



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 which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss 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 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, 2021, and profit/loss 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, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 Indian 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 A**" a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 B**".

3. As required by Section 143(3) of the Act, We report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and dealt with by this Report are in agreement with the books of account.
 - d) Our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) Our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - 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 derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

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


(B Janaki Suresh)

Partner

Membership No.: 224032

Place: Chennai

Date: 15-06-2021

UDIN: 21224032AAAAFX1881



"ANNEXURE A" TO THE AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of my/our Report of even date to the members of SAROVAR INSULATION PRIVATE LIMITED on the accounts of the Company for the year ended 31st March, 2021]

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, I/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, 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 31st March, 2021 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: 15-06-2021

UDIN: 21224032AAAAFX1881



"ANNEXURE B" 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, 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.V Subba Rao & co.,

Chartered Accountants

(Firm Registration No.: 0058095)


(B Janaki Suresh)

Partner

Membership No.: 224032

Place: Chennai

Date: 15-06-2021

UDIN: 21224032AAAAFX1881

Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Balance Sheet as at March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non current assets			
Property, plant and equipment	3	175.85	188.65
Financial assets			
Investments	4	0.25	0.25
Others	5	2.90	2.90
Non-current tax assets (net)	6	2.67	2.35
		181.67	194.15
Current assets			
Inventories	7	81.41	26.61
Financial assets			
Trade receivables	8	612.85	600.11
Cash and cash equivalents	9	4.00	7.55
Others	10	0.50	0.50
Other current assets	11	19.74	52.41
		718.50	687.18
Total assets		900.17	881.33
EQUITY and LIABILITIES			
Equity			
Equity share capital	12	1.01	1.01
Other equity	13	(218.74)	(208.01)
Total equity		(217.73)	(207.00)
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	14	80.36	89.20
Provisions	15	23.96	22.27
Deferred tax liabilities (net)	16	4.28	-
		108.60	111.47
Current liabilities			
Financial liabilities			
Borrowings	17	112.23	116.40
Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		113.29	75.23
Other financial liabilities	19	15.31	17.21
Other current liabilities	20	736.75	761.89
Provisions	21	31.72	6.13
		1,009.30	976.86
Total equity and liabilities		900.17	881.33

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

As per our report of even date

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S

per B Janaki Suresh

Partner

Membership no.: 224032

Place: Chennai

Date: 15-06-2021

For and on behalf of the Board of Directors

Sarovar Insulation Private Limited

Director

DIN:

Director

DIN:

Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Income			
Revenue from contracts with customers	22	693.69	749.24
Other income	23	23.47	3.45
Finance income	24	0.02	0.03
Total income		717.18	752.72
II. Expenses			
Cost of materials consumed	25	461.44	490.54
Changes in inventories of finished goods, work-in-progress and traded goods	26	(12.71)	8.02
Employee benefits expense	27	100.66	119.30
Finance costs	28	20.84	15.89
Depreciation and amortisation expense	29	12.80	3.37
Other expenses	30	140.61	136.91
Total expenses		723.64	774.03
Profit/(loss) before tax		(6.46)	(21.31)
Tax expense			
Current tax		-	-
Deferred tax		4.27	-
Total tax expense		4.27	-
Profit/(loss) for the year		(10.73)	(21.31)
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss in subsequent periods			
Gain/(loss) on FVTOCI financial assets		-	-
Income tax effect		-	-
Re-measurement gains / (losses) on defined benefit plans		-	-
Income tax effect		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		(10.73)	(21.31)
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2020: Rs. 10/- each fully paid)			
Computed on the basis of total profit/(loss) for the year			
Basic (Rs.)		(53.38)	-106.02
Diluted (Rs.)		(53.38)	-106.02

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

As per our report of even date

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S

per B Janaki Suresh

Partner

Membership no.: 224032

Place: Chennai

Date: 15-06-2021

For and on behalf of the Board of Directors

Sarovar Insulation Private Limited

Director

DIN:

Director

DIN:

Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Consolidated Statement of Cash Flows for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows used in / from operating activities		
Profit/(loss) before exceptional items and tax	(6.46)	(21.31)
Adjustments for		
Depreciation and amortisation expense	12.80	3.37
Loss/ (gain) on sale of property, plant and equipment (net)	-	-
Dividend income	-	(0.04)
Finance income	(0.02)	(0.03)
Allowance for credit loss	-	-
Finance costs	20.84	15.89
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	-	-
Operating profit before working capital changes	27.16	(2.12)
Movement in working capital		
(Increase)/ Decrease in inventories	(54.80)	11.91
(Increase)/ Decrease in current and non-current trade receivables	(12.74)	1.00
(Increase) / Decrease in financial and non-financial assets	32.67	99.83
(Increase) / Decrease in other assets	(0.32)	(1.56)
(Decrease)/ Increase in trade payables	38.06	(43.57)
(Decrease)/ Increase in financial, non-financial liabilities and provisions	2.15	(98.90)
Cash generated from operations	5.02	(31.30)
Income tax paid		
Net cash flows (used in) / from operating activities (A)	32.18	(33.42)
Cash flows (used in) / from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances		(192.01)
Proceeds from sale of property, plant and equipment	-	-
Deposits made during the year	-	-
Purchase of Investments	-	-
Dividends received	-	0.04
Finance income received	0.02	0.03
Net cash flows (used in) / from investing activities (B)	0.02	(191.94)
Net cash flows (used in) / from financing activities		
Repayment of long - term borrowings (net)	(14.91)	106.40
Proceeds from short - term borrowings (net)	-	116.40
Dividend paid	-	-
Payment of Lease Liabilities	-	-
Tax on dividend	-	-
Finance cost paid	(20.84)	(15.89)
Net cash flows (used in) /from financing activities (C)	(35.75)	206.91
Net decrease in cash and cash equivalents (A+B+C)	(3.55)	(18.45)
Cash and cash equivalents at the beginning of the year	7.55	26.00
Cash and cash equivalents at the year end	4.00	7.55
Components of cash and cash equivalents		
Cash on hand	0.19	0.85
Cheques / drafts on hand	-	-
Balances with banks		
On current accounts	3.81	6.70
In deposits with original maturity of less than three months	-	-
Total cash and cash equivalents	4.00	7.55

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

As per our report of even date

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S

per B Jahaki Suresh

Partner

Membership no.: 224032

Place: Chennai

Date: 15-06-2021

For and on behalf of the Board of Directors

Sarovar Insulation Private Limited

Director

DIN:

Director

DIN:

Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Statement of Changes in Equity for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a. Equity Share Capital

Equity Shares of Rs.10/- Each (March 31, 2020: Rs.10/- each), subscribed and fully paid up	Number of shares	Rs. In Lakhs
As at April 01, 2019	20,100	1.01
Increase/(decrease) during the year	-	-
At March 31, 2020	20,100	1.01
Increase/(decrease) during the year	-	-
At March 31, 2021	20,100	1.01

b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium	General Reserve	Surplus in Profit and loss	FVTOCI reserve	
As at April 01, 2019	-	-	(186.70)	-	(186.70)
Profit for the year	-	-	(21.31)	-	(21.31)
Other Comprehensive Income	-	-	-	-	-
Re-measurement gain/(loss) on Defined Benefit Obligations (net) transferred to Retained Earnings	-	-	-	-	-
Total Comprehensive Income	-	-	(208.01)	-	(208.01)
Interim dividend and tax thereon	-	-	-	-	-
As at March 31, 2020	-	-	(208.01)	-	(208.01)
Profit for the year	-	-	(10.73)	-	(10.73)
Other Comprehensive Income	-	-	-	-	-
Re-measurement gain/(loss) on Defined Benefit Obligations (net) transferred to Retained Earnings	-	-	-	-	-
Total Comprehensive Income	-	-	(218.74)	-	(218.74)
Interim dividend and tax thereon	-	-	-	-	-
As at March 31, 2021	-	-	(218.74)	-	(218.74)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S

per B Janaki Suresh

Partner

Membership no.: 224032

Place: Chennai

Date: 15-06-2021

For and on behalf of the Board of Directors

Sarovar Insulation Private Limited

Director

DIN:

Director

DIN:

3 Property, plant and equipment

Particulars	Leasehold Land	Buildings on Leasehold Land	Plant and Equipment	Total property, plant and equipment
Gross block				
As at April 01, 2019	173.49	252.49		425.98
Additions	-	-	192.01	192.01
Disposals	(173.49)	(235.52)	-	(409.01)
As at March 31, 2020	-	16.97	192.01	208.98
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2021	-	16.97	192.01	208.98
Depreciation				
As at April 01, 2019	-	16.96	-	16.96
Charge for the year	-	-	3.37	3.37
Disposals	-	-	-	-
As at March 31, 2020	-	16.96	3.37	20.33
Charge for the year	-	-	12.80	12.80
Disposals	-	-	-	-
As at March 31, 2021	-	16.96	16.17	33.13
Net carrying value				
As at March 31, 2020	-	-	188.65	188.65
As at March 31, 2021	-	-	175.85	175.85



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 Non-current investments (fully paid up)

	March 31, 2021	March 31, 2020
Investments (Quoted equity instruments at fair value through OCI)		
- 2,500 (March 31, 2020 : 2,500) equity shares of Rs. 10/- each fully paid up in Saraswat Co-operative Bank Ltd	0.25	0.25
Total Investments	0.25	0.25

5 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020
Security Deposits	2.90	2.90
Total	2.90	2.90

6 Non-current tax assets (net)

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020
Advance income tax net of provision for tax	2.67	2.35
Total	2.67	2.35

7 Inventories

(Cost or net realisable value whichever is lower)

	March 31, 2021	March 31, 2020
Raw materials and packing materials	48.58	11.04
Work-in-progress	12.13	5.94
Finished goods	11.31	4.79
Stores and spares	9.39	4.84
Total	81.41	26.61

8 Trade Receivables

	March 31, 2021	March 31, 2020
Trade receivables	50.12	43.05
Receivables from related parties (Refer note 44)	562.73	557.06
Total trade receivables	612.85	600.11
Break-up for security details:		
Considered good - Unsecured	612.85	600.11
Trade Receivables - credit impaired	-	-
Total trade receivables	612.85	600.11
Impairment Allowance (allowance for bad and doubtful debts)		
Considered good - Unsecured	-	-
Trade Receivables - credit impaired	-	-
Total	612.85	600.11

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

9 Cash and cash equivalents

	March 31, 2021	March 31, 2020
Balances with Banks		
On current accounts	3.81	6.70
Cash on hand	0.19	0.85
Total	4.00	7.55

10 Others current financial assets

(Unsecured, considered good unless stated otherwise)

	March 31, 2021	March 31, 2020
Security deposits	0.50	0.50
Total	0.50	0.50

11 Other current assets

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020
Advances for supply and services	5.32	5.32
Prepayments	1.56	2.74
Balances with Statutory/Government Authorities (net)	8.53	41.40
Other advances	4.33	2.95
Total	19.74	52.41



12 Share capital**12.1 Authorised share capital**

Equity shares of Rs. 10/- each (March 31, 2020 : Rs. 10/- each)

	Rs. in lakhs
At April 1, 2019	
Increase/(decrease) during the year	165.00
At March 31, 2020	-
Increase/(decrease) during the year	165.00
At March 31, 2021	-
	165.00

12.2 Issued, Subscribed and Paid-up Capital

Equity shares of Rs. 10/- each (March 31, 2020 : Rs. 10/- each) issued, subscribed and fully paid

	Rs. in lakhs
At April 1, 2019	
Increase/(decrease) during the year	1.01
At March 31, 2020	-
Increase/(decrease) during the year	1.01
At March 31, 2021	-
	1.01

12.3 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.

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

	March 31, 2021		March 31, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Beardsell Limited	20,100	100.00%	20,100	100.00%
Mr.Bharat Anumolu				
Gunnam Subba Rao Insulation Private Limited				

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.

13 Other equity

	March 31, 2021	March 31, 2020
Reserves and Surplus		
Surplus in the statement of profit and loss		
Balance at the beginning of the year		
Add: Profit for the year	(208.01)	(186.70)
Re-measurement gain/(loss) on Defined Benefit Obligations (net) transferred from FVTOCI reserve	(10.73)	(21.31)
Balance at the end of the year		
Total other equity	(218.74)	(208.01)
	(218.74)	(208.01)



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

14 Borrowings (non-current)

	March 31, 2021	March 31, 2020
Term loans		
Indian Rupee loans from banks (Secured) (a)	95.67	106.41
Total	95.67	106.41
Current maturities of non-current borrowings		
Indian Rupee term loans from banks (Secured) (b)	15.31	17.21
	15.31	17.21
Less: Amount disclosed under the head "other financial liabilities" (c)	(15.31)	(17.21)
Total non-current borrowings ((a) - (c))	80.36	89.20

(i) The Rupee term loans from DBS Bank are secured by way of Corporate Guarantee given by the Holding Company and M/s Gunnam Subba Rao Insulation Private Limited. These term loans are repayable over a period of 5 years and the average floating interest rate is 10.00% (previous year - Nil)

15 Provisions (non-current)

	March 31, 2021	March 31, 2020
Provision for gratuity	23.96	22.27
Total	23.96	22.27

16 Deferred tax liability (Net)

	March 31, 2020	March 31, 2020
Deferred tax liability relating to		
On difference between book balance and tax balance of Property, plant & equipment	4.28	-
Deferred tax impact on fair valuation of Investments	-	-
(A)	4.28	-
Deferred tax asset relating to		
Provision for compensated absences & bonus	-	-
Provision for impairment allowance on debtors	-	-
(B)	-	-
Deferred tax liability (Net) (A-B)	4.28	-

17 Borrowings (Current)

	March 31, 2021	March 31, 2020
Cash credit from banks (secured)	112.23	116.40
Total	112.23	116.40

(i) The interest rate on the cash credit and buyer's credit ranges between 10.00% to 11.00%.

18 Trade payables

	March 31, 2021	March 31, 2020
Outstanding dues to micro, small and medium enterprises	-	-
Outstanding dues to creditors other than micro, small and medium enterprises	113.29	75.23
	113.29	75.23

Based on the information available with the Company, there are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2021 (March 31, 2020: Nil). Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

Terms and conditions of the above financial liabilities

Trade payables are non interest bearing and carry a credit period generally between 30 and 60 days



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

19 Other financial liabilities (current)

	March 31, 2021	March 31, 2020
Current maturities of long term debt (refer note (ii) below)	15.31	17.21
Total	15.31	17.21

(i) Interest payable is normally settled monthly/ quarterly throughout the financial year.

(ii) Current maturities of long-term debt pertains to secured term loans taken from banks. Refer note (i) under non-current borrowings for details of security and terms of repayment.

20 Other current liabilities

	March 31, 2021	March 31, 2020
Advances received from customers	-	0.92
Advances received from customers - Related parties	736.75	760.97
Total	736.75	761.89

21 Provisions (current)

	March 31, 2021	March 31, 2020
Other provisions	31.72	6.13
Total	31.72	6.13

Breakup of financial liabilities

	March 31, 2021	March 31, 2020
Valued at amortised cost		
Non current borrowings	80.36	89.20
Current borrowings	112.23	116.40
Trade Payables	113.29	75.23
Other non-current and current financial liabilities	15.31	17.21
Total financial liabilities carried at amortised cost	321.19	298.04



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

22 Revenue from contracts with customers

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Sale of Products		
Finished goods	693.69	749.24
Total revenue from operations	693.69	749.24

Disaggregated information

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Timing of revenue recognition		
Goods/ services transferred at a point in time	693.69	749.24
Services transferred over time	-	-
	693.69	749.24
Contract balances		
Trade receivables	612.85	600.11
Contract assets	-	-
Contract liabilities	736.75	760.97

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets are recognised over time based on the progress of completion of the service as per the terms of the contract, as the customer simultaneously receives and consumes the benefits provided by the Company. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

23 Other income

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Rental income from operating leases	21.00	1.75
Dividend Income	-	0.04
Other non-operating income	2.47	1.66
Total	23.47	3.45

24 Finance income

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Interest Income on Bank Deposits	0.02	0.03
Total	0.02	0.03

25 Cost of raw materials consumed

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Opening stock	11.04	14.97
Add: Purchases	498.84	486.61
	509.88	501.58
Less : Closing stock	48.58	11.04
Total cost of raw materials consumed	461.44	490.54



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Opening stock		
Finished goods	4.79	11.08
Work-in-Progress	5.94	7.67
	10.73	18.75
Closing stock		
Finished goods	11.31	4.79
Work-in-Progress	12.13	5.94
	23.44	10.73
Decrease/ (increase) in inventories of finished goods, work-in-progress and	(12.71)	8.02

27 Employee benefits expense

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Salaries, allowances and wages	84.86	97.49
Contribution to provident fund and other funds	6.32	4.67
Gratuity expense	1.69	2.96
Staff welfare expenses	7.79	14.18
Total	100.66	119.30

28 Finance costs

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Interest expense on		
Term loans and working capital loans	20.83	13.24
On deposits from members and other deposits	-	2.61
Delayed payment of Income Tax	0.01	0.04
Total	20.84	15.89

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

29 Depreciation and amortisation expense

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Depreciation of property, plant and equipment	12.80	3.37
Total	12.80	3.37



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

30 Other expenses

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Consumption of stores and spares	15.23	26.03
Service Charges	3.03	3.04
Power and Fuel	64.69	52.74
Repairs & maintenance		
Plant and machinery	3.00	2.99
Buildings	3.98	9.60
Furniture and Equipment	0.22	0.43
Rent	12.00	12.00
Rates and taxes	1.32	4.28
Advertising and sales promotion	0.31	0.10
Insurance	1.62	1.55
Printing and stationery	0.27	0.24
Consultancy and other professional charges	12.28	2.00
Travelling and conveyance	1.66	1.98
Communication expenses	0.55	0.57
Freight and forwarding charges	18.89	16.10
Bank charges	1.54	1.59
Miscellaneous Expenses	0.02	1.67
Total	140.61	136.91

Payment to auditor (included under consultancy and other professional charges)

As auditor		
-Audit Fees	0.59	-
-Limited review	-	-
-Tax audit fee	-	-
In other capacity		
-Other services (includes certifications)	-	-
-Reimbursement of expenses	-	-
Total	0.59	-



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

30 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 Company 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- 2021	For the year ended 31-Mar- 2020
Profit/(loss) available for equity shareholders	(10.73)	(21.31)
Weighted average number of equity shares in computing basic and diluted EPS	20,100	20,100
Face value of each equity share (Rs.)	2	2
Earnings per share		
- Basic (Rs.)	(53.38)	(106.02)
- Diluted (Rs.)	(53.38)	(106.02)



31 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, 2021 and March 31, 2020 consist of the following:

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Current service cost	1.46	1.49
Interest on net defined benefit liability, net	1.60	1.62
Gratuity cost recognised in statement of profit and loss	3.06	3.11
Remeasurement on the net defined benefit liability:		
Return on plan assets (greater)/less than discount rate	-	-
Actuarial (gains) / losses due to DBO assumptions changes	0.11	-
Components of defined benefit costs recognised in other comprehensive income	0.11	-
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	23.96	22.27
Funded status [Surplus/(Deficit)]		
Net defined benefit liability recognised	23.96	22.27

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	(0.67)	1.83
Actuarial (gain)/loss due to demographic assumptions	0.11	-
Actuarial loss due to experience changes	(0.81)	(6.22)
Benefits paid	-	-
Defined benefit obligations at the end of the year	(1.37)	(4.39)

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

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
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, 2021	For the year ended March 31, 2020
(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, 2021	For the year ended March 31, 2020
Discount rate	7.16%	6.86%
Rate of return of plan assets	-	-
Attrition rate	6%	3%
Rate of compensation increase	4%	6%

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected future benefit payments		
31-Mar-21	1.46	-
31-Mar-22	1.30	-
31-Mar-23	1.16	-
31-Mar-24	1.09	-
31-Mar-25	2.11	-

(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.

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Obligation as at beginning of year	23.57	23.57
Interest Cost	1.60	1.62
Current Service Cost	1.46	1.49
Benefits paid	-	-
Actuarial (gain) / loss on obligations	(1.37)	(4.39)
Present value of obligations as at end of year	25.26	22.29

The assumptions employed for the calculations are as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	7.16%	6.86%
Salary growth rate	3.98%	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. There are no geographical segments of the Company.

For the year ended March 31, 2021

Particulars	Insulation	Trading	Total
Revenue	0	0	-
Segment result	0	0	-
Less: Finance costs			-
Less: Unallocable corporate expenses (net of income)			-
Profit before taxes			-
Less: Tax expenses			-
Net profit for the year			-
Segment assets	0	0	-
Unallocable assets			-
Total Assets			-
Segment liabilities	0	0	-
Unallocable liabilities			-
Total liabilities			-

For the year ended March 31, 2020

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

As at year end March 31, 2019

Particulars	Insulation	Trading	Total
Segment assets	-	-	-
Unallocable assets			-
Total Assets			-
Segment liabilities	-	-	-
Unallocable liabilities			-
Total liabilities			-



Holding Company Beardsell 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, 2021

Particulars	Holding entity	Wholly owned subsidiary	Key management personnel
Trade Payables		-	
Trade Receivable		-	562.73
Advances from Customers	736.75		
Sale of materials	667.51	-	-
Sale of Services	-	-	-
Purchase of materials	203.24	-	-
Sale of assets	-	-	-
Purchase of assets	-	-	-
Lease rent Income paid	12.00	-	-
Processing charges paid	-	-	-
Share of loss	-	-	-
	1,619.50	-	562.73

c. Related party transactions for the year ended March 31, 2020

Particulars	Holding entity	Wholly owned subsidiary	Key management personnel
Trade Payables		-	
Trade Receivable		-	557.06
Advances from Customers	761.19		
Sale of materials	706.54	-	-
Sale of services	-	-	-
Purchase of materials	194.95	-	-
Sale of assets	-	-	-
Purchase of assets	-	-	-
Lease rent Income paid	12.00	-	-
Processing charges paid	-	-	-
Share of loss	-	-	-
	1,674.68	-	557.06

c. Related party transactions for the year ended March 31, 2020 (continued..)

Particulars	Holding entity	Wholly owned subsidiary	Entity owned Key management personnel
Unsecured Loan received	-	-	-
Unsecured Loan repaid	-	-	-
Interest paid on Unsecured Loan	-	-	-
Balance outstanding as at the year end March 31, 2021:			
Loans given		-	-



d. Related party balances as at March 31, 2021

Particulars	Holding entity	Wholly owned subsidiary	Entity owned Key management personnel
-------------	----------------	-------------------------	---------------------------------------

Loans given

-

-

Compensation of key management personnel of the Company

	31-Mar-21	31-Mar-20
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.



34 **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.

(i) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation

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, 2021 and March 31, 2020.

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, 2021.

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.

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, 2021, March 31, 2020 and March 31, 2019.

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: 15-06-2021



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

Director

Director

Two handwritten signatures in blue ink. The signature on the left is more stylized and circular, while the signature on the right is more linear and cursive. Both are placed above the 'Director' labels.

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.

8 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9 Change in Accounting Policy

There is no change in the Accounting Policy during the Current Financial Year.

For A V Subba Rao & Co
Chartered Accountants
ICAI Firm registration number: 0058095
Chennai
600 078
B. Janaki Suresh
Partner
Membership no.: 224032
Place: Chennai
Date: 15-06-2021

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

Director

Director