ACRYSIL STEEL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2020

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ACRYSIL STEEL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Acrysil Steel Limited ("the Company") which comprise the Balance Sheet as at 31st March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 ("the 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw your attention to Note 35 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Shareholder's Information, but does not include the financial statements and auditor's report thereon. The Board's Report and other information are expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the aforesaid reports and information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility 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 to give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 concerns and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the 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 high level of assurance, but is not a guarantee that 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:

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- Identify and assess the risks of material misstatements 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 the internal control.

- Obtain an understanding of internal financial controls 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, 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 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.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in clause 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 purpose 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, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

SANGHAVI & COMPANY Chartered Accountants

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of written representations received from the directors as on 31st March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020, from being appointed as a director in terms section 164(2) of the Act;

f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure – B may be referred;

g) No remuneration is paid by the Company to its directors during the year. Hence, the question of compliance with the provisions of section 197 of the Act does not arise.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

  i. The Company does not have any material pending litigations which would its financial position in its financial statements.

  ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

  iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

SANGHAVI & COMPANY Chartered Accountants *

MANOJ GANATRA
Partner
Membership No. 043485
UDIN: 20043485AAAAFN6838

Bhavnagar
June 12, 2020

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)

1 In respect of fixed assets:

a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.

c. The title deeds of immovable properties are held in the name of the Company.

2 The inventories were physically verified by the management at reasonable intervals during the year. Discrepancies noticed on such physical verification which were not material, are properly dealt with in the books of accounts.

3 The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.

5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7 In respect of statutory and other dues:

a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Cess, Goods & Service Tax and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.

b. There are no statutory dues, which have not been deposited on account of dispute.

8 The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.

SANGHAVI & COMPANY Chartered Accountants *

9 Term loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).

10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.

11 No managerial remuneration paid or provided by the Company during the year. Hence, the provisions of paragraph 3(xi) of the Order are not applicable.

12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.

16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

SANGHAVI & COMPANY Chartered Accountants *

Bhavnagar
June 12, 2020

MANOJ GANATRA
Partner
Membership No. 043485
UDIN: 20043485AAAAFN6838

ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Acrysil Steel Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI). 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.

Auditors' 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, issued by the ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

Sanghavi & Company Chartered Accountants

(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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

SANGHAVI & COMPANY Chartered Accountants *

Bhavnagar
June 12, 2020

MANOJ GANATRA
Partner
Membership No. 043485
UDIN: 20043485AAAAFN6838

ACRYSIL STEEL LIMITED

BALANCE SHEET AS AT 31st MARCH, 2020

(₹ in lacs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS:			
Non-Current Assets			
Property, plant and equipment	2	1,338.26	1,381.33
Capital work in progress		263.11	13.86
Intangible assets	3	0.88	0.46
Financial assets			
Investments		-	-
Loans	4	-	-
Other financial assets	5	-	6.33
Deferred tax assets (net)	6	54.93	65.03
Other non-current assets	7	10.85	12.42
		1,668.03	**1,479.43**
Current Assets			
Inventories	8	735.02	651.14
Financial assets			
Investments		-	-
Trade receivables	9	463.19	398.47
Cash and cash equivalents	10	9.02	9.97
Other bank balances	11	13.38	12.60
Loans	4	2.78	1.85
Other financial assets	5	10.50	-
Current tax assets	12	50.16	18.36
Other current assets	7	37.48	41.86
		1,321.53	**1,134.25**
Total Assets		**2,989.56**	**2,613.68**
EQUITY AND LIABILITIES:			
Equity			
Equity share capital	13	541.00	541.00
Other equity	14	1,031.65	913.31
		1,572.65	**1,454.31**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	15	180.31	49.58
Other financial liabilities	16	-	-
Provisions	17	13.82	13.31
Other non-current liabilities	18	-	-
		194.13	**62.89**
Current liabilities			
Financial Liabilities			
Borrowings	15	445.89	404.52
Trade payables	19		
Total outstanding dues of Micro and Small Enterprises		284.25	370.91
Total outstanding dues of creditors other than Micro and Small Enterprises		342.09	147.86
Other financial liabilities	16	51.91	82.22
Other current liabilities	18	17.25	35.78
Current tax liabilities	12	78.31	50.67
Provisions	17	3.08	4.52
		1,222.78	**1,096.48**
Total Liabilities		**2,989.56**	**2,613.68**

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

SANGHAVI & COMPANY Chartered Accountants *

MANOJ GANATRA
Partner

For and on behalf of the Board of Directors

CHIRAG PAREKH
Director

PRADEEP GOHIL
Director

Bhavnagar
June 12, 2020

Bhavnagar
June 12, 2020

ACRYSIL STEEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in lacs)

Particulars	Note No.	2019-2020	2018-2019
REVENUE:			
Revenue from operations (net)	20	2,139.71	2,140.02
Other income	21	13.23	6.70
Total Revenue		**2,152.94**	**2,146.72**
EXPENSES:			
Cost of materials consumed	22	1,327.73	1,149.31
Purchases of traded goods		42.08	78.70
Changes in inventories	23	(99.65)	130.79
Employee benefits expenses	24	87.31	90.05
Finance costs	25	60.27	86.71
Depreciation and amortisation expenses	26	82.74	82.76
Other expenses	27	498.05	393.09
Total Expenses		**1,998.53**	**2,011.41**
Profit before exceptional items and tax		**154.41**	**135.31**
Exceptional Items		-	-
Profit before tax		**154.41**	**135.31**
Tax expenses			
Current tax	12	26.18	28.68
Earlier years' tax		(0.93)	1.52
Deferred tax		10.29	11.72
Profit for the year		**118.87**	**93.39**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
a. Remeasurements of defined benefit plans		(0.71)	1.17
b. Tax impacts on above		0.18	(0.29)
Items that may be reclassified to profit or loss			
Other comprehensive income for the year		**(0.53)**	**0.86**
Total Comprehensive Income for the year		**118.34**	**94.25**
Basic and diluted earning per share	28	**2.20**	**1.73**
Face value per share		**10.00**	**10.00**

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner

SANGHAVI & COMPANY Chartered Accountants

For and on behalf of the Board of Directors

CHIRAG PAREKH
Director

PRADEEP GOHIL
Director

Bhavnagar
June 12, 2020

Bhavnagar
June 12, 2020

ACRYSIL STEEL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

A. SHARE CAPITAL

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
At the beginning of the year	541.00	541.00
Changes in equity share capital during the year	-	-
At the end of the year	**541.00**	**541.00**

B. OTHER EQUITY

(₹ in lacs)

Particulars	Retained earnings	Security premium	Other Comprehensive Income Net gain/(loss) on fair value of defined benefit plan	Total
As at 1st April, 2018	**757.71**	**61.20**	**0.15**	**819.06**
Profit for the year	93.39	-	-	**93.39**
Other comprehensive income for the year (net of tax)	-	-	0.86	**0.86**
As at 31st March, 2019	**851.10**	**61.20**	**1.01**	**913.31**
Profit for the year	118.87	-		**118.87**
Other comprehensive income for the year (net of tax)	-	-	(0.53)	**(0.53)**
As at 31st March, 2020	**969.97**	**61.20**	**0.48**	**1,031.65**

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner

SANGHAVI & COMPANY Chartered Accountants

CHIRAG PAREKH
Director

PRADEEP GOHIL
Director

Bhavnagar
June 12, 2020

Bhavnagar
June 12, 2020

ACRYSIL STEEL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(₹ in lacs)

Particulars		2019-2020		2018-2019
A CASH FLOW FROM OPERATING ACTIVITIES :				
Profit for the year		118.87		93.39
Adjustments for -				
Depreciation and amortization	82.74		82.76	
Income tax expenses	35.54		41.92	
Interest	58.47		86.51	
Operating profit before working capital changes	176.75		211.19	
Adjustments for -				
Trade and other receivables	(70.61)		61.66	
Other current and non-current assets	5.94		(21.76)	
Inventories	(83.88)		94.79	
Provisions	(1.64)		0.70	
Other current and non-current liabilities	(18.53)		(15.33)	
Trade and other payables	77.26		(60.50)	
Cash generated from operations	(91.46)		59.56	
Direct taxes paid	(29.41)	55.88	(13.99)	256.76
NET CASH FROM OPERATING ACTIVITIES		174.75		350.15
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of property, plant & equipment		(289.33)		(39.20)
Interest received		1.80		0.19
NET CASH USED IN INVESTING ACTIVITIES		(287.53)		(39.01)
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from borrowings		172.10		118.39
Repayments of borrowings		-		(347.45)
Interest paid		(60.27)		(86.71)
NET CASH USED IN FINANCING ACTIVITIES		111.83		(315.77)
Net Increase in Cash and Cash Equivalents		(0.95)		(4.63)
Cash and cash equivalents as at beginning of the year		9.97		14.60
Cash and cash equivalents as at end of the year		9.02		9.97

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

SANGHAVI & COMPANY Chartered Accountants

MANOJ GANATRA
Partner

For and on behalf of the Board of Directors

CHIRAG PAREKH
Director

PRADEEP GOHIL
Director

Bhavnagar
June 12, 2020

Bhavnagar
June 12, 2020

Notes forming part of the financial statements for the year ended 31st March 2020

COMPANY INFORMATION

Acrysil Steel Limited ("the Company") is a public company domiciled in India and incorporated on 28th April, 2010 under the provisions of the Companies Act applicable in India. The Company is engaged in manufacturing and trading of Stainless Steel Kitchen Sinks, Kitchen Appliances and Accessories. The registered office of the Company is located at B-307, Citi Point, J B Nagar, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. The Company is a subsidiary company of Acrysil Limited.

The Ind AS financial statements ('the financial statements") were authorized for issue in accordance with the resolution of the Board of Directors on 12th June, 2020.

1 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the separate financial statements of the Company prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company adopts operating cycle based on the project period and accordingly, all project related assets and liabilities are classified into current and non-current. The Company considers 12 months as normal operating cycle.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lacs except otherwise indicated.

1.2 Significant accounting policies:

a. System of accounting

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of Companies Act, 2013 ("Act"), except in case of significant uncertainties.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. It is held primarily for the purpose of being traded:

- It is expected to be realized within 12 months after the reporting date;
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
    - It is expected to be settled in the Company's normal operating cycle;
    - It is held primarily for the purpose of being traded;
    - It is due to be settled within 12 months after the reporting date;
    - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

SANGHAVI & COMPANY Chartered Accountants

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

b. Key accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Estimates and judgements are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

c. Property, plant and equipment

(i) Property, plant and equipment are stated at historical cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

(ii) Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as incurred.

(iii) The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the statement of profit and loss.

(iv) Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

(v) On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April 2017 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. 1st April 2017 except for certain class of assets which are measured at fair value as deemed cost.

(vi) The Company depreciates property, plant and equipment on written down value method except for buildings, plant & equipment and dies & moulds where depreciation is provided on straight line method over the estimated useful life prescribed in Schedule II of the Companies Act, 2013 from the date the assets are ready for intended use after considering the residual value.

(vii) Intangible assets mainly represent implementation cost for software and other application software acquired/developed for in-house use and design and property

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rights of the Company. These assets are stated at cost. Cost includes related acquisition expenses, related borrowing costs, if any, and other direct expenditure.

(viii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

d. Investments and financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit or loss. In other cases, the transaction costs are attributed to the acquisition value of financial asset.

Financial assets are subsequently classified measured at –

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

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.

Financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred the asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, financial asset is derecognised.

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

e. Inventories

(i) Raw materials and stores and spares are valued at weighted average cost including all charges in bringing the materials to the present location.

(ii) Finished and work-in-progress are valued at the cost plus direct expenses and appropriate value of overheads or net realizable value, whichever is lower.

(iii) Obsolete, slow moving and defective inventories are written off/valued at net realisable value during the year as per policy consistently followed by the Company.

f. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of balance with banks and cash on hand and short term deposits with an original maturity of three month or less, which are subject to insignificant risks of changes in value.

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g. Trade receivables

A receivable is classified as a trade receivable if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured net of any expected credit losses.

h. Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs.

i. Financial liabilities

(i) Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(ii) Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(iii) Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

j. Trade payables

A payable is classified as a trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

k. Revenue recognition

(i) Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the teams of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

(ii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of excise duty, value added tax (VAT) or goods and service tax (GST) as applicable and returns, discounts, rebates and incentives. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

(iii) Domestic sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer.

(iv) Export sales are recognised on the date of the mate's receipt/shipped on board signifying transfer of risks and rewards of ownership to the buyer as per terms of

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sales and initially recorded at the relevant exchange rates prevailing on the date of the transaction.

(v) Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

(vi) Revenue in respect of other income is recognised on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

l. Custom Duty and GST:

Purchased of goods and fixed assets are accounted for net of GST input credits. Custom duty paid on import of materials is dealt with in respective material accounts.

m. Foreign currency transactions

(i) Items included in the financial statements are measured using the currency of primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

(ii) Foreign currency transactions are initially recorded in the reporting currency at foreign exchange rate on the date of the transaction.

(iii) Monetary items of current assets and current liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates are recognised in the statement of profit or loss.

n. Employee benefit expenses

(i) Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. These benefits are classified as defined contribution schemes as the Company has no further obligations beyond the monthly contributions.

(ii) The Company provides for gratuity which is a defined benefit plan, the liabilities of which are determined based on valuations, as at the reporting date, made by an independent actuary using the projected unit credit method. Re-measurement comprising of actuarial gains and losses, in respect of gratuity are recognised in the other comprehensive income in the period in which they occur. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

(iii) The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Company. The liability towards such unutilised leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognised in the statement of profit and loss.

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o. Leases

Company as lessee

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

p. Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the effective interest rate amortisation is included in finance costs. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the statement of profit and loss in the period in which they occur.

q. Impairment of non financial assets

As at each reporting date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

r. Taxation

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying amount of deferred tax is reviewed at each reporting date and measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax

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rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

s. Provisions and contingent liabilities

The Company creates a provision when there is present obligation, legal or constructive, as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events. Contingent assets are neither recognised nor disclosed in the financial statements.

t. Earnings Per Share

(i) Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

u. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the operating decision makers. The decision makers regularly monitor and review the operating result of the whole Company. The activities of the Company primarily falls under a single segment of "manufacturing and trading of kitchen sinks and other appliances" in accordance with the Ind AS 108 "Operating Segments".

v. Offsetting instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

w. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

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Note 2

Property, plant and equipment

(₹ in lacs)

Particulars	Land	Buildings	Plant & Equipment	Mould & Dies	Office Equipment	Furniture & Fixtures	Vehicles	Total
Gross carrying value								
As at 1st April, 2018	742.10	452.73	517.89	106.10	19.07	9.02	38.17	1,885.07
Additions	-	22.03	2.78	-	0.41	0.13	-	25.34
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2019	742.10	474.76	520.66	106.10	19.48	9.15	38.17	1,910.41
Additions	-	-	38.36	-	0.90	0.33	-	39.59
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2020	742.10	474.76	559.02	106.10	20.38	9.48	38.17	1,950.00
Accumalated depreciation								
As on 1st April, 2018	-	69.97	264.91	66.67	17.89	5.98	21.02	446.44
Depreciation charged	-	14.59	53.40	8.18	0.56	0.77	5.14	82.65
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2019	-	84.56	318.31	74.85	18.45	6.75	26.17	529.09
Depreciation charged	-	15.00	54.29	8.18	0.78	0.66	3.75	82.66
Disposals	-							-
As at 31st March, 2020	-	99.56	372.59	83.03	19.24	7.41	29.92	611.74
Net carrying value								
As at 31st March, 2019	742.10	390.19	202.36	31.25	1.03	2.40	12.00	1,381.33
As at 31st March, 2020	742.10	375.19	186.43	23.07	1.14	2.08	8.25	1,338.26

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Note 3

Intangible assets

(₹ in lacs)

Particulars	Computer Software	Total
Gross carrying value		
As at 1st April, 2018	**9.05**	**9.05**
Additions	-	-
As at 31st March, 2019	**9.05**	**9.05**
Additions	0.50	0.50
Disposals	-	-
As at 31st March, 2020	9.55	9.55
Accumalated depreciation		
As at 1st April, 2018	**8.48**	**8.48**
Depreciation charged	0.11	0.11
Disposals	-	-
As at 31st March, 2019	**8.59**	**8.59**
Depreciation charged	0.08	0.08
Disposals	-	-
As at 31st March, 2020	8.67	8.67
Net carrying value		
As at 31st March, 2019	**0.46**	**0.46**
As at 31st March, 2020	0.88	0.88

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Note 4
Loans

(₹ in lacs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Unsecured, considered good				
Employee loans	-	-	2.78	1.85
Total loans	-	-	2.78	1.85

Note 5
Financial assets

(₹ in lacs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Claims receivables	-	-	10.50	6.33
	-	-	10.50	6.33

Note 6
Deferred tax assets

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
On account of timing differences in		
Depreciation on property, plant & equipment	46.04	60.62
Disallowances u/s 40(a) and 43B of the Income Tax Act	8.89	4.41
	54.93	65.03

Note 7
Other assets

(₹ in lacs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Trade advances to suppliers	-	-	3.42	24.99
Security deposits	4.29	4.29	-	-
Capital advances	6.56	8.13	-	-
Prepaid expenses	-	-	2.27	0.59
Input credit receivables	-	-	30.11	15.99
Other advances	-	-	1.68	0.29
Total other assets	10.85	12.42	37.48	41.86

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Note 8

Inventories

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
Stores & spares	25.24	16.64
Stock-in-trade	53.65	65.18
Raw materials	85.31	111.80
Finished goods	255.12	158.86
Semi finished goods	312.44	297.53
Bought out items	2.70	0.56
Packing materials	0.56	0.57
Total inventories	**735.02**	**651.14**

Note 9

Trade receivables

(Unsecured, considered good unless otherwise stated)

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
Trade receivables	467.51	398.47
Less: Provision for doubtful debts	(4.32)	-
Total trade receivables	**463.19**	**398.47**

Note 10

Cash and cash equivalents

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
Balances with banks	2.73	3.59
Cash on hand	6.29	6.38
Total cash and cash equivalents	**9.02**	**9.97**

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Note 11

Other bank balances

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
Other term deposits *	13.38	12.60
Total other bank balances	**13.38**	**12.60**

* under lien with banks against various credit facilities

Note 12

Income tax assets (net)

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
The following table provides the details of income tax assets and liabilities :		
Current income tax liabilities	78.31	50.67
Income tax assets	50.16	18.36
Net liabilities	28.15	32.31
The gross movement in the current tax asset / (liability)		
Net current income tax asset at the beginning	(32.31)	(16.10)
Income tax paid (net of refunds)	29.42	13.98
Current income tax expense	(25.26)	(30.19)
Income tax on other comprehensive income	-	-
Net current income tax asset/(liabilitity) at the end	(28.15)	(32.31)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income tax is as below:

Profit before tax	154.41	135.31
Applicable income tax rate - MAT	26.00%	26.00%
	40.15	**35.18**
Effect of expenses/depreciation/MAT credit for tax purpose (net)	(13.97)	(6.50)
Effect of income not considered for tax purpose	-	-
	(13.97)	(6.50)
Income tax expense charged to the Statement of Profit and Loss	**26.18**	**28.68**

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Note 13

Equity share capital

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
Authorised		
90,00,000 equity shares of ₹ 10 each	900.00	900.00
	900.00	**900.00**
Issued, Subsribed and Paid up		
5,410,000 equity shares of ₹ 10 each	541.00	541.00
Total equity share capital	**541.00**	**541.00**

Equity shares issued as fully paid-up bonus shares or otherwise than by cash during the preceding five years: Nil

Shares held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	Nos.	% of holding	Nos.	% of holding
Acrysil Limited	45,98,000	84.99	45,98,000	84.99
Shri Chirag Parekh	8,12,000	15.01	8,12,000	15.01

Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a face value of ₹ 10 each ranking pari pasu in all respect including voting rights and entitlement to dividend. Each holder of equity shares is entitled to one vote per share. Dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid to the shareholders.

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Note 14

Other equity

(₹ in lacs)

Particulars	31st March 2020	31st March 2019
Securities premium account		
Balance at the beginning of the year	61.20	61.20
Addition during the year	-	-
Balance at the end of the year	61.20	61.20
Retained earnings		
Balance at the beginning of the year	851.10	757.71
Profit for the year	118.87	93.39
Balance at the end of the year	969.97	851.10
Other components of equity		
Remeasurement of defined benefit plans (net of tax)	0.48	1.01
	0.48	1.01
Total other equity	1,031.65	913.31

Securities premium account: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less transfers to general reserve, dividends or other distributions paid to shareholders.

Net gain/(loss) on fair value of defined benefit plans: The Company has recognised remeasurement gains/(loss) on defined benefit plans in OCI. These changes are accumalated within the OCI reserve within other equity. The Company transfers amount from this reserve to retained earning when the relevant obligations are derecognized.

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Note 15

Borrowings

(₹ in lacs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Secured				
Term loans from banks	180.31	49.58	-	-
Working capital finance from banks	-	-	445.89	404.52
	180.31	49.58	445.89	404.52
Unsecured	-	-	-	-
	-	-	-	-
Total borrowings	**180.31**	**49.58**	**445.89**	**404.52**

Note: Term loans from banks are secured by first hypothecation charge on entire movable fixed assets of the Company, both present & future, on pari-passu basis, further secured by the first pari-passu charge on immovable properties of the Company and personal guarantee of one of the directors of the Company. Term loans for vehicles are against hypothication of vehicles.

Working capital finance from banks are secured by first hypothecation charge on entire current assets of the Company, both present and future, ranking pari-passu, second charge on entire movable fixed assets of the Company (excluding vehicles) both present and future and personal guarantee of one of the directors of the Company.

Note 16

Other financial liabilities

(₹ in lacs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Current maturities of long-term debt	-	-	49.38	47.45
Interest accrued and due on borrowings	-	-	1.78	29.60
Payable towards service rendered	-	-	0.75	5.17
Total other financial liabilities	-	-	**51.91**	**82.22**

Note 17

Provisions

(₹ in lacs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Provision for leave encashment	5.33	5.79	0.74	1.23
Provision for gratuity	8.49	7.52	0.65	0.77
Provision for bonus	-	-	1.69	2.52
Total provisions	**13.82**	**13.31**	**3.08**	**4.52**

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Note 18

Other liabilities

(₹ in lacs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Advances from customers	-	-	1.93	11.20
Statutory liabilities	-	-	1.94	5.59
Other liabilities	-	-	13.38	18.99
Total other liabilities	-	-	**17.25**	**35.78**

Note 19

Trade payables

(₹ in lacs)

Particulars	Current	
	31st March 2020	31st March 2019
Trade payables		
Total outstanding dues of Micro and Small Enterprises (refer note no. 34)	284.25	370.91
Total outstanding dues of creditors other than Micro and Small Enterprises	342.09	147.86
Total trade payables	**626.34**	**518.77**

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Note 20

Revenue from operations

(₹ in lacs)

Particulars	2019-2020	2018-2019
Sale of products		
Export sales	100.35	89.45
Domestic sales	1,941.23	1,952.40
	2,041.58	**2,041.85**
Other operating revenue		
Other operational income	98.13	98.17
Total revenue from operations	**2,139.71**	**2,140.02**

Note 21

Other income

(₹ in lacs)

Particulars	2019-2020	2018-2019
Interest receipts	1.80	0.19
Gain on foreign currency fluctuation	1.13	1.03
Miscellaneous income	10.30	5.48
Total other income	**13.23**	**6.70**

Note 22

Cost of materials consumed

(₹ in lacs)

Particulars	2019-2020	2018-2019
Raw material consumed		
Opening stock	111.80	76.63
Add: Purchases	998.69	947.00
	1,110.49	1,023.63
Less: Closing stock	(85.31)	(111.80)
	1,025.18	911.83
Packing material consumed		
Opening stock	0.57	1.05
Add: Purchases	123.58	112.56
	124.15	113.61
Less: Closing stock	(0.56)	(0.57)
	123.59	113.04
Bought out items	178.96	124.44
Total cost of materials consumed	**1,327.73**	**1,149.31**

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Note 23

Changes in inventories

(₹ in lacs)

Particulars	2019-2020	2018-2019
Closing Stock		
Finished goods	255.12	158.86
Stock-in-trade	53.65	65.18
Semi finished goods	312.44	297.53
	621.21	521.56
Opening Stock		
Finished goods	158.86	200.46
Stock-in-trade	65.18	89.67
Semi finished goods	297.53	362.22
	521.56	652.35
Changes in inventories	**(99.65)**	**130.79**

Note 24

Employee benefit expenses

(₹ in lacs)

Particulars	2019-2020	2018-2019
Salaries, wages, bonus, and allowances	77.53	79.36
Contribution to provident fund and other welfare funds	4.95	6.14
Staff welfare expenses	4.83	4.55
Total employee benefit expenses	**87.31**	**90.05**

Note 25

Finance costs

(₹ in lacs)

Particulars	2019-2020	2018-2019
Interest		
Banks	56.91	48.90
Others	2.75	37.80
	59.66	86.71
Other borrowing costs	0.61	-
Total finance costs	**60.27**	**86.71**

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Note 26

Depreciation and amortisation expenses

(₹ in lacs)

Particulars	2019-2020	2018-2019
Depreciation on tangible assets	82.66	82.65
Amortisation of intangible assets	0.08	0.11
Total depreciation and amortisation	**82.74**	**82.76**

Note 27

Other expenses

(₹ in lacs)

Particulars	2019-2020	2018-2019
Manufacturing expenses		
Power & fuel	34.60	23.47
Machinery repairs and maintenance	14.46	4.69
Stores and spares	135.58	100.62
Other expenses	139.85	101.71
	324.49	230.49
Selling and distribution expenses		
Advertisement and business promotion	4.69	2.14
Export freight and insurance	5.39	8.68
Other selling expenses	111.75	107.62
	121.83	118.44
Administrative and other expenses		
Rent	1.54	2.85
Rates & taxes	0.01	0.10
Travelling expenses	3.40	7.72
Postage and telephone expenses	1.12	0.64
Printing and stationery expenses	1.06	1.31
Insurance premiums	4.70	4.93
Building and other repairs	3.97	1.95
Bank discount, commission and other charges	2.27	3.15
Legal and professional fees	3.15	5.27
Payment to auditors	3.05	1.75
Directors sitting fees	0.35	0.30
Sundry balances written off	13.39	0.73
General expenses	13.72	13.46
	51.73	44.16
Total other expenses	**498.05**	**393.09**

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Payments to auditors

Audit fees (including quarterly review)	1.50	1.25
Tax audit fees	0.30	0.25
Other services	1.25	0.25
	3.05	1.75

Note 28

Earning per share

Particulars	2019-2020	2018-2019
Profit for the year (₹ in lacs)	118.87	93.39
Weighted average number of shares (Nos)	54,10,000	54,10,000
Earnings per share (Basic and diluted) ₹	2.20	1.73
Face value per share ₹	10.00	10.00

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Note 29

Fair value measurement

Financial instruments by catergory :

(₹ in lacs)

Particulars	31st March 2020				31st March 2019		
	FVPL	FVOCI	Amortised cost	Fair value	FVOCI	Amortised cost	Fair value
Financial assets							
Investments	-	-	-	-	-	-	-
Trade receivables	-	-	463.19	463.19	-	398.47	398.47
Loans - non-current	-	-	-	-	-	-	-
Loans - current	-	-	2.78	2.78		1.85	1.85
Other financial assets - non-current	-	-	-	-	-	6.33	6.33
Other financial assets - current	-	-	10.50	10.50	-	-	-
Cash and cash equivalents	-	-	9.02	9.02	-	9.97	9.97
Other bank balances	-	-	13.38	13.38	-	12.60	12.60
Total financial assets	-	-	**498.87**	**498.87**	-	**429.22**	**429.22**
Financial liabilities							
Borrowings							
Long term borrowings*	-	-	229.69	229.69	-	97.03	97.03
Short term borrowings	-	-	445.89	445.89	-	404.52	404.52
Trade payables	-	-	626.34	626.34	-	518.77	518.77
Other financial liabilities - non-current	-	-	-	-	-	-	-
Other financial liabilities -current	-	-	2.53	2.53	-	34.77	34.77
Total financial liabilities	-	-	**1,304.46**	**1,304.46**	-	**1,055.09**	**1,055.09**

* including current maturities of long term debt

Note 30
Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings aging analysis, credit evaluation	Diversification of counter parties, investment limits, check on counter parties basis credit rating and number of overdue days
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/ cash equivalents and marketable securities
Market Risk	Financial assets and liabilities not denominated in INR	Sensitivity analysis	Constant evaluation and proper risk management policies

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

A. Credit Risk

Credit risk referes to the risk of a counter party default on its contractual obligation resulting into a financial loss to the Company. The maximum exposure of the financial assets represents trade receivables and receivables from group companies and others.

In respect of trade receivables, the Company uses a provision matrix to compute the expected credit loss allowances for trade recivables in accordance with the excepcted credit loss (ECL) policy of the Company. The Company regulary reviews trade receivables and necessary provisions, whenever required , are made in the financial statements.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial assets quickly at close to its fair value.

The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forcast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities of significant financial liabilities are as follows:

(₹ in lacs)

Particulars	Less than or equal to one year	more than one year	Total
As on 31st March 2020			
Financial Assets			
Non-current investments	-	-	-
Loans	2.78	-	2.78
Trade receivables	463.19	-	463.19
Cash and cash equivalents	9.02	-	9.02
Other bank balances	13.38	-	13.38
Other financial assets	10.50	-	10.50
Total financial assets	498.87	-	498.87
Financial Liabilities			
Long term borrowings *	49.38	180.31	229.69
Short term borrowings	445.89	-	445.89
Trade payables	626.34	-	626.34
Other financial liabilities	2.53	-	2.53
Total financial liabilities	1,124.15	180.31	1,304.46

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As on 31st March 2019			
Financial Assets			
Non-current investments	-	-	-
Loans	1.85	-	1.85
Trade receivables	398.47	-	398.47
Cash and cash equivalents	9.97	-	9.97
Other bank balances	12.60	-	12.60
Other financial assets	-	6.33	6.33
Total financial assets	422.89	6.33	429.22
Financial Liabilities			
Long term borrowings	47.45	49.58	97.03
Short term borrowings	404.52	-	404.52
Trade payables	518.77	-	518.77
Other financial liabilities	34.77	-	34.77
Total financial liabilities	1,005.51	49.58	1,055.09

* including current maturities of long term debt

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Company has several balances in foreign currency and consequently, the Company is exposed to foreign exchange risk. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

b) 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:

(₹ in lacs)

Particulars	Increase/decrease in basis points	Effect of profit before tax
March 31, 2020	+100	6.76
	-100	(6.76)
March 31, 2019	+100	5.02
	-100	(5.02)

Company's exposure to foreign currency risk at the end of each reporting period is as under:

c) Exposure in foreign currency - Unhedged

(Amount in lacs)

Currency	31st March 2020	31st March 2019
Receivables		
USD	0.04	0.31
EURO	0.02	0.02
GBP	-	0.20
Payables		
USD	-	0.01

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(₹ in lacs)

Particulars	Currency	Change in rate	Effect of profit before tax
March 31, 2020	USD	+5%	0.15
	USD	-5%	(0.15)
March 31, 2019	USD	+5%	1.04
	USD	-5%	(1.04)
March 31, 2020	GBP	+5%	-
	GBP	-5%	-
March 31, 2019	GBP	+5%	0.90
	GBP	-5%	(0.90)
March 31, 2020	EURO	+5%	0.08
	EURO	-5%	(0.08)
March 31, 2019	EURO	+5%	(0.08)
	EURO	-5%	0.08

Note 31

Capital management

The Company's capital management objective is to maximise the total shareholder returns by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the company.

The following table summarises the capital of the Company:

(₹ in lacs)

Particulars	As at 31st March 2020	31st March 2019
Total debt	675.58	501.55
Total equity	1,572.65	1,454.31
Total debt to equity ratio	0.43	0.34

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Note 32

Employee benefits

Unfunded Scheme - Gratuity

Liability for employee gratuity has been determined by an actuary, appointed for the purpose, in confirmity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder. Wherever the Company creates plan assets, it makes contributions to approved gratuity fund.

(₹ in lacs)

No. Particulars	31st March 2020	31st March 2019
Amount recognised in balance sheet		
Present value of funded defined benefit obligation	9.13	8.29
Fair value of plan assets	-	-
Net unfunded obligation	**9.13**	**8.29**
Expense recognised in the statement of profit and loss		
Current service cost	1.46	1.51
Expected return on plan assets	-	-
Interest on net defined benefit asset	0.63	0.59
Total expense charged to profit and loss Account	**2.09**	**2.10**
Amount recorded as other comprehensive income		
Opening amount recognised in OCI outside profit & loss Account	(1.17)	0.15
Remeasurements during the period due to:		
Return on plan assets	-	-
Actual (gain)/loss on obligation for the period	0.71	(1.17)
Closing amount recognised in OCI outside profit & loss account	**(0.46)**	**(1.02)**
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	8.10	7.51
Expense charged to profit and loss account	2.09	2.10
Amount recognised outside profit and loss account	0.71	(1.17)
Benefits paid	-	-
Employer contributions	(1.77)	(0.34)
Closing net defined benefit liability/(asset)	**9.13**	**8.10**
Movement in benefit obligation		
Opening of defined benefit obligation	8.10	7.51
Current service cost	1.46	1.51
Interest on defined benefit obligation	0.63	0.59
Acturial loss/(gain) arising from change in financial assumptions	1.04	0.07
Benefits paid	(1.77)	(0.34)
Acturial loss/(gain) on obligation -Due to Experience	(0.33)	(1.24)
Closing of defined benefit obligation	**9.13**	**8.10**

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*

Principal acturial assumptions

Discount Rate	6.84	7.79
Salary escalation rate p.a.	7.00	7.00
Future salary increase	7.00	7.00
Rate of employee turnover	2.00	2.00

Sensitivity analysis for significat assumption is as shown below:

(₹ in lacs)

No.	Particulars	Sensitivity level	31st March 2020	31st March 2019
1	Discount Rate	1% Increase	(1.10)	(1.01)
		1% Decrease	1.32	1.23
2	Salary	1% Increase	1.31	1.23
		1% Decrease	(1.11)	(1.03)
3	Employee Turnover	1% Increase	(0.04)	0.06
		1% Decrease	0.05	(0.07)

The following are the excpted future benefit payments for the defined benefit plan:

(₹ in lacs)

No.	Particulars	31st March 2020	31st March 2019
1	Within the next 12 months (next annual reporting period)	0.65	0.58
2	Between 2 and 5 years	0.85	0.83
3	Beyod 5 years	25.52	29.75

Note 33

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-2020, to the extent the Company has received intimation form the " Suppliers" regarding their status under the Act.

(₹ in lacs)

No.	Particulars	31st March 2020	31st March 2019
1	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSMED Act.)		
2	Principal amount due to microo and small enterprises	284.25	370.91
3	Interest due on above		

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Note 34

As per Ind AS 24, Disclosure of transactions with related parties (as identified by the management) as defined in Ind AS are gien below:

Sr No.	Particulars	Country of incorporation
	(i) Holding Company	
1	Acrysil Limited	India
	(ii) Fellow Subsidiary Company	
2	Acrysil Products Limited (formerly known as Home Style Products Limited)	UK
	(iii) Key Managerial Personnel	
3	Mr. Chirag Parekh	
4	Dr. Sonal V Ambani	
5	Mr. Pradeep H Gohil	
6	Mr. Dhaval Patel (upto 31st January, 2020)	
7	Mr. Kalpesh Vekariya (upto 14th April, 2019)	

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(₹ in lacs)

Nature of transaction	Relationship	Year ended 31st March 2020	Year ended 31st March 2019
1. Sales of materials			
Acrysil Products Limited	Subsidiary	-	32.31
Acrysil Limited	Holding Company	405.43	447.67
Total...		**405.43**	**479.98**
2. Interest paid			
Acrysil Limited	Holding Company	-	32.88
3. Rent paid			
Acrysil Limited	Holding Company	0.60	0.60
4.Business Establishment and Sales Support Services			
Acrysil Limited	Holding Company	-	0.80
5.Royalty Expenses			
Acrysil Limited	Holding Company	4.84	4.06
6.Repayment of Loan taken			
Acrysil Limited	Holding Company	29.60	451.94
Outstanding balances:			
1. Trade receivables			
Acrysil Products Limited	Subsidiary	-	17.73
Acrysil Limited	Holding Company	90.03	93.26
Total...		**90.03**	**111.00**
3. Other liabilities			
Acrysil Limited	Holding Company	13.37	58.43
4. Interest accrued and due on borrowing			
Acrysil Limited	Holding Company	-	29.60
Key management personnel and relatives			
1. Remuneration			
Mr. Kalpesh Vekariya	Company Secretary	-	3.23
Mr. Dhaval Patel	Company Secretary	2.42	-
Total...		**2.42**	**3.23**
2. Sitting Fees			
Mr. Pradeep H Gohil	Independent Director	0.20	0.20
Dr. Sonal Ambani	Independent Director	0.15	0.10
Total...		**0.35**	**0.30**
Outstanding Balances:			
1. Other liabilities			
Mr. Kalpesh Vekariya	Company Secretary	-	0.05

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35. In the last week of March 2020, an outbreak situation arose in India on account of COVID 19. The Company has considered such outbreak situation as subsequent event to the Balance Sheet date i.e., March 31, 2020 in terms of Ind AS 10 "Reporting on Event After Balance Sheet Date" and has assessed the operational and financial risk on going forward basis.

In assessing the impact on the recoverability of financial and non-financial assets, the extent to which the COVID 19 pandemic will impact the Company's operations and financial results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID 19 outbreak and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.

The impact on the operations and earnings/ cash flows of the Company due to COVID 19 outbreak may be assessed only after clarity on reopening of domestic and export customers manufacturing facility which may affect projection of estimated revenue from operations and earnings for the next year. Though, the management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

36. Balances for trade receivables, trade payables and loans and advances are subject to confirmations from the respective parties.

37. Previous year's figures are regrouped and rearranged, wherever necessary.

Signatures to Notes 1 to 37

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

SANGHAVI & COMPANY Chartered Accountants

MANOJ GANATRA
Partner

For and on behalf of the Board of Directors

CHIRAG PAREKH
Director

PRADEEP GOHIL
Director

Bhavnagar
June 12, 2020

Bhavnagar
June 12, 2020