



# **SAROVAR INSULATION (PVT) LTD**

**EPS PROCESSING DIVISION**

S. F. 482/B Pollachi Main Road,  
Malumichampatti P.O.  
Coimbatore - 641 050.  
Phone : 2611581

## **NOTICE TO THE MEMBERS**

**NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF M/S. SAROVAR INSULATION PRIVATE LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 482/B POLLACHI MAIN ROAD, MALUMICHAMPATTI POST COIMBATORE, TAMIL NADU - 641021 ON SUNDAY , THE 29<sup>TH</sup> SEPTEMBER, 2019 AT 10 A.M.**

### **TO TRANSACT THE FOLLOWING BUSINESS :-**

#### **ORDINARY BUSINESS**

##### **ITEM NO : 1 - TO CONSIDER AND ADOPT**

To receive, consider and adopt the Audited Financial Statements of the company for the period ended March 31, 2019 and the Report of the Board of Directors and Auditors thereon.

##### **ITEM NO : 2 - RATIFICATION OF APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 139,142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(70) of the Companies (Audit and auditors Rules, 2014 (including any statutory modification(s) or re-enactment therefore for the time being in force), the Company hereby ratifies the appointment of M/S A.V. Subbarao & Co, Chartered Accountants (Registrations No 224032) as the statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to be held for the financial year 2019-20 on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors".

**For and on behalf of the Board  
SAROVAR INSULATION PRIVATE LIMITED**

  
**KRISHNAMURTHY MURALI**  
**DIRECTOR**  
**DIN : 02872612**

  
**DHANDAPANI**  
**DIRECTOR**  
**DIN : 02340312**

**DATE : 1<sup>st</sup> SEPTEMBER, 2019**

**PLACE : COIMBATORE**

Regd. Office : S. F. 482/B Pollachi Main Road, Malumichampatti P.O. Coimbatore - 641 050.

Ph : 0422 - 2610144, Cell : 9363107689, 9363107500.

**CIN : U32109TZ1999PTC008729, GSTIN : 33AAECS6684H1Z3**



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## Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. a form of proxy is enclosed, and if intended to be used, should be returned to the company duly completed not less than 48 (forty eight) hours before the aforesaid meeting. As per section 105 of Companies Act, 2013 and rules made there under, A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the company of the Company during office hours on all working days, except Saturday and holidays, between 10.00 A.M. and 5.00 P.M up to the date of the Annual general meeting.
3. Shareholders are requested to intimate changes in their address, if any, quoting the folio number to the Company.
4. Members and Proxies are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed signed and stamped, mentioning therein details along with folio No.
5. Route map of the Annual General Meeting Venue is as follows:-



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## **BOARD'S REPORT**

**TO THE MEMBERS,**

**M/s. SAROVAR INSULATION PRIVATE LIMITED**

Your Directors take pleasure in presenting their Annual report on the business and operations of the company together with the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2019.

### **1. FINANCIAL RESULTS:**

Your directors are pleased to furnish below the financial results for the period ended

31<sup>st</sup> March 2019:

**(Amount in Rupees)**

Particulars	For the period ended 31 <sup>st</sup> March, 2019	For the period ended 31 <sup>st</sup> March, 2018
Income from Operations	12,44,50,507	115,770,762
Non-Operating Income	14,55,912	9,626
Total Income	<b>12,59,06,419</b>	<b>115,780,388</b>
Profit Before Depreciation, Finance Cost, Tax Expenses (EBDIT) and Exceptional item	16,19,639	16,494,29
Depreciation	-	798,179
Interest and Finance Charges	8,55,535	3,480,394
Exceptional Item	-	-
Profit/ (Loss) Before Tax	<b>7,64,104</b>	<b>(2,629,144)</b>
Tax Expense	-	-
Net Profit/ (Loss) After Tax	<b>7,64,104</b>	<b>(2,629,144)</b>

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**1. OPERATIONS :**

During the year ended 31st march 2019, the Net Revenue from operations of your Company is Rs. 12, 44, 50,507 as compared to previous Year ended 31st March 2018 of Rs.115,770,762 and resulting. Net Profit of Rs. 7,64,104 during the year ended 31st March, 2019 as compared to Net Loss of Rs. (26,29,144) of previous year.

**2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There are no material changes and commitments affecting the financial position of the company between 31<sup>st</sup> March, 2019 and the date of Board's Report.

**3. DIVIDEND:**

Though the Company could achieve profits, the Board considers it prudent to plough back the profit for future growth of the company and does not recommend dividend for the current year of operation.

**4. TRANSFER TO RESERVES:**

The company has not transferred any amount to reserves during the year under review.

**5. BOARD MEETINGS :**

During the year following Board Meetings were convened and held.

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	No. of Directors Present	% of Attendance
1.	24.05.2018	2	2	100 %
2.	01.09.2018	2	2	100 %
3.	31.12.2018	2	2	100 %
4.	31.03.2019	2	2	100 %

**6. DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

During the financial year under review, there was no Appointment, Re-appointment and resignation of Directors. No KMP appointed during the financial year under review. The Composition of Directors as follows:

Sl. No	Name of the Director	DIN	Designation
1	KRISHNAMURTHY MURALI	02872612	Director
2	DHANDAPANI	02340312	Director



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## **7. DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **7. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURE:**

The Company has neither Subsidiaries/Associates nor it has entered into Joint Venture with any other Company during the financial year under review.

## **8. EXTRACT OF ANNUAL RETURN:**

As per notification dated 31<sup>st</sup> July 2018 provision related to MGT-9 has been removed from Section 134 of the Companies Act, 2013. Therefore the MGT-9 is not required to attach if the Directors report approved in the board meeting held after 31<sup>st</sup> July 2018.

## **9. AUDITORS:**

The Auditors, M/s A.V. Subbarao & Co, Chartered Accountants, Chennai, Retire at the ensuing Annual General Meeting and, being eligible offer themselves for reappointment from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

The Auditors have not made any qualifications, reservation or adverse remarks in the auditor's report during the period under review.



**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The provisions of section 134(m) of the companies act, 2013 do not apply to our Company. There are no earnings in foreign exchange.

**11. DEPOSITS:**

The Company has not invited/ accepted any public deposits as per Companies Act, 2013 during the financial year and no amount has remained unpaid or unclaimed as at the end of financial year.

**12. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the Financial year under review, there are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**13. INTERNAL FINANCIAL CONTROLS:**

The Company maintains Proper and adequate internal control systems pertaining to financial statements.

**14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Pursuant to provisions of section 186 of the Companies Act, 2013, during the year under review, The Company has not granted any loans or given guarantees or made investments during the year under review.

**15. RISK MANAGEMENT POLICY:**

The company has developed and implemented a risk management policy including identification therein the elements of risk which in the opinion of the Board may threaten the Company existence of are very minimal.

**16. RELATED PARTY TRANSACTIONS**

There is No Material Related party transactions entered during the year 2018-19 .

**17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

Being a private limited company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.



**18. CHANGE IN THE NATURE OF BUSINESS:**

There was no change in the nature of business during the financial year.

**19. CORPORATE SOCIAL RESPONSIBILITY:**

The Company is planning to take some CSR activities in future.

**20. FRAUD REPORTING:**

The Company has not entered into transactions which are fraudulent or illegal of the Company's code of conduct. During the period, no frauds were reported by the Auditors of the Company.

**21. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

During the period under review no complaints were received or disposed off as envisaged under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

**22. SHARE CAPITAL:**

The Authorized share capital of company is Rs.165,00,000/- divided into 16,50,000 equity shares of Rs. 10/- each. Issued, paid-up and subscribed share capital is Rs. 1,01,000/- divided into 20,100 equity shares of Rs. 10/- each.

- a) **Equity shares with differential rights:** The Company has not issued any equity share with differential rights during the year under review.
- b) **Buy Back of Securities:** The Company has not bought back any of its securities during the year under review.
- c) **Sweat Equity:** The Company has not issued any Sweat Equity Shares during the year under review.
- d) **Bonus Shares:** No Bonus Shares were issued during the year under review.
- e) **Employees Stock Option Plan:** The Company has not provided any Stock Option Scheme to the employees.

**23. SECRETARIAL STANDARDS:**

During the year under review, the Company had complied with the Secretarial Standards 1 (Board Meeting) & Secretarial Standards 2 (General Meeting) respectively.



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**24. MAINTENANCE OF COST RECORDS:**

The Company does not falls within the threshold mentioned under sub-section (1) of section 148 of the Companies Act, 2013. Hence, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not required by the Company and accordingly such accounts and records are not made and maintained.

**25. OTHER DISCLOSURES:**

Your company is not falling under the class of companies which require constitution of the audit Committee, Nomination and Remuneration Committee and Establishment of Vigil Mechanism.

**26. ACKNOWLEDGEMENT:**

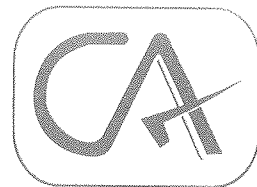
Your directors take this opportunity to place on record, the gratitude for the operation and support extended by the employees of the company, bank and other Government Authorities.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**KRISHNAMURTHY MURALI**  
**DIRECTOR**  
**(DIN:02872612)**

**DHANDAPANI**  
**DIRECTOR**  
**(DIN: 02340312)**

**Date : 29<sup>th</sup> September , 2019**  
**Place : Chennai**



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s. SAROVAR INSULATION PRIVATE LIMITED**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **M/s. SAROVAR INSULATION PRIVATE LIMITED ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at UNIT - II Plot No.C-30, MIDC Industrial Area, Supa Parner MIDC, Supa, Ahmednagar.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion.

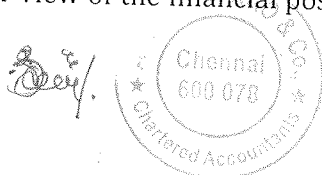
**Key Audit Matters**

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, 2019. 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.

We have determined that there are no Key audit matters to communicate in our report.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash



flows of the Company in accordance with the 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

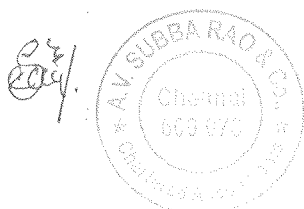
Those Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibility for the Audit of 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 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.

### **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 in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, Statement of Profit and Loss including the Statement of 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2”
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative 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 A.V Subba Rao & co.,**

Chartered Accountants

(Firm Registration No.: 005809S)

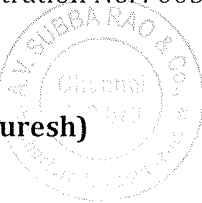
  
**(B Janaki Suresh)**

Partner

Membership No.: 224032

Place: Chennai

Date: 14.05.2018



## **"ANNEXURE 1" TO THE AUDITORS' REPORT**

*[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of SAROVAR INSULATION PRIVATE LIMITED on the accounts of the Company for the year ended 31<sup>st</sup> March, 2019]*

On the basis of such checks as we considered appropriate and according to the information and explanations given to me/us during the course of our audit, we report that:

### ***I. In respect of its fixed assets:***

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

### ***II. In respect of its inventory:***

- (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals/(at the end of the year) by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
- (b) Our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) Our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

### ***III. In respect of loans, secured or unsecured, granted to the parties covered in register maintained under Section 189 of the Companies Act, 2013:***

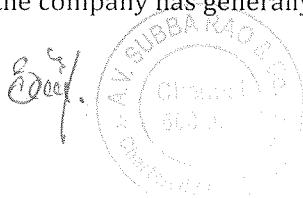
According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.

### ***IV. The Company has not received any public deposits during the year.***

### ***V. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.***

### ***VI. In respect of statutory dues:***

- a. According to the records of the Company and information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues,



including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, Value Added Tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities.

- b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Sales Tax, VAT, Goods and Service Tax, Cess and other material statutory dues in arrears /were outstanding as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
  - c. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
- VII.** The Company does not have the accumulated losses at the end of financial year. The Company has not incurred any Cash losses during the financial year covered by our Audit and the immediately preceding financial year.
- VIII.** In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- IX.** In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year;
- X.** The Company has not obtained any term loan during the year, so this para of order is not applicable.
- XI.** To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year.

**For A.V Subba Rao & co.,**  
Chartered Accountants  
(Firm Registration No. : 005809S)

  
**(B Janaki Suresh)**

Partner

Membership No.: 224032



Place: Chennai

Date: 14.05.2019

## **"ANNEXURE 2" TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls 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 **SAROVAR INSULATION PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 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.

#### **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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 2019, 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 A.V Subba Rao & co.,**

Chartered Accountants

(Firm Registration No. : 005809S)

  
**(B Janaki Suresh)**

Partner

Membership No.: 224032

Place: Chennai

Date: 14.05.2019

	Notes	March 31, 2019	March 31, 2018	March 31, 2017
<b>ASSETS</b>				
<b>Non current assets</b>				
Property, plant and equipment	3	-	4,09,01,072	4,16,29,845
Capital work in progress	3	-	-	-
Intangible assets under development	3	-	-	-
Investment property	4	-	-	-
Investments in subsidiaries	5	-	-	-
Non-current tax assets	6	78,123	78,123	-
Financial assets				
Investments	5	25,000	25,000	25,000
Loans	7	-	-	2,18,356
Others	8	2,89,905	30,705	30,705
Other non-current assets	9	7,09,79,975	31,37,831	7,44,54,699
		<b>7,13,73,002</b>	<b>4,41,72,731</b>	<b>11,63,58,604</b>
<b>Current assets</b>				
Inventories	10	38,51,597	52,97,340	39,21,999
Financial assets				
Trade receivables	11	2,39,72,293	9,24,11,010	2,19,24,732
Cash & cash equivalents	12	25,99,697	12,48,761	27,13,002
Bank balances other than above	13	-	-	-
Loans	14	-	-	-
Others	15	-	-	-
Other current assets (net)	16	-	-	-
		<b>3,04,23,587</b>	<b>9,89,57,110</b>	<b>2,85,59,733</b>
<b>Total assets</b>		<b>10,17,96,589</b>	<b>14,31,29,841</b>	<b>14,49,18,337</b>
<b>EQUITY and LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	1,01,000	1,01,000	1,01,000
Other equity	18	(1,86,70,023)	(1,94,34,127)	(1,68,74,390)
<b>Total equity</b>		<b>(1,85,69,023)</b>	<b>(1,93,33,127)</b>	<b>(1,67,73,390)</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Financial liabilities				
Borrowings	19	-	2,15,18,090	2,13,05,553
Other financial liabilities	20	-	-	-
Provisions	21	23,56,322	14,76,723	12,70,511
Deferred tax liabilities (net)	22	-	-	-
		<b>23,56,322</b>	<b>2,29,94,813</b>	<b>2,25,76,064</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	23	-	-	-
Trade payables	24	4,17,86,654	4,22,97,774	2,57,24,994
Other financial liabilities	25	-	-	3,42,093
Other current liabilities	26	7,56,09,581	9,65,57,326	11,27,67,299
Provisions	27	6,13,055	6,13,055	2,81,277
Current tax liabilities	28	-	-	-
		<b>11,80,09,291</b>	<b>13,94,68,155</b>	<b>13,91,15,663</b>
<b>Total equity and liabilities</b>		<b>10,17,96,589</b>	<b>14,31,29,841</b>	<b>14,49,18,337</b>

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements.  
As per our report of even date attached

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S

B Janaki Suresh  
Partner

Membership no.: 224032

Place: Chennai

Date: 14.05.2019

For and on behalf of the Board of Directors  
Sarovar Insulations Private Limited

Director

Director

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I. Income</b>			
Revenue from operations	29	12,44,50,507	11,57,70,762
Other income	30	14,55,912	9,626
Finance income	31		
<b>Total income</b>		<b>12,59,06,419</b>	<b>11,57,80,388</b>
<b>II. Expenses</b>			
Cost of materials consumed	32	7,72,19,428	7,20,03,139
Purchase of traded goods	33	-	-
Changes in inventories of finished goods, work-in-progress and traded goods	34	32,068	(64,274)
GST on sale of goods	29	1,88,93,526	1,64,82,161
Employee benefits expense	35	1,28,78,656	1,16,29,981
Finance costs	36	8,55,535	34,80,394
Depreciation and amortisation expense	37	-	7,98,179
Other expenses	38	1,52,63,102	1,40,79,952
<b>Total expenses</b>		<b>12,51,42,315</b>	<b>11,84,09,532</b>
<b>Profit/(loss) before share of profit/(loss) of controlled entity, exceptional items and tax</b>		<b>7,64,104</b>	<b>(26,29,144)</b>
Share of profit/(loss) of controlled entity		-	-
<b>Profit/(loss) before exceptional items and tax</b>		<b>7,64,104</b>	<b>(26,29,144)</b>
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<b>7,64,104</b>	<b>(26,29,144)</b>
<b>Tax Expense</b>	39		
Current tax		-	-
Adjustment of current tax relating to earlier years		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>7,64,104</b>	<b>(26,29,144)</b>
<b>Other comprehensive income (OCI)</b>	37		
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Gain/(loss) on FVTOCI financial assets		-	-
Income tax effect		-	-
Re-measurement gains / (losses) on defined benefit plans		-	-
Change in Accounting Policy		-	69,406
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>69,406.36</b>
<b>Total comprehensive income for the year</b>		<b>7,64,103.83</b>	<b>(25,59,737.64)</b>
<b>Earnings Per Equity Share Rs. 2/- each fully paid (March 31, 2018: Rs. 2/- each fully paid)</b>	38		
Computed on the basis of total profit for the year			
Basic (Rs.)		75.65	(260.31)
Diluted (Rs.)		75.65	(260.31)
<b>Summary of Significant Accounting Policies</b>	2.2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date attached

**For A V Subba Rao & Co**

Chartered Accountants

ICAI Firm registration number: 005809S

**B Janaki Suresh**

Partner

Membership no.: 224032

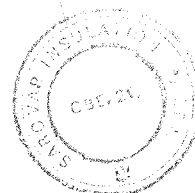
Place: Chennai

Date: 14.05.2019

For and on behalf of the Board of Directors  
**Sarovar Insulations Private Limited**

Director

Director

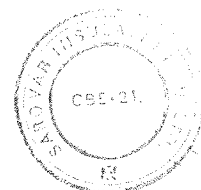


## Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

## Statement of Cash Flows for year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flows used in / from operating activities</b>		
Profit/(loss) before tax	7,64,104	(26,29,144)
Adjustments for :		
Depreciation of property, plant and equipment & investment property	-	7,98,179
Amortisation of intangible assets	-	-
Profit on sale of property, plant and equipment (net)	(14,47,909)	-
Dividend income	(4,375)	(7,500)
Interest income	-	-
Liabilities / provision no longer required written back	-	-
Allowance for credit loss	-	-
Share of loss of controlled entity	-	-
Interest expenses	8,55,535	34,80,394
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	-	-
<b>Operating profit before working capital changes</b>	<b>1,67,355</b>	<b>16,41,929</b>
<b>Movement in working capital:</b>		
(Increase)/ decrease in inventories	14,45,743	(13,75,341)
(Increase)/ decrease in trade receivables	6,84,38,717	(7,04,86,278)
(Increase) / Decrease in financial and non-financial assets	(6,81,01,344)	7,13,16,868
(Increase) / Decrease in other assets	-	-
(Decrease)/ Increase in trade payables	(5,11,120)	1,65,72,780
Increase in financial, non-financial liabilities and provisions	(2,00,68,146)	(1,60,14,076)
<b>Cash generated from operations</b>	<b>(1,86,28,794)</b>	<b>16,55,883</b>
Income tax paid	(0)	(8,717)
<b>Net cash flows used in / from operating activities (A)</b>	<b>(1,86,28,794)</b>	<b>16,47,166</b>
<b>Cash flows used in / from investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	-	(69,406)
Proceeds from sale of property, plant and equipment	4,23,48,980	-
Proceeds from deposits (net)	-	-
Loans given	-	2,18,356
Share of loss of controlled entity	-	-
Dividends received	4,375	7,500
Interest received	-	-
<b>Net cash flows used in / from investing activities (B)</b>	<b>4,23,53,355</b>	<b>1,56,449</b>
<b>Net cash flows used in / from financing activities</b>		
Repayment of long - term borrowings (net)	(2,15,18,090)	2,12,537
Proceeds from short - term borrowings (net)	-	-
Dividend paid	-	-
Interest paid	(8,55,535)	(34,80,394)
<b>Net cash flows used in/from financing activities (C)</b>	<b>(2,23,73,625)</b>	<b>(32,67,857)</b>
Net decrease in cash and cash equivalents (A+B+C)	13,50,936	(14,64,242)
Cash and cash equivalents at the beginning of the year	12,48,761	27,13,002
<b>Cash and cash equivalents at the year end</b>	<b>25,99,697</b>	<b>12,48,760</b>



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Statement of Cash Flows for year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Components of cash and cash equivalents:</b>		
Cash on hand	94,753	91,258
Cheques / drafts on hand	-	-
Balances with banks		
On current accounts	25,04,944	11,57,503
On deposits	-	-
<b>Total cash and cash equivalents</b>	<b>25,99,697</b>	<b>12,48,761</b>

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S

B Janaki Suresh

Partner

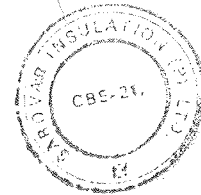
Membership no.: 224032

Place: Chennai

Date: 14.05.2019

For and on behalf of the Board of Directors  
Sarovar Insulations Private Limited

Director



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Statement of Changes in Equity for the year ended March 31, 2019

**a. Equity Share Capital**

100 Shares of Equity Shares of Rs.10 Each (March 31, 2018: Rs.10 each and March 31, 2017: Rs.10 each), subscribed and fully paid up and 20000 Shares of Equity Shares of Rs.10 Each (March 31, 2018: Rs.5 each and March 31, 2017: Rs.5 each), fully subscribed and partly called paid up

As at March 31, 2017

As at March 31, 2018

As at March 31, 2019

Number of shares	Rs. In Lakhs
20,100	1,01,000.00
20,100	1,01,000.00
20,100	1,01,000.00

**b. Other Equity**

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium account	General Reserve	Surplus in Profit and loss	FVTOCI reserve	
As at March 31, 2017	-	-	(1,68,74,390)	-	(1,68,74,389.64)
Profit for the year	-	-	(26,29,144)	-	(26,29,144.00)
Other Comprehensive Income	-	-	69,406	-	69,406.36
<b>Total Comprehensive Income</b>	-	-	<b>(1,94,34,127)</b>	-	<b>(1,94,34,127.28)</b>
Interim dividend and tax thereon	-	-	-	-	-
<b>At March 31, 2018</b>	-	-	<b>(1,94,34,127)</b>	-	<b>(1,94,34,127.28)</b>
Profit for the year	-	-	7,64,104	-	7,64,103.83
Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income</b>	-	-	<b>(1,86,70,023)</b>	-	<b>(1,86,70,023.45)</b>
<b>As at March 31, 2019</b>	-	-	<b>(1,86,70,023)</b>	-	<b>(1,86,70,023.45)</b>

The accompanying notes are an integral part of the financial statements  
As per our Report of even date attached

For A V Subba Rao & Co  
Chartered Accountants  
ICAI Firm registration number 005809S

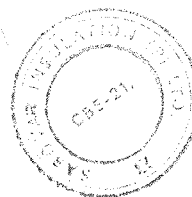
**B Janaki Suresh**  
Partner  
Membership no.: 224032  
Place: Chennai  
Date: 14.05.2019



For and on behalf of the Board of Directors  
Sarovar Insulations Private Limited

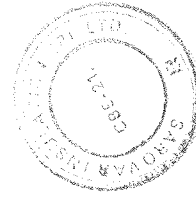
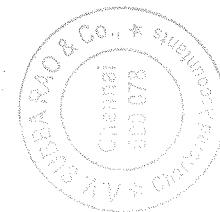
Director

Director



3 Property, plant and equipment

Particulars	Freehold land	Leasehold Land	Buildings on Leasehold Land	Buildings	Plant and Equipment	Computer	Furniture, Fixtures & Office Equipment	Leasehold improvements	Tools	Vehicles	Total Property, Plant and equipment	Capital work-in-progress
<b>Gross block</b>												
Deemed cost at March 31, 2017	1,73,48,980	-	-	2,51,79,141	-	-	-	-	-	-	4,25,28,121	-
Additions(Change in Policy)	-	-	-	69,406	-	-	-	-	-	-	69,406	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	1,73,48,980	-	-	2,52,48,547	-	-	-	-	-	-	4,25,97,527	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	1,73,48,980	-	-	2,35,52,092	-	-	-	-	-	-	4,09,01,072	-
As at March 31, 2019	-	-	-	16,96,455	-	-	-	-	-	-	16,96,455	-
<b>Depreciation</b>												
As at March 31, 2017	-	-	-	8,98,276	-	-	-	-	-	-	8,98,276	-
Charge for the year	-	-	-	7,98,179	-	-	-	-	-	-	7,98,179	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	16,96,455	-	-	-	-	-	-	16,96,455	-
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	16,96,455	-	-	-	-	-	-	16,96,455	-
<b>Net carrying value</b>												
As at March 31, 2017	1,73,48,980	-	-	2,42,80,865	-	-	-	-	-	-	4,16,29,845	-
As at March 31, 2018	1,73,48,980	-	-	2,35,52,092	-	-	-	-	-	-	4,09,01,072	-
As at March 31, 2019	-	-	-	-	-	-	-	-	-	-	-	-



### 3 Intangible assets

Particulars	Intangible assets	Intangible assets under development	Total intangible assets
<b>Gross carrying value</b>			
As at March 31, 2017 (Cost or deemed cost)	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	-	-	-
<b>Depreciation</b>			
As at March 31, 2017	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
As at March 31, 2018	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
As at March 31, 2019	-	-	-
<b>Net carrying value</b>			
As at March 31, 2017	-	-	-
As at March 31, 2018	-	-	-
As at March 31, 2019	-	-	-

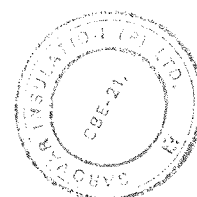
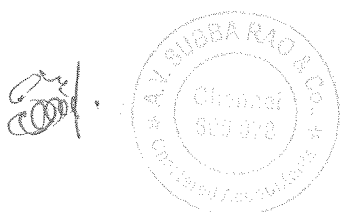
### 4 Investment Property

Particulars	Freehold Land	Buildings	Plant and Equipment	Total
As at March 31, 2017	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2018	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2019	-	-	-	-
<b>Depreciation</b>				
As at March 31, 2017	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2018	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2019	-	-	-	-
<b>Net carrying value</b>				
As at March 31, 2017	-	-	-	-
As at March 31, 2018	-	-	-	-
As at March 31, 2019	-	-	-	-

#### Information regarding income and expenditure of investment property

Rental income derived from investment properties  
Direct operating expenses (including repairs and maintenance) generating rental income  
Direct operating expenses (including repairs and maintenance) that did not generate rental income

	March 31, 2019	March 31, 2018
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from investment properties before depreciation and indirect expenses</b>		
Less:- Depreciation	-	-
<b>Profit arising from investment properties before indirect expenses</b>		



5 Non-current investments (fully paid up)

	March 31, 2019	March 31, 2018	March 31, 2017
<b>A Investment in subsidiaries (Unquoted equity instruments at cost)</b>			
Total Investments in subsidiaries (A)	-	-	-
<b>B Investment in other entities (Unquoted equity instruments at cost)</b>			
shares with saraswat cooperative bank	25,000.00	25,000.00	25,000.00
<b>Total Investments in other entities (B + C)</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>25,000.00</b>
<b>Total investments (A+B+C)</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>25,000.00</b>

6 Non-current tax assets

	March 31, 2019	March 31, 2018	March 31, 2017
Advance income tax - unsecured, considered good	78,123	78,123	-
	<b>78,123.00</b>	<b>78,123.00</b>	<b>-</b>

7 Loans

	March 31, 2019	March 31, 2018	March 31, 2017
Loans to employees - secured, considered good	-	-	-
Loans to employees - unsecured, considered good	-	-	2,18,356.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,18,356.00</b>

8 Other non-current financial assets

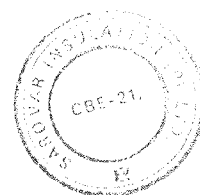
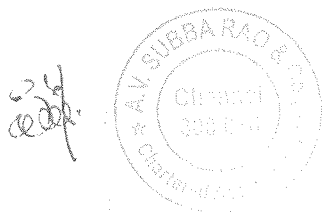
(Unsecured, considered good unless otherwise stated)

	March 31, 2019	March 31, 2018	March 31, 2017
Security Deposits	2,89,905	30,705.00	30,705.00
<b>Total</b>	<b>2,89,905.00</b>	<b>30,705.00</b>	<b>30,705.00</b>

9 Other non-current assets

(Unsecured, considered good unless otherwise stated)

	March 31, 2019	March 31, 2018	March 31, 2017
Balances with Govy Authorities			
VAT Refund receivable	5,77,743	5,77,743	5,77,743
CENVAT Cr	-	-	7,928
Advances to suppliers	5,30,885	23,86,557	2,15,966
Saidepp Polytherm	6,93,60,992	-	6,91,79,346
Ekdant Moulders & Engg pvt Ltd	-	-	32,72,591
Employees	2,58,714	-	4,894
Sharaddha Nikhil k & Co	-	-	7,02,075
Deposit with Gajanam Krupa Petroleum	25,000	25,000	25,000
VAT Deposit	25,000	25,000	25,000
Prepaid Expenses	1,51,541	1,23,531	73,809
Receivables	50,100	-	3,70,347
<b>Total</b>	<b>7,09,79,975</b>	<b>31,37,831</b>	<b>7,44,54,699</b>



#### 10 Inventories

(Cost or net realisable value whichever is lower)

	March 31, 2019	March 31, 2018	March 31, 2017
Raw materials and packing materials	14,96,751.75	27,24,211.87	15,89,800.00
Work-in-progress	7,67,290.00	13,67,516.00	9,70,385.00
Finished goods	11,08,308.00	5,40,150.00	8,73,007.00
Stores and spares	3,83,498.17	5,78,597.45	4,59,181
Fuel	60,399.10	46,881.00	11,320.00
Diesel & Oil	35,350.00	39,984.00	18,306.00
<b>Total</b>	<b>38,51,597.02</b>	<b>52,97,340.32</b>	<b>39,21,999</b>

#### 11 Trade Receivables

	March 31, 2019	March 31, 2018	March 31, 2017
Trade receivables	45,88,087	9,24,11,010	2,19,24,732
Receivables from related parties	1,93,84,206	-	-
<b>Total trade receivables</b>	<b>2,39,72,293</b>	<b>9,24,11,010</b>	<b>2,19,24,732.00</b>
<b>Break-up for security details:</b>			
Unsecured, considered good	2,39,72,293	9,24,11,010	2,19,24,732
Unsecured, considered doubtful	-	-	-
<b>Total trade receivables</b>	<b>2,39,72,293</b>	<b>9,24,11,010</b>	<b>2,19,24,732.00</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>			
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	-	-	-
<b>Total</b>	<b>2,39,72,293</b>	<b>9,24,11,010</b>	<b>2,19,24,732.00</b>

#### 12 Cash & cash equivalents

	March 31, 2019	March 31, 2018	March 31, 2017
Balances with Banks			
On current accounts	25,04,944	11,57,503	26,21,780
In deposits with original maturity of less than 3 months	-	-	-
Cheques/ drafts on hand	-	-	-
Cash on hand	94,753	91,258	91,222
<b>Total</b>	<b>25,99,696.97</b>	<b>12,48,761.00</b>	<b>27,13,002.00</b>

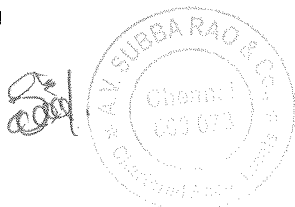
#### 13 Bank Balances other than above

	March 31, 2019	March 31, 2018	March 31, 2017
In earmarked accounts			
Unclaimed dividend accounts	-	-	-
Interim dividend accounts	-	-	-
Balances held as margin money	-	-	-
Others (refer note below)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 14 Loans (Current)

(Unsecured, considered good unless stated otherwise)

	March 31, 2019	March 31, 2018	March 31, 2017
Loans to related parties	-	-	-
Loans to employees - secured	-	-	-
Loans to employees	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>



**15 Others current financial assets**

(Unsecured, considered good unless stated otherwise)

	March 31, 2019	March 31, 2018	March 31, 2017
Security deposits	-	-	-
Interest receivable	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Breakup of financial assets**

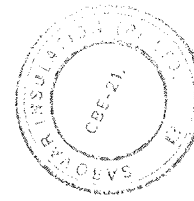
	March 31, 2019	March 31, 2018	March 31, 2017
<b>Valued at cost</b>			
Investments in subsidiaries	-	-	-
Investments in other entities	-	-	-
<b>Valued at fair value through OCI</b>			
Investments in other entities	-	-	-
<b>Valued at amortised cost</b>			
Non-current and current loans	-	-	2,18,356.00
Trade Receivables	-	-	-
Cash & cash equivalents	25,99,696.97	12,48,761.00	27,13,002.00
Bank Balances	-	-	-
Other non-current and current financial assets	2,89,905.00	30,705.00	30,705.00
<b>Total financial assets carried at amortised cost</b>	<b>28,89,601.97</b>	<b>12,79,466.00</b>	<b>29,62,063.00</b>

**16 Other current assets**

(Unsecured, considered good unless otherwise stated)

	March 31, 2019	March 31, 2018	March 31, 2017
Advance paid for jobs in progress	-	-	-
Advances for supply and services	-	-	-
Prepayments	-	-	-
Balances with Statutory/Government Authorities	-	-	-
Retention Money	-	-	-
Fixed Assets held for sale	-	-	-
Other advances	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

*[Signature]*



## 17 Share capital

### Authorised share capital

Equity shares of Rs. 10 each (March 31, 2018: Rs. 10 each and March 31, 2017: Rs. 10 each)

	Number of shares	Rs.
At March 31, 2017	50,000	5,00,000.00
Increase/(decrease) during the year	16,00,000	1,60,00,000.00
At March 31, 2018	16,50,000	1,65,00,000.00
Increase/(decrease) during the year		
At March 31, 2019	16,50,000	1,65,00,000.00

## 17.2 Issued, Subscribed and Paid-up Capital

Equity shares of Rs. 2 each (March 31, 2018: Rs. 10 each and March 31, 2017: Rs. 10 each) issued, subscribed and fully paid

	Number of shares	Rs.
At March 31, 2017	20,100	1,01,000.00
Equity shares of Rs. 10/- each Rs. 5/- Called up	20,000	1,00,000.00
Equity shares of Rs. 10/- Fully paid up	100	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2018	20,100	1,01,000.00
Increase/(decrease) during the year	-	-
At March 31, 2019	20,100	1,01,000.00

## 17.3 Terms/ rights attached to shares

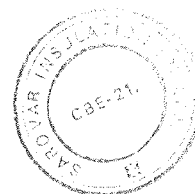
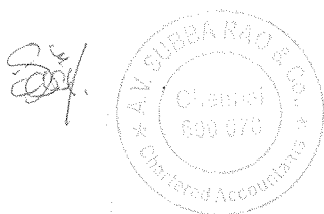
The Company has issued only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 17.4 Details of shareholders holding more than 5% shares in the Company

	March 31, 2019		March 31, 2018		March 31, 2017	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Beardshell Limited	20,999	100.00%	20,999	100.00%	20,999	100.00%
Mr. S V Narsimha Rao	1	0.00%	1	0.00%	1	0.00%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



18 Other equity

Reserves and Surplus

(a) Securities premium account

Balance at the beginning of the year

Less: Equity shares allotted as fully paid bonus shares by capitalization of securities premium

Balance at the end of the year

(b) General reserve

Balance at the beginning of the year

Add: Amount transferred from surplus in the statement of profit and loss

Balance at the end of the year

(c) Surplus in the statement of profit and loss

Balance at the beginning of the year

Add: Total comprehensive income for the year

Less: Dividend distribution tax on interim dividend

Balance at the end of the year

(c) Surplus in the statement of profit and loss

Balance at the beginning of the year

Balance at the end of the year

(d) FVTOCI reserve

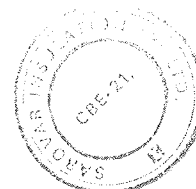
Balance at the beginning of the year

Add: Other comprehensive income for the year

Balance at the end of the year

Total other equity

March 31, 2019	March 31, 2018
-	-
-	-
-	-
-	-
-	-
-	-
(1,94,34,127.28)	(1,68,74,389.64)
7,64,103.83	(25,59,737.64)
-	-
(1,86,70,023.45)	(1,94,34,127.28)
-	-
-	-
-	-
-	-
-	-
(1,86,70,023.45)	(1,94,34,127.28)



**19 Borrowings (non-current)**

	March 31, 2019	March 31, 2018	March 31, 2017
<b>Term loans</b>			
Indian Rupee loans from banks (Secured) (a)	-	2,15,18,090	2,13,05,553
<b>Total</b>	-	2,15,18,090	2,13,05,553
<b>Current maturities of non-current borrowings</b>			
<b>Term loans</b>			
Indian Rupee loans from banks (Secured) (b)	-	-	-
Less: Amount disclosed under the head "other financial liabilities" (c)	-	-	-
<b>Total non-current borrowings ((a) - (c))</b>	-	2,15,18,090	2,13,05,553

**20 Other financial liabilities (non current)**

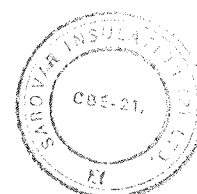
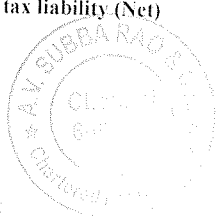
	March 31, 2019	March 31, 2018	March 31, 2017
Unsecured public deposits - From related parties	-	-	-
Unsecured public deposits - From others	-	-	-
Long-term maturities of hire purchase loans (refer note i below)	-	-	-
Unsecured Inter corporate deposits	-	-	-
Unsecured loans and advances from related parties	-	-	-
Unsecured loans and advances from others	-	-	-
Interest accrued but not due on public deposits	-	-	-
- From related parties	-	-	-
- From others	-	-	-
Deferred rent	-	-	-

**21 Provisions (non-current)**

	March 31, 2019	March 31, 2018	March 31, 2017
Provision for compensated absences (refer note 43)	-	-	-
Provision for Gratuity	23,56,322	14,76,723	12,70,511
Provision for warranty	-	-	-
<b>Total</b>	<b>23,56,322</b>	<b>14,76,723</b>	<b>12,70,511</b>

**22 Deferred tax liability (Net)**

	March 31, 2019	March 31, 2018	March 31, 2017
<b>Deferred tax liability relating to</b>			
On difference between book balance and tax balance of Property, plant & equipment and Investment property	-	-	-
(A)	-	-	-
<b>Deferred tax asset relating to</b>			
Provision for compensated absences	-	-	-
Provision for warranties	-	-	-
Provision for doubtful debts	-	-	-
(B)	-	-	-
<b>Deferred tax liability (Net)</b>	<b>(A-B)</b>	<b>(A-B)</b>	<b>(A-B)</b>



## Deferred tax (assets) / liabilities:

For the year ended March 31, 2019:

	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant & equipment & Investment property	-	-	-	-
Provision for compensated absences	-	-	-	-
Provision for warranties	-	-	-	-
Provision for doubtful debts	-	-	-	-
FVTOCI reserve	-	-	-	-
	-	-	-	-

For the year ended March 31, 2018:

	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant & equipment & Investment property	-	-	-	-
Provision for compensated absences	-	-	-	-
Provision for warranties	-	-	-	-
Provision for doubtful debts	-	-	-	-
FVTOCI reserve	-	-	-	-
	-	-	-	-

## 23 Borrowings (Current)

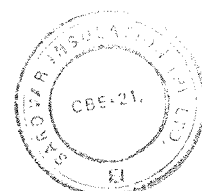
	March 31, 2019	March 31, 2018	March 31, 2017
Indian rupee loans from banks (secured)	-	-	-
Buyer's credit from banks (secured)	-	-	-
Unsecured public deposits - from related parties	-	-	-
Unsecured public deposits - from others	-	-	-
<b>Total</b>	-	-	-

## 24 Trade payables

	March 31, 2019	March 31, 2018	March 31, 2017
Outstanding dues to creditors other than micro enterprises and small enterprises			
- Acceptances	-	-	-
- Other than acceptances	4,17,86,654	4,22,97,774	2,57,24,994
	<b>4,17,86,654</b>	<b>4,22,97,774</b>	<b>2,57,24,994</b>

## 25 Other financial liabilities (current)

	March 31, 2019	March 31, 2018	March 31, 2017
Current Maturities of long term debt (refer note ii below)	-	-	3,42,093
Current maturities of hire purchase loans (refer note iii below)	-	-	-
Unclaimed dividend	-	-	-
Interest accrued but not due on public deposits	-	-	-
- From related parties	-	-	-
- From others	-	-	-
Interest accrued but not due on promoters loan	-	-	-
Dividend payable	-	-	-
<b>Total</b>	-	-	<b>3,42,093</b>



**26 Other current liabilities**

	March 31, 2019	March 31, 2018	March 31, 2017
Statutory liabilities	-	-	1,66,005
Advances received from customers	1,02,91,995	1,03,24,885	2,10,27,489
Saideep Polytherm	27,51,927	2,27,37,468	1,17,94,926
Deferred rent	-	-	-
Provisions	91,12,878	-	74,95,706
Payable to related parties	5,34,52,782	5,34,52,782	7,22,83,173
others	-	1,00,42,191	-
<b>Total</b>	<b>7,56,09,581</b>	<b>9,65,57,326</b>	<b>11,27,67,299</b>

**27 Provisions (current)**

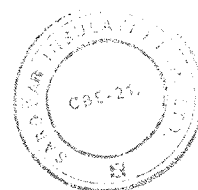
	March 31, 2019	March 31, 2018	March 31, 2017
other Provisions	6,13,055	6,13,055	2,81,277
<b>Total</b>	<b>6,13,055</b>	<b>6,13,055</b>	<b>2,81,277</b>

**28 Current tax liabilities**

	March 31, 2019	March 31, 2018	March 31, 2017
Provision for taxes (net)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Breakup of financial liabilities**

	March 31, 2019	March 31, 2018	March 31, 2017
<b>Valued at amortised cost</b>			
Non current borrowings	-	2,15,18,090	2,13,05,553
Current borrowings	-	-	-
Trade Payables	4,17,86,654	4,22,97,774	2,57,24,994
Other non-current and current financial liabilities	-	-	3,42,093
<b>Total financial liabilities carried at amortised cost</b>	<b>4,17,86,654</b>	<b>6,38,15,864</b>	<b>4,73,72,640</b>



**29 Revenue from Operations**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Sale of Products		
Finished goods (including excise duty and Goods and service Tax)	12,44,50,507	11,51,55,000
Traded goods	-	-
Sale of services	-	6,14,876
Other operating revenue		
Scrap sales	-	886
<b>Total revenue from operations (gross)</b>	<b>12,44,50,507</b>	<b>11,57,70,762</b>
Less: Excise duty and Goods and service Tax	1,88,93,526	1,64,82,161
<b>Revenue from operations (net)</b>	<b>10,55,56,981</b>	<b>9,92,88,601</b>

**Details of products sold**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
<b>Finished goods sold</b>		
Expanded Polystyrene	10,55,56,981	9,86,72,839
<b>Sale of Services Comprises</b>		
Processsing Charges for the Job Work done	-	6,14,876
<b>Total</b>	<b>10,55,56,981</b>	<b>9,92,87,715</b>

**30 Other income**

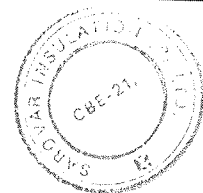
	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Rental income from operating leases	-	-
Dividend Income	4,375	7,500
Net gain on sale of fixed assets	14,47,909	-
Liabilities / provisions no longer required written back #	-	-
Other non-operating income	3,628	2,126
<b>Total</b>	<b>14,55,912</b>	<b>9,626</b>

**31 Finance income**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Interest Income on		
- Bank Deposits	-	-
- Income tax refund	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**32 Cost of raw materials consumed**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Opening stock	27,24,212	15,89,800
Add: Purchases	7,59,91,968	7,31,37,551
	<b>7,87,16,180</b>	<b>7,47,27,351</b>
Less : Closing stock	14,96,752	27,24,212
<b>Total cost of raw materials consumed</b>	<b>7,72,19,428</b>	<b>7,20,03,139</b>



**33 Purchase of Stock-in-trade**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Stock-in-trade - EPS	-	-
Stock-in-trade - Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**34 Changes in inventories of finished goods, work-in-progress and traded goods**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
<b>Opening stock</b>		
Finished goods	5,40,150	8,73,007
Work-in-Progress	13,67,516	9,70,385
Stock-in-trade	-	-
	<b>19,07,666</b>	<b>18,43,392</b>
<b>Closing stock</b>		
Finished goods	11,08,308	5,40,150
Work-in-Progress	7,67,290	13,67,516
Stock-in-trade	-	-
	<b>18,75,598</b>	<b>19,07,666</b>
<b>Decrease/ (increase) in inventories of finished goods, work-in-progress and traded goods</b>	<b>32,068</b>	<b>(64,274)</b>

**35 Employee benefits expense**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Salaries, allowances and wages	99,93,905	94,53,384
Contribution to provident fund and other funds	8,28,900	7,81,260
Gratuity expense	8,79,599	4,39,574
Staff welfare expenses	11,76,252	9,55,763
<b>Total</b>	<b>1,28,78,656</b>	<b>1,16,29,981</b>

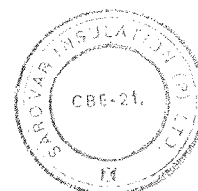
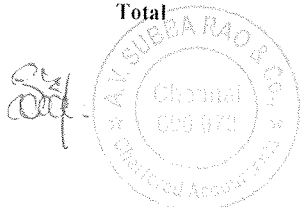
**36 Finance Costs**

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Interest expense on		
Term loans and working capital loans	8,33,286	34,08,636
On public and other deposits	-	-
Delayed payment of Income Tax	22,249	57,366
Bills Discounting charges	-	-
Other Borrowing Costs #	-	14,392
<b>Total</b>	<b>8,55,535</b>	<b>34,80,394</b>

# Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.

**37 Depreciation and amortization expense**

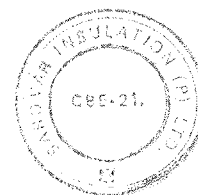
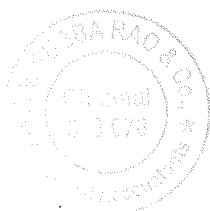
	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Depreciation of tangible assets	-	7,98,179
Amortization of intangible assets	-	-
<b>Total</b>	<b>-</b>	<b>7,98,179</b>



38 Other expenses

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Consumption of stores and spares	23,00,462	17,38,317
Factory maintenance	-	-
Power and Fuel	76,61,823	69,71,337
Repairs & maintenance		
Plant and machinery	3,23,118	4,67,226
Buildings	1,41,303	1,30,827
Furniture and Equipment	31,748	27,471
Others	-	-
Testing and analysis charges	-	-
Lease Charges	12,00,000	11,75,014
Job workcharges	-	-
Rent	-	-
Rates and taxes	2,53,913	1,66,871
General and office Expenses	-	-
Insurance	2,47,720	1,29,445
Printing and stationery	48,111	62,412
Consultancy and other professional charges	-	-
Remuneration to auditors	65,000	2,13,400
Legal and Professional charges	71,700	5,51,550
Travelling and conveyance	2,29,238	2,14,232
Commission	-	-
Communication expenses	52,617	60,798
Business Promotion Expenses	-	-
Loss on disposal of property, plant and equipment (net)	-	-
Water Charges	-	-
Loss on investment fair valuation	-	-
Allowance for credit loss	-	-
Research and development	-	-
VAT Penalty	-	-
Excise Penalty	-	-
Provident fund Contribution	-	-
service tax	-	-
Professional Tax	-	-
Freight	34,090	31,524
Carriage outwards	-	-
Postage & Courier	-	-
Packing and Handling Charges	22,35,115	18,24,289
Telephone & Mobile Expenses	-	-
Loading and Unloading Charges	-	-
Royalty	-	-
Other selling expenses	-	-
CSR Expenditure	-	-
Security Charges	-	-
Donations	-	-
Sitting fees paid to Directors	-	-
Share of loss of a partner ship firm	-	-
Net loss on foreign currency transactions and translation	-	-
Miscellaneous Expenses	3,67,143	3,15,239
<b>Total</b>	<b>1,52,63,102</b>	<b>1,40,79,952</b>

25/



<b>Payment to auditor</b>		
<b>As auditor</b>		
-Audit Fees	59,000	50,000
<b>In other capacity</b>		
-Other services	-	-
-Reimbursement of expenses	-	-
<b>Total</b>	<b>59,000</b>	<b>50,000</b>

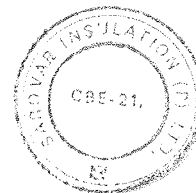
**39 Exceptional items**

	<b>For the year ended 31-Mar- 2019</b>	<b>For the year ended 31-Mar- 2018</b>
Loss due to Sale of Asset	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**40 Other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	<b>For the year ended 31-Mar- 2019</b>	<b>For the year ended 31-Mar- 2018</b>
<b>FVTOCI reserve</b>		
Gain/(loss) on FVTOCI financial assets	-	-
Deferred tax effect on the gain/(loss) on FVTOCI financial assets	-	-
Change in Accounting Policy	-	69,406
Re-measurement gains / (losses) on defined benefit plans	-	-
Deferred tax effect on remeasurement costs on net defined benefit liability	-	-
<b>Total</b>	<b>-</b>	<b>69,406</b>



#### 41 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
Profit available for equity shareholders	7,64,103.83	(26,29,144.00)
Weighted average number of equity shares in computing basic and diluted EPS	10,100	10,100
Face value of each equity share (Rs.)	10.00	10
Earnings per share*		
- Basic (Rs.)	75.65	(260.31)
- Diluted (Rs.)	75.65	(260.31)

#### 42 Income taxes

The major components of income tax expenses for the year ended March 31, 2019 and March 31, 2018 are:

##### (i) Profit or loss section

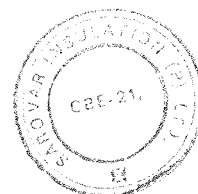
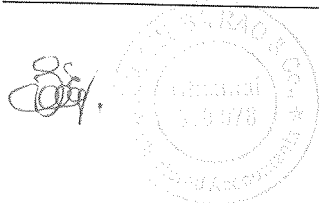
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	-	-
Adjustment of tax relating to earlier years	-	-
Deferred tax credit	-	-
<b>Total income tax expense recognised in statement of Profit &amp; Loss</b>	-	-

##### (ii) OCI Section

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain on FVTOCI financial assets	-	-
Net loss on remeasurement of defined benefit plans	-	(69,406)
Income tax charged to OCI	-	(69,406)

#### (b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit Before Tax (A)	7,64,104	(26,29,144)
Enacted tax rate in India (B)	34.61%	34.61%
Expected tax expenses (C = A*B)	2,64,441	(9,09,894)
<b>Tax effect on permanent differences</b>		
50% of donation	-	-
Loss from partnership firm	-	-
Interest paid on Income Tax	-	-
Others (nature)	-	-
<b>Total (D)</b>	-	-
Expected tax expenses after adjusting permanent differences (C+D)	2,64,441	(9,09,894)
Total Tax expense	-	-
Effective Tax Rate	-	-



#### 43 Employee benefits

##### A. Defined benefit plans

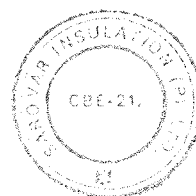
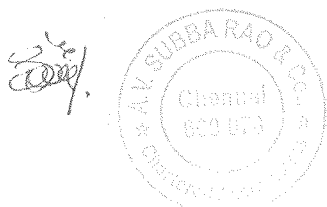
###### (a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 10 Lakhs.

The Company has invested the plan assets with the insurer managed funds (Life Insurance Corporation). The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2019 and March 31, 2018 consist of the following:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	1,48,401	86,952
Interest on net defined benefit liability, net	1,12,674	94,011
<b>Gratuity cost recognised in statement of profit and loss</b>	<b>2,61,075</b>	<b>1,80,963</b>
Remeasurement on the net defined benefit liability:		
Return on plan assets (greater)/less than discount rate	-	-
Actuarial (gains) / losses due to DBO assumptions changes	(28,635.00)	(28,198.00)
Components of defined benefit costs recognised in other comprehensive income	(28,635.00)	(28,198.00)
Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of Unfunded obligation	14,76,723	14,76,723.00
Funded status [Surplus/(Deficit)]	(14,76,723)	(14,76,723)
<b>Net defined benefit liability recognised</b>	<b>(14,76,723)</b>	<b>(14,76,723)</b>
Details of changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	-	-
Current service cost	-	-
Interest on defined obligations	-	-
Re-measurements due to:	-	-
Actuarial loss due to change in assumptions	(28,635.00)	(28,198.00)
Actuarial (gain)/loss due to demographic assumptions	(7,807.00)	-
Actuarial loss due to experience changes	6,54,966.00	53,545.00
Benefits paid	-	-
<b>Defined benefit obligations at the end of the year</b>	<b>6,18,524.00</b>	<b>25,347.00</b>



Details of changes in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at the beginning of the year	-	-
Employer contributions	-	-
Interest on plan assets	-	-
Re-measurements due to:	-	-
Return on plan assets excluding interest on plan assets	-	-
Benefits paid	-	-
Plan assets at the end of the year	-	-

**Sensitivity Analysis:**

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Effect of 1% change in assumed discount rate		
- 1% increase	-	-
- 1% decrease	-	-
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	-	-
- 1% decrease	-	-
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	-	-
- 1% decrease	-	-

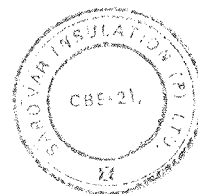
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.76%	7.63%
Rate of return of plan assets	-	-
Attrition rate	3%	3%
Rate of compensation increase	6%	6%

The expected future cash flows in respect of gratuity were as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expected future benefit payments		
31-Mar-19	-	-
31-Mar-20	-	-
31-Mar-21	-	-
31-Mar-22	-	-
31-Mar-23	-	-

*(b) Compensated absences*

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.



Sarovar Insulation Private Limited

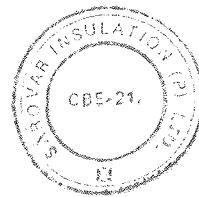
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Notes to Financial Statements for the year ended March 31, 2019

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Present Value of Obligation as at beginning of year	14,76,723	12,70,413
Interest Cost	1,12,674	94,011
Current Service Cost	1,48,401	86,952
Benefits paid	-	-
Actuarial (gain) / loss on obligations	6,18,524	25,347
Present value of obligations as at end of year	23,56,322	14,76,723

The assumptions employed for the calculations are as follows.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Discount rate	7.76%	7.63%
Salary growth rate	6.00%	6.00%
Mortality	-	-
Expected rate of return	-	-
Withdrawal rate per annum	-	-



**44 Segment information****(a) Primary segment**

The Company has identified their are no different business segments as its primary segments. The Company's is only engaged in Business segment of insulation Business includes manufacturing of EPS Products/ prefabricated panels and related service activities. The above segment have been identified taking into account the organisation structure as well as differing risks and returns of these segments. All the Revenues and expenses directly attributable to this segment are reported. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. The are no geographical segments of the Company.

**For the year ended March 31, 2019**

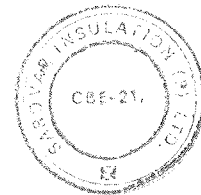
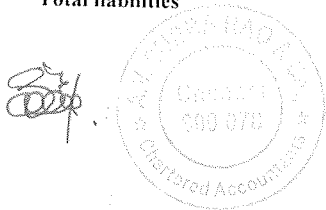
Particulars	Insulation	Trading	Total
Revenue	-	-	-
Segment result	-	-	-
Less: Finance costs	-	-	-
Less: Unallocable corporate expenses (net of income)	-	-	-
Profit before taxes	-	-	-
Less: Tax expenses	-	-	-
<b>Net profit for the year</b>	-	-	-
Segment assets	-	-	-
Unallocable assets	-	-	-
<b>Total Assets</b>	-	-	-
Segment liabilities	-	-	-
Unallocable liabilities	-	-	-
<b>Total liabilities</b>	-	-	-

**For the year ended March 31, 2018**

Particulars	Insulation	Trading	Total
Revenue	-	-	-
Segment result	-	-	-
Less: Finance costs	-	-	-
Less: Unallocable corporate expenses (net of income)	-	-	-
Profit before taxes	-	-	-
Less: Tax expenses	-	-	-
<b>Net profit for the year</b>	-	-	-
Segment assets	-	-	-
Unallocable assets	-	-	-
<b>Total Assets</b>	-	-	-
Segment liabilities	-	-	-
Unallocable liabilities	-	-	-
<b>Total liabilities</b>	-	-	-

**As at year end March 31, 2017**

Particulars	Insulation	Trading	Total
Segment assets	-	-	-
Unallocable assets	-	-	-
<b>Total Assets</b>	-	-	-
Segment liabilities	-	-	-
Unallocable liabilities	-	-	-
<b>Total liabilities</b>	-	-	-



## 45 Related Party Transactions

Holding Company

Beardshell Limited

**Key Management Personnel (KMP) and their relatives**

Sanjay Hargovind Multani

Director

Dhandapani

Director

Ramanathan Subramanian

Director

Krishnamurthy Murali

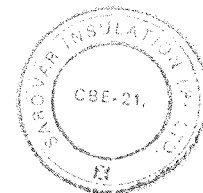
Director

**b. Related party transactions for the year ended March 31, 2019**

Particulars	Holding entity	Wholly owned subsidiary	Entity owned Key management personnel
Trade Payables	3,15,87,920	-	27,51,927
Trade Receivable	1,93,84,206	-	6,93,60,992
Sale of materials	10,05,51,344	-	-
Sale of Services	-	-	-
Purchase of materials	-	-	-
Sale of assets	-	-	-
Purchase of assets	-	-	-
Lease rent Income paid	12,00,000	-	-
Processing charges paid	-	-	-
Share of loss	-	-	-

**c. Related party transactions for the year ended March 31, 2018**

Particulars	Holding entity	Wholly owned subsidiary	Entity owned Key management personnel
Trade Payables	3,15,87,920	-	2,27,37,468
Trade Receivable	1,87,34,030	-	-
Sale of materials	-	-	-
Sale of services	-	-	-
Purchase of materials	-	-	-
Sale of assets	-	-	-
Purchase of assets	-	-	-
Lease rent Income paid	11,75,014	-	-
Processing charges paid	-	-	-
Share of loss	-	-	-



c. Related party transactions for the year ended March 31, 2019 (continued..)

Particulars	Holding entity	Wholly owned subsidiary	Entity owned Key management personnel
Unsecured Loan received	-	-	-
Unsecured Loan repaid	-	-	-
Interest paid on Unsecured Loan	-	-	-
<b>Balance outstanding as at the year end March 31, 2019:</b>			
Loans given	5,34,52,782	-	-

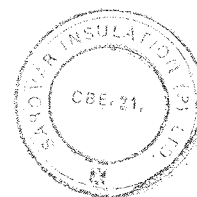
d. Related party balances as at March 31, 2018

Particulars	Holding entity	Wholly owned subsidiary	Entity owned Key management personnel
Loans given	5,34,52,782	-	-

Compensation of key management personnel of the Company

	31-Mar-18	31-Mar-17
Short term employee benefits	-	-
Post-employment gratuity	-	-
Termination Benefits	-	-
Total compensation paid to key management personnel	-	-

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.



**46 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Judgements**

In the process of applying the accounting policies, management has made judgement relating to determination of lease classification which has the most significant effect on the amounts recognised in the financial statements.

**(i) Operating leases – Company as lessor**

The Company has entered into leases on its investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a substantial portion of the economic life of the property, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

**b) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. 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 assumptions when they occur.

**(i) Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**47 Financial risk management objectives and policies**

The entity's principal financial liabilities comprise of bank and other borrowings, deposits, trade and other payables. The main purpose of these financial liabilities is to finance and support the entity's operations. The entity's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The entity is exposed to market risk, credit risk and liquidity risk. The entity's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

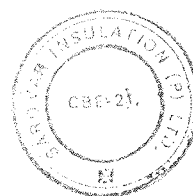
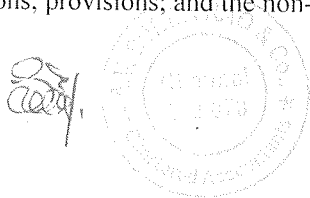
**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.



**Footnotes for reconciliation of balance sheet and profit & loss statement as previously reported under IGAAP to Ind AS**

**1 Reclassification**

Previous periods' figures have been re-grouped / re-classified, where necessary to comply with Ind AS accounting.

The Company determines classification of certain assets and liabilities as financial/ non financial assets and liabilities. Transitional adjustments made by Company represents reclassification of non financial assets and liabilities to other assets and liabilities

**2 Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

**3 Excise duty on sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is included as part of sales in the face of statement of profit and loss.

**4 Defined Benefit Liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**5 Lease equilisation**

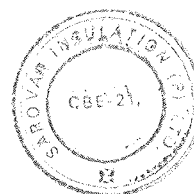
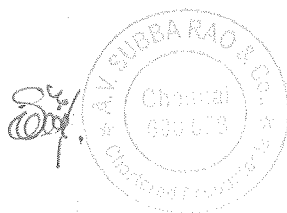
Under the previous GAAP, leases need to be straight-lined over the period of non-cancellable term. As per Ind AS 17, lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Since the payments to the lessor does not vary because of any factors other than general inflation, the Company has reversed the expense recognised on a straight-line basis.

**6 Fair Valuation of Investments**

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

**7 Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.



The following assumptions have been made in calculating the sensitivity analyses:

#### 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 entity's exposure to the risk of changes in market interest rates relates primarily to the entity's long-term debt obligations with floating interest rates. The entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### 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 entity's profit before tax is affected through the impact on floating rate borrowings, as follows:

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps and forwards.

The Company has not hedged any portion of its expected foreign currency sales as at March 31, 2019, March 31, 2018 and March 31, 2017.

#### Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

For A V Subba Rao & Co.

Chartered Accountants

ICAI Firm registration number: 005809S

B Janaki Suresh

Partner

Membership no.: 224032

Place: Chennai

Date: 14.05.2019

For and on behalf of the Board of Directors  
Sarovar Insulations Private Limited

Director

Director

