maintenance	204624	373830
Subscription & Membership Fee	22500	30000
Telephone & Postage expenses	83479	75730
Conveyance & Site Expenses	655855	857269
Vehicle Running & Maintenance	310737	170779
	3449529	3441645
Selling & Distribution Expenses		
Advertisement & Sales Promotion Expenses	1048063	614466
Travelling Expenses	562622	556319
Carriage Outward	1646469	2066074
Tender Expenses	13986	0
Discount Allowed	40495	(80110)
	3317635	3137749
Total	14289368	22902955



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

34. Earning Per Share

Particulars	2021-22	2020-21
(a) Net Profit after Tax as per Statement of Profit & Loss	-2438960	3996384
(b) Net Profit available to Equity Shareholders	-2438960	3996384
(c) Number of equity shares at year end	756100	756100
(d) Weighted Average No. of Equity Shares	756100	756100
(e) Basic / Diluted Earning per Share (b)/(d)	-3.23	5.29
(f) Face value per equity share	10.00	10.00

35. Employee Benefits

a) Contribution to Provident Fund and Employees State Insurance

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

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Employer's contribution to provident fund (includes pension fund)	941462	722054
Employer's contribution to Employees State Insurance	292606	282493

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	2021-22	2020-21
1. Amounts Recognized in Statement of Profit and Loss		
a. Current Service Cost	515182	555485
b. Interest on Defined Benefit Obligation	232647	219146
c. Past Service Cost	0	0
Total amount included in "Employee Benefit Expense" (Note 30)	747829	774631
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	(357451)	(226739)
Unrecognized actuarial Losses/ (Gains) for the year	(357451)	(226739)
3. Amount Recognized in Balance Sheet		
a. Present Value of Unfunded Obligations	3404596	3208929
Net Liability	3404596	3208929
b. Net Liability is bifurcated as follows:		
Current	282772	250924
Non Current	3121824	2958005
Net Liability	3404596	3208929
4. Reconciliation of present value of defined benefit obligations		
a. Present value of obligation as at the beginning of the period	3208929	3130652
b. Current Service Cost	515182	555485
c. Interest Cost	232647	219146
d. Actuarial Losses/ (Gain)	(357451)	(226739)
e. Past Service Cost - recognized th. Reserve	0	0
f. Benefits Paid	(194711)	(469615)
g. Present value of obligation as at the end of the period	3404596	3208929
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	282772	250924
1 to 2 Year	51507	46562
2 to 3 Year	137714	88167
3 to 4 Year	88393	118988
4 to 5 Year	50063	77698
5 Year onwards	2794147	2626590

36. Segment Reporting

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



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

37. Contingent Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
a) Performance Bank Guarantees given to third parties for contractual obligations	25793399	25721900

38. Related Party Disclosures

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

b) Transactions with related parties for the year ended 31 March, 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
Remuneration to Key Management Personnels	0	0	0	0	7200000	6600000
Salary to employees	0	0	0	0	856250	1050000
Interest Payment	0	0	22500	30000	0	0
Interest Received	918388	1667455	0	0	0	0
Sales of Goods	21234863	21254797	0	0	0	0
Purchase of Goods	17484724	23365503	0	0	0	0
Other Expenses	0	30916	0	0	0	0
Purchase of Property, plant and equipment	0	150628	0	0	0	1480000
Balance as at 31st March						
Long Term Borrowing	0	0	150000	150000	16300000	0
Provisions - Current	0	0	0	0	712200	512800
Non Current Financial Assets - Loan	0	13000000	0	0	0	0
Trade Receivables	3840190	0	0	0	0	0

39. Financial Instruments

a. Capital Risk Management

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

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

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	64400028	53370995
Current maturities of long term debt	15051407	12929143
Short term borrowings	33051456	26048489
Less : Cash and cash equivalents	(4833507)	(5906405)
Less : Bank Balances other than Cash and cash equivalents	0	0
Net Debt	107669384	86442222
Total Equity	49197313	51371759
Gearing Ratio	2.19	1.68



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

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	1370689	1370688	14986015	14986015
Other Financial Assets	1757383	1757383	852920	852920
Trade Receivables	38293025	38293025	31915497	31915497
Cash and Cash equivalents	4833507	4833507	5906405	5906405
Non current Investment	3000	3000	3000	3000
Total Financial Assets at amortised cost (A)	46257602	46257602	53663838	53663838
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)	46257602	46257602	53663838	53663838
Financial Liabilities				
Measured at amortised cost				
Long Term Borrowings	64400028	64400028	53370995	53370995
Current Maturities of Long Term Borrowings	14564536	14564536	12929143	12929143
Short Term Borrowings	33051456	33051456	26048489	26048489
Trade Payables	18292650	18292650	9635376	9635376
Other Financial Liabilities	5071610	5071610	2536527	2536527
Total Financial Liabilities carried at amortised cost	135380280	135380280	104520530	104520530

c. Financial Risk Management objects and policies

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

Market Risk

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

Interest Rate Risk

Interest rate risk 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.

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

Particulars	(Value in INR)	
	As at 31 March, 2022	As at 31 March, 2021
Financial Assets		
Fixed Rate		
Security Deposit	0	0
Bank Deposit		
Total	4781003	5615217
Financial Liabilities		
Fixed Rate		
Term Loans	79451435	66300138
Variable Rate Instruments		
Loan repayable on demand	33051456	26048489
Total	112502891	92348627

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	(165257)	(130242)
0.5% Decrease in Rate - Loan repayable on demand :		
Impact on P&L	165257	130242



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

Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD related to the imports of its raw material and capital assets. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). Foreign currency exposures that are not hedged by derivative instruments outstanding as on the balance sheet date are as under:

Derivative outstanding as at the reporting date - Nil

Particulars of unhedged foreign currency exposure as at the reporting date :

(Value in INR)

Particulars	Financial Assets		Financial Liabilities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
USD	1950375	3766778	0	0
EURO	0	0	7158202	0

Foreign Currency sensitivity

(Value in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
USD Sensitivity - Impact on Profit Before Tax		
Appreciation in INR by 1%		(37668)
Depreciation in INR by 1%	19504	37668
EURO Sensitivity - Impact on Profit Before Tax		
Appreciation in INR by 1%	71582	0
Depreciation in INR by 1%	(71582)	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 customer's 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	33061455	58889199	5510829	97451484
Trade and Other payables	18292650	0	0	18292650
Other Financial Liabilities	19636146	0	0	19636146
Total	70980252	58889199	5510829	135390280
As at March 31, 2021				
Borrowings	26049489	43953410	9417585	79419484
Trade and Other payables	9635376	0	0	9635376
Other Financial Liabilities	15466670	0	0	15466670
Total	51149535	43953410	9417585	104520530

40. Details of Dues to Micro Enterprises and Small Enterprises

Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Principal amount due to suppliers as at the end of the year	899073	531701
Interest accrued and due to suppliers on the above amount as at the end of the year	0	0
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	0	0
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0	0
The amount of interest accrued and remaining unpaid at the end of each accounting year	0	0
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	0	0
Total	899073	531701

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

41. 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	1.54	1.54	0%
Debt-equity ratio (in times)	Non-current borrowings + Current borrowings - Cash and cash equivalents	Total Equity	1.88	1.43	32%
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	0.51	0.94	-46%
Inventory turnover (in times)	Revenue from operations	Average inventories	1.54	2.78	-45%
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	2.65	3.26	-18%
Trade payable turnover ratio (in times)	Cost of goods sold **	Average trade payables	6.57	10.09	-35%
Net capital turnover ratio (in times)	Revenue from operations	Working capital [Current assets - Current liabilities]	3.43	6.11	-44%
Net profit ratio (in %)	Profit after tax	Revenue from operations	-1.68%	2.11%	-180%
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)	3.77%	12.69%	-70%
Return on equity (in %)	Profit after tax	Average of total equity	-4.85%	8.11%	-160%

** Cost of Good sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade + Manufacturing and operating expenses.

- (i) Debt Equity ratio (times): Increased due to the fresh borrowings taken during the year for working capital and reduced profitability.
(ii) Debt service coverage ratio (times): Reduced due to increase in interest cost on new borrowing and reduced profitability.
(iii) Inventory turnover ratio (times): Reduced due to increased level of inventory and reduced sales demand on account of covid-19.
(iv) Trade Payables Turnover ratio (times): Reduced mainly due to the reduced demand 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.

42. 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**

43. Approval of Financial Statements

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

For NARENDRA SHARMA & CO.
Chartered Accountants
Firm Regn. No. 0049820



(CA YOGESH GAUTAM)
Partner
M. No. 072676

For and on behalf of the Board of Directors
DYNASTY MODULAR FURNITURES PVT. LTD.


(DIGVIJAY DHABRIYA)
Director
Din No. 00519946


(HITESH AGRAWAL)
Director
Din No.00519922



Place : Jaipur
Date : 28th May, 2022