MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

C.A. MANOJ T. SHAH
B.Com.(Hons.), F.C.A.

C.A. NISHIT M. SHAH
B.Com., F.C.A., D.I.S.A. (ICAI)

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INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF
PERMA CONSTRUCTION AIDS PRIVATE LIMITED,

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS:

OPINION

We have audited the accompanying standalone financial statements of **PERMA CONSTRUCTION AIDS PRIVATE LIMITED** ("the Company"),which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, Cash Flow Statement 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies(Indian Accounting Standard) Rules, 2015, as amended,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its Profit, total comprehensive income, the changes in equity and its Cash Flows for the year ended on that date.

BASIS FOR OPINION:

We conducted our audit of the standalone financial statements 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* Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:

The Company's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the Annexure for conservation of Energy, Technology Absorption and Exchange earnings and outgo but does not include the Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS:

Our objectives are to obtain reasonable assurance about whether thestandalone 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 standalone financial statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MANOJ SHAH & CO.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash flows dealt with by this report are in agreement with the Books of Accounts.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

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

f) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to others matters to be included in the Auditor's Report in accordance with 197(16) of the Act, as amended,
In our opinion and to the best of our information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act..

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

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h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, as amended ,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 pursuant to which there is no impact on its financial position, which needs to be disclosed in its financial statements;

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 required to be transferred to Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Act and the rules made there under.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure "B", a statement on the matters specified in paragraph 3 and 4 of the Order.

For MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS
Firm's Reg.No.106036W

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Manoj T. Shah

(MANOJ T.SHAH)
PARTNER.
Membership No. 043777
UDIN: 20043777AAAABX2097

Place : Vapi.
Date : 27.04.2020

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS"SECTION OF OUR REPORT OF EVEN DATE)

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

We have audited the internal financial controls over financial reporting of **Perma Construction Aids Private Limited** (the "Company") as of 31[st] March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at 31st March, 2020 based on the criteria for internal financial control over financial reporting 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 ICAI.

For MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS
Firm's Reg.No.106036W

MANOJ SHAH & CO. * CHARTERED ACCOUNTANTS *

Manoj T. Shah

(MANOJ T.SHAH)
PARTNER.
Membership No. 043777
UDIN: 20043777AAAABX2097

Place : Vapi.
Date : 27.04.2020

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS"SECTION OF OUR REPORT OF EVEN DATE)

i. In respect of The Company's fixed assets:

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

   b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Title Deeds of Immovable Properties of the Company are held in the name of the Company In respect of immovable properties of Land that have been taken on Lease and disclosed as Fixed Assets in the standalone financial statements ,the Lease Deed is in the name of the Company.

ii. In respect of its inventories:

   a) As explained to us, the inventories, other than materials in transit & materials lying with third parties, were physically verified by the Management at reasonable intervals during the year.

   b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.

iii. According to information & explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.Consequently, requirement of clauses (iii,a), (iii,b) and (iiic) of paragraph 3 of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan, has not made any investment, has not provided any guarantees or securities hence provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits during the year. Therefore, the provisions of the Clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vi. As explained to us, the Central Government has not prescribed the maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, 2013 for the Company's products.

vii. According to the information and explanations given to us in respect of statutory dues;

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Cont. 2/-

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Goods and Service tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed statutory dues in arrears as at **31st March, 2020** for a period of more than six months from the date they become payable.

viii. Based on our audit procedures and according to the information and explanations given by the management we are of the opinion that the Company has not defaulted in the repayment of Loans or Borrowings to Banks as at the Balance Sheet date. The Company has not obtained any loan from financial institutions, debenture holders and Government.

ix. The Company has not taken any Term Loans during the year. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

x. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its Officers or Employees has been noticed or reported during the year nor have we been informed of such case by the management.

xi. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the Share Transfer Agreement with erstwhile promoters and requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, provisions of clause (xii) of the CARO, 2016 are not applicable.

xiii. Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties are in compliance with Section 177 and Section 188 of the Act, where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transaction, with its Directors or Directors of its Holding Company or persons connected with them. Accordingly, paragraph 3(xv) of the CARO, 2016 is not applicable.

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

For MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS
Firm's Reg.No.106036W

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Manoj T. Shah

(MANOJ T.SHAH)
PARTNER.
Membership No. 043777
UDIN: 20043777AAAABX2097

Place : Vapi.
Date : 27.04.2020

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31st March, 2020 (Rs.)	As at 31st March, 2019 (Rs.)
ASSETS			
Non-current Assets			
Property, Plant and Equipment	1	3,00,63,742	3,23,34,665
Financial Assets:			
Loans	2	12,54,525	12,17,563
Total Non-current Assets		3,13,18,267	3,35,52,228
Current Assets			
Inventories	3	3,64,75,010	3,68,05,928
Financial Assets:			
Trade Receivables	4	6,75,89,294	3,87,69,703
Cash and Cash Equivalents	5	2,67,84,879	2,46,02,732
Other Current Assets	6	80,23,747	1,97,56,463
Total Current Assets		13,88,72,930	11,99,34,826
Total Assets		**17,01,91,197**	**15,34,87,054**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	99,00,000	99,00,000
Other Equity	8	12,63,22,979	10,35,66,256
Total Equity		13,62,22,979	11,34,66,256
Liabilities			
Non-current Liabilities			
Financial Liabilities:			
Borrowings	9	-	12,96,378
Deferred Tax Liabilities (Net)	10	28,945	- 82,638
Total Non-current Liabilities		28,945	12,13,740
Current Liabilities			
Financial Liabilities:			
Borrowings	11	-	94,40,305
Trade Payables	12		
Total Outstanding dues of Micro Enterprises and Small Enterprises		87,38,497	93,60,980
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,47,84,470	1,18,15,195
Other Financial Liabilities	13	-	3,29,927
Other Current Liabilities	14	35,51,868	36,88,473
Provisions	15	68,64,438	41,72,178
Total Current Liabilities		3,39,39,273	3,88,07,058
Total Liabilities		3,39,68,218	4,00,20,798
Total Equity and Liabilities		**17,01,91,197**	**15,34,87,054**
Significant Accounting Policies	III		
The notes referred to above form an integral part of Financial Statements	1 to 31		

As per our report of even date

FOR MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

Manoj T. Shah

MANOJ T. SHAH
PARTNER
Membership No. : 043777
Firm Reg. No.: 106036W
UDIN: 20043777AAAABX2097

Place : VAPI
Date : 27/04/2020

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

FOR PERMA CONSTRUCTION AIDS PVT. LTD.

Anuj Jain
(DIRECTOR)
DIN:08091524

Prashant D Pai
(DIRECTOR)
DIN:08115481

Mohammad A. Waheed
(DIRECTOR)
DIN:00352600

Augustine J. Charles
(DIRECTOR)
DIN:00350686

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Sr. No	Particulars	Note No.	2019-20 (Rs.)	2018-19 (Rs.)
I	Revenue From Operations	16	35,23,11,658	34,30,96,037
II	Other Income	17	4,80,651	17,20,945
III	**Total Income**		35,27,92,309	34,48,16,982
IV	Expenses:			
	Cost of Materials Consumed	18	19,66,03,215	19,96,51,336
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	9,49,759	- 24,18,103
	Employee Benefit Expense	20	6,28,60,085	5,95,92,606
	Finance Cost	21	3,37,854	7,94,170
	Depreciation and Amortization Expenses	22	28,03,109	27,96,725
	Other Expenses	23	5,83,93,685	6,24,45,971
	Total Expenses (IV)		32,19,47,707	32,28,62,705
V	Profit before exceptional item and tax (III - IV)		3,08,44,602	2,19,54,277
VI	Exceptional Items :			
	Provision for Bad and Doubtful Debts		-	38,02,959
IX	Profit before tax (VII - VIII)		3,08,44,602	1,81,51,318
X	Tax expense:			
	(1) Current tax	10	79,76,296	57,09,286
	(2) Deferred tax	10	1,11,583	- 5,19,075
XI	Profit for the Year	(IX-X)	2,27,56,723	1,29,61,107
XII	Other Comprehensive Income			
XIII	(i) Items that will not be reclassified to Standalone Statement of Profit and Loss (a) Remeasurement of Defined Benefit Liability (b) Income tax relating to items that will not be reclassified to Standalone Statement of Profit and Loss		- -	-
XIV	Total Other Comprehensive Income		-	-
XV	Total Comprehensive Income for the Year		2,27,56,723	1,29,61,107
XVI	Earnings per Equity Share (of ₹ 10 each)	24		
	Basic & Diluted (in ₹)		23	13
	Significant Accounting Policies	III		
	Notes on Financial Statements	**1 to 31**		

As per our report of even date

FOR MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

Manoj T. Shah

MANOJ T. SHAH
PARTNER
Membership No. : 043777
Firm Reg. No.: 106036W
UDIN: 20043777AAAABX2097

Place : VAPI
Date : 27/04/2020

FOR PERMA CONSTRUCTION AIDS PVT. LTD.

Anuj Jain	**Prashant D Pai**
(DIRECTOR)	**(DIRECTOR)**
DIN:08091524	DIN:08115481
Mohammad A. Waheed	**Augustine J. Charles**
(DIRECTOR)	**(DIRECTOR)**
DIN:00352600	DIN:00350686

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

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

A - Equity Share Capital

₹

Balance as at 1st April, 2018	99,00,000.00
Changes in Equity Share Capital during 2018-2019	-
Balance as at the 31 March, 2019	99,00,000.00
Changes in Equity Share Capital during 2019-2020	-
Balance as at the 31 March, 2020	99,00,000.00

B - Other Equity

₹

	Retained Earnings	Total
Balance as at 1st April, 2018	9,06,05,149	9,06,05,149
Profit for the Year	1,29,61,107	1,29,61,107
Other Comprehensive Income:		
Remeasurement of Defined Benefit Liability	-	-
Deferred Tax on Remeasurement of Defined Benefit Liability.	-	-
Total Other Comprehensive Income for the Year, net of tax	-	-
Total Comprehensive Income for the Year	1,29,61,107	1,29,61,107
Balance as at 1st April, 2019	10,35,66,256	10,35,66,256
Profit for the Period	2,27,56,723	2,27,56,723
Other Comprehensive Income:		
Remeasurement of Defined Benefit Liability	-	-
Deferred Tax on Remeasurement of Defined Benefit Liability.	-	-
Total Other Comprehensive Income for the Year, net of tax	-	-
Total Comprehensive Income for the Year	2,27,56,723	2,27,56,723
Balance as at the 31 March, 2020	12,63,22,979	12,63,22,979

The notes referred to above form an integral part of Financial Statements

As per our report of even date

FOR MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

Manoj T. Shah

MANOJ T. SHAH
PARTNER
Membership No. : 043777
Firm Reg. No.: 106036W
UDIN: 20043777AAAABX2097

Place : VAPI
Date : 27/04/2020

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

FOR PERMA CONSTRUCTION AIDS PVT. LTD.

Anuj Jain
(DIRECTOR)
DIN:08091524

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Mohammad A. Waheed
(DIRECTOR)
DIN:00352600

Augustine J. Charles
(DIRECTOR)
DIN:00350686

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

CASH FLOWS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	Particulars	As at 31st March, 2020 (Rs.)	As at 31st March, 2019 (Rs.)
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit/(Loss) before tax	3,08,44,602	1,81,51,318
	Adjustments for:		
	Depreciation and Amortisation Expenses	28,03,109	27,96,725
	Interest expenses	3,37,854	7,94,170
	Loss/Profit on Sale of Fixed Assets	-	(4,19,028)
	Operating Profit before Working Capital Changes	3,39,85,565	2,13,23,185
	Changes in:		
	Inventories	3,30,918	9,82,031
	Trade Receivables and other current assets	(1,70,86,875)	(29,26,988)
	Trade Payables and other current liabilities	(48,67,785)	(74,83,502)
	CASH GENERATED FROM OPERATIONS	1,23,61,823	1,18,94,726
	Income Taxes Paid	(79,76,296)	(57,09,286)
	NET CASH FROM OPERATING ACTIVITIES (A)	**43,85,527**	**61,85,440**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(5,32,186)	(11,95,291)
	Sales of Fixed Assets	-	30,53,587
	Long term Loans and Advances	(36,962)	(2,12,390)
	Purchase on Investments	-	-
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(5,69,148)**	**(44,61,268)**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Long term borrowings availed / (repaid)	(12,96,378)	(1,71,686)
	Interest Paid	(3,37,854)	(7,94,170)
	NET CASH FROM FINANCING ACTIVITIES (C)	**(16,34,232)**	**(9,65,856)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**21,82,147**	**7,58,316**
	CASH & CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR(A)	2,46,02,732	2,38,44,416
	CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR(B)	2,67,84,879	2,46,02,732
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (B) - (A)	**21,82,147**	**7,58,316**

Notes:

a) The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7) – Statement of Cash Flows

b)Figures in brackets are outflows/deductions.

As per our report of even date

FOR MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

Manoj T. Shah

MANOJ T. SHAH
PARTNER
Membership No. : 043777
Firm Reg. No.: 106036W
UDIN: 20043777AAAABX2097

Place : VAPI
Date : 27/04/2020

FOR PERMA CONSTRUCTION AIDS PVT. LTD.

Anuj Jain
(DIRECTOR)
DIN:08091524

Prashant D Pal
(DIRECTOR)
DIN:08115481

Mohammad A. Waheed
(DIRECTOR)
DIN:00352600

Augustine J. Charles
(DIRECTOR)
DIN:00350686

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

Note A: **Corporate Information**

Perma Construction Aids Private Limited ("the Company") is a private limited company domiciled in India and incorporated under the provisions of the companies Act, 2013. The address of its registered office is at UNIT-II Plot No.3102, GIDC Sarigam, District - Valsad Gujarat, India. The Company is engaged in the manufacturing and selling of reputed brands of Chemicals. The Company has its manufacuring location at Valsad.

The Standalone Financial Statements for the year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 27th April, 2020.

Perma Construction Aids Private Ltd. is immediate and ultimate subsidary company of Kansai Nerolac Paints Limited which is based and listed in India.

Note B: **Basis of preparation**

1 Statement of compliance

The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's Accounting Policies are included in Note 1.

2 Functional and Presentation currency

The Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

3 Basis of measurement

The Standalone Financial Statements have been prepared on the historical cost basis except for investments in mutual funds, non-trade equity shares, bonds and provision for employee defined benefit plans.

4 Use of estimates and judgements

Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) Critical Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amount recognised in the financial statements.

Discount rate used to determine the carrying amount of the Company's defined benefit obligation.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Contingences and Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

ii) **Key Sources of Estimation Uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful Lives of Property, Plant and Equipment

As described in Note 1(3)(c), the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Allowances for Doubtful Debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts equires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Liability for Sales Return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

Note III: Significant Accounting Policies

1 **Classification of Assets and Liabilities**

Schedule III to the Act, requires assets and liabilities to be classified as either Current or Non-current.

(a) An asset shall be classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within twelve months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

(b) All assets other than current assets shall be classified as non-current.

(c) A liability shall be classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within twelve months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(d) All liabilities other than current liabilities shall be classified as non-current.

2 **Operating Cycle**

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3 **Property, Plant and Equipment**

(a) Recognition and Measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost and then carried at the cost less accumulated depreciation and accumulated impairment, if any.

The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is included in the cost of an item of property, plant and equipment.

The cost of a self-constructed item of Property, Plant and Equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Tangible Property, Plant and Equipment under construction are disclosed as Capital Work-in-progress. Item of Capital Work-in-progress is carried at cost using the principles of valuation of item of property, plant and equipment till it is ready for use, the manner in which intended by management.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Note III: Significant Accounting Policies (contd.)

3 Property, Plant and Equipment (contd.)

(b) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Depreciation

The depreciable amount of an item of Property, Plant and Equipment is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in the Standalone Statement of Profit and Loss unless it is included in the carrying amount of another asset.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparative periods are as follows:

Asset Class	Useful Lives (in years) As per Companies Act, 2013	Useful Lives (in years) As estimated by the Company
Buildings	30-60	30-60
Plant and Equipments	10-20	10-25
Furniture and Fixtures	10	10
Vehicles	10	10
Office Equipments	5	5
Computers	3-6	3-6
Assets on Operating Lease	NA	5

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Depreciation charge for the year is displayed as depreciation on the face of Standalone Statement of Profit and Loss.

(d) Disposal

The carrying amount of an item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Standalone Statement of Profit and Loss when the item is derecognised.

MANOJ SHAH & CO. * CHARTERED ACCOUNTANTS *

PERMA CONSTRUCTION AIDS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

Note III: Significant Accounting Policies (contd.)

4 Investment Property

(a) Recognition and Measurement

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Company carries the investment property at the cost less accumulated depreciation and accumulated impairment, if any.

(b) Depreciation

After initial recognition, the Company measures all of its investment property in accordance with Ind AS 16 - Property, Plant and Equipment requirements for cost model. The depreciable amount of an item of investment property is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is generally recognised in the Standalone Statement of Profit and Loss.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparative periods are as follows:

Asset Class	Useful Lives (in years) - as per Companies Act, 2013	Useful Lives (in years) - as estimated by the Company
Buildings	30-60	30-60

(c) Fair Value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Note 3.

(d) Gain or loss on Disposal

Any gain or loss on disposal of an Investment Property is recognised in the Standalone Statement of Profit and Loss.

MANOJ SHAH & CO. * CHARTERED ACCOUNTANTS *

Note III: Significant Accounting Policies (contd.)

5 Other Intangible Assets

(a) Recognition and Measurement

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially measured at its cost and then carried at the cost less accumulated amortisation and accumulated impairment, if any.

Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Standalone Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

(a) it is technically feasibile to complete the intangible asset so that it will be available for use or sale.
(b) the Company intends to complete the intangible asset and use or sell it.
(c) the Company has ability to use or sell the intangible asset.
(d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.
(e) the Company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
(f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised in Standalone Statement of Profit and Loss as incurred.

(b) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Standalone Statement of Profit and Loss as incurred.

(c) Amortisation

The Company amortises Other Intangible Assets on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. The amortisation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives as estimated by management are as follows:

Asset Class	Useful Lives (in years) - as estimated by the Company
Software	3 Years

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Note III: Significant Accounting Policies (contd.)

6 Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Standalone Statement of Profit and Loss.

Once assets classified as held-for-sale, then Property, Plant and Equipment, Investment Property and Other Intangible Assets are no longer required to be depreciated or amortised.

7 Employee Benefits

(a) Short-term Employee Benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(b) Post-Employment Benefits:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Standalone Statement of Profit and Loss.
When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Note III: Significant Accounting Policies (contd.)

7 Employee Benefits (contd.)

Defined Benefit Plans (contd.)

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days to one month salary payable for each completed year of service or part thereof in excess of six months depending upon category of employee. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income.

8 Inventories

(a) Measurement of Inventory

The Company measures its inventories at the lower of cost and net realisable value.

(b) Cost of Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Company uses the same cost formula for all inventories having a similar nature and use to the Company.

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

Note III: Significant Accounting Policies (contd.)

8 Inventories (Contd.)

(c) Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item. Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs.

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed. Amounts such reversed shall be recongnised as a reduction in the amount of inventories reconqnised as an expense in the period in which reversal occurs.

(d) Valuation of Spare parts, stand-by equipments and servicing equipments

Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment if and only if it is probable that future economic benefits associated with them will flow to the Company and their cost can be measured reliably. Otherwise such items are classified and recognised as Inventory.

9 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Bank overdrafts which are repayable on demand form an integral part of the Company's cash management, hence bank overdrafts are included as a component of cash and cash equivalents.

10 Government Grants

Government grants are assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the Company. Government grants are not be recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Note III: Significant Accounting Policies (contd.)

11 **Provisions and Contingent Liabilities**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Restructuring

A provision for restructuring is recognised when the Company has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

12 **Revenue Recognition**

The Company has adopted Ind AS 115 'Revenue from contracts with customers'.

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is adjusted for estimated customer returns, rebates and other similar allowances. Revenue from sale of goods is recognized as per below 5 step model:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, revenue is recognized when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer,i.e. at which time all the following conditions are satisfied:

- The company has transferred to the buyer the significant risk & rewards of the ownership of the goods
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably
- It is probable that economic benefits associated with the transaction will flow to the company and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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PERMA CONSTRUCTION AIDS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

Note III: Significant Accounting Policies (contd.)

12 Revenue Recognition (contd.)

Interest Income
Interest income is recognised using the effective interest method as set out in Ind AS 109 - Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Dividend Income
Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

13 Foreign Currency Transactions
Functional currency is the currency of the primary economic environment in which the Company operates whereas presentation currency is thecurrency in which the financial statements are presented. Indian Rupee is the functional as well as presentation currency for the Company.

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate whereas non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the Standalone Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Standalone Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Standalone Statement of Profit and Loss.

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PERMA CONSTRUCTION AIDS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

Note III: Significant Accounting Policies (contd.)

14 Taxation

Income tax

Income tax comprises current tax and deferred tax expense. It is recognised in Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

a temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

b taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

Note III: Significant Accounting Policies (contd.)

15 Lease

Leases of Property, Plant and Equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or the financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Standalone Statement of Profit and Loss on straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

16 Financial Instruments

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual terms of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

Note III: Significant Accounting Policies (contd.)

16 Financial Instruments (contd.)

(b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is measured at

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - debt investment;
- Fair Value through Other Comprehensive Income - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

MANOJ SHAH & CO. * CHARTERED ACCOUNTANTS *

Note III: Significant Accounting Policies (contd.)

16 Financial Instruments (contd.)

(b) Classification and subsequent measurement (contd.)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Standalone Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Standalone Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Standalone Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Standalone Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Standalone Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Standalone Statement of Profit and Loss.

(c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Standalone Statement of Profit and Loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

Note III: Significant Accounting Policies (contd.)

17 Borrowing Cost

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

18 Earnings Per Share

Basic earnings per share

The Company calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders and, if presented, profit or loss from continuing operations attributable to those equity holders.

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

Diluted earnings per share

The Company calculates diluted earnings per share amounts for profit or loss attributable to ordinary equity holders and, if presented, profit or loss from continuing operations attributable to those equity holders.

For the purpose of calculating diluted earnings per share, the Company adjusts profit or loss attributable to ordinary equity holders, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares calculated for calculating basic earnings per share and adjusted the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

MANOJ SHAH & CO. * CHARTERED ACCOUNTANTS *

Note III: Significant Accounting Policies (contd.)

19 **Measurement of fair values**

A number of the Companies accounting policies and disclosures require the measurement of fair values. for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

1. Fixed Asset

Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31-03-2020
I	**Tangible Assets**										
1	AIR CONDITIONERS & FANS	9.50%	5,82,874	57,368	-	6,40,242	2,46,635	59,591	-	3,06,226	3,34,016
			(5,74,074)	(8,800)	-	(5,82,874)	(1,91,417)	(55,218)	-	(2,46,635)	(3,36,239)
2	COMPUTER & PRINTERS	31.67%	39,93,520	36,745	-	40,30,265	37,78,490	33,634	-	38,12,124	2,18,141
			(37,61,170)	(2,32,350)	-	(39,93,520)	(35,41,939)	(2,36,551)	-	(37,78,490)	(2,15,030)
3	ELECTRICAL INSTALLATION	9.50%	22,77,155	-	-	22,77,155	10,82,841	2,16,335	-	12,99,176	9,77,979
			(22,77,155)	-	-	(22,77,155)	(8,66,511)	(2,16,330)	-	(10,82,841)	(11,94,314)
4	FACTORY SHED	3.17%	2,17,46,700	1,66,305	-	2,19,13,005	68,29,672	6,93,722	-	75,23,394	1,43,89,611
			(2,13,83,019)	(3,63,681)	-	(2,17,46,700)	(61,44,169)	(6,85,504)	-	(68,29,673)	(1,49,17,027)
5	FURNITURE & FITTING	9.50%	28,04,123	9,068	-	28,13,191	21,78,478	1,69,036	-	23,47,514	4,65,677
			(27,93,623)	(10,500)	-	(28,04,123)	(20,11,074)	(1,67,404)	-	(21,78,478)	(6,25,645)
6	LABORATORY EQUIPMENTS	9.50%	5,57,001	4,400	-	5,61,401	1,34,107	52,916	-	1,87,023	3,74,378
			(5,07,201)	(49,800)	-	(5,57,001)	(83,556)	(50,551)	-	(1,34,107)	(4,22,894)
7	LEASEHOLD LAND	0.00%	12,22,020	-	-	12,22,020	-	-	-	-	12,22,020
			(12,22,020)	-	-	(12,22,020)	-	-	-	-	(12,22,020)
8	MOTOR CARS	11.88%	44,08,060	-	-	44,08,060	32,53,200	3,87,261	-	36,40,461	7,67,599
			(86,25,903)	-	(42,17,843)	(44,08,060)	(64,03,815)	(3,22,000)	(34,72,615)	(32,53,200)	(11,54,860)
9	OFFICE EQUIPMENTS	19.00%	23,96,343	9,821	-	24,06,164	21,26,294	68,882	-	21,95,176	2,10,988
			(22,07,133)	(1,89,210)	-	(23,96,343)	(20,31,822)	(94,472)	-	(21,26,294)	(2,70,049)
10	PIPING & INSULATION	6.33%	3,90,940	-	-	3,90,940	1,55,396	37,139	-	1,92,535	1,98,405
			(3,24,632)	(66,308)	-	(3,90,940)	(1,19,621)	(35,775)	-	(1,55,396)	(2,35,544)
11	PLANT & MACHINERY	6.33%	1,47,65,032	1,07,256	-	1,48,72,288	36,86,412	9,24,892	-	46,11,304	1,02,60,984
			(1,02,78,247)	(44,86,785)	-	(1,47,65,032)	(29,12,922)	(7,73,490)	-	(36,86,412)	(1,10,78,620)
12	RESIDENTIAL FLATS	3.17%	6,54,613	-	-	6,54,613	3,02,269	20,750	-	3,23,019	3,31,594
			(6,54,613)	-	-	(6,54,613)	(2,81,518)	(20,751)	-	(3,02,269)	(3,52,344)
13	TOOLS & DIES	9.50%	14,62,629	1,41,223	-	16,03,852	11,52,551	1,38,951	-	12,91,502	3,12,350
			(14,56,929)	(5,700)	-	(14,62,629)	(10,13,872)	(1,38,679)	-	(11,52,551)	(3,10,078)
	Total (Current Year)		5,72,61,010	5,32,186	-	5,77,93,196	2,49,26,345	28,03,109	-	2,77,29,454	3,00,63,742
	(Previous Year)		5,60,65,719	54,13,134	42,17,843	5,72,61,010	2,56,02,235	27,96,725	34,72,615	2,49,26,345	3,23,34,665

Note: Figures in the brackets are the corresponding figures in respect of the previous year.
Items of Property, Plant and Equipment were hypothecated as security for liabilities during part of the current and comparative periods. Currently there is no charge on any asset of the company.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

2. Loans

In Rupees

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
1	Unsecured and Considered Good:				
	Security Deposits		12,54,525		12,17,563
	Total		12,54,525		12,17,563

3. Inventories

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
1	Raw Materials		1,92,17,040		1,51,04,939
2	Packing Materials		81,34,284		1,16,27,544
3	Work-in-progress		26,94,652		21,06,577
4	Finished Goods		62,61,296		74,37,221
6	Goods in Transit		1,67,738		5,29,647
	Total		3,64,75,010		3,68,05,928

Inventories were hypothecated as security for liabilities during the current and comparable period. Currently there is no charge on inventories.

Nil amount of inventories were written down to net realisable value during the current and comparable period. Similarly, Nil amount of reversal of write down was accounted during the current and comparable periods.

4. Trade Receivables

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
1	Unsecured, Considered Good		6,75,89,294		3,87,69,703
2	Significant increase in Credit Risk				
	Credit Impaired	38,02,959		38,02,959	
	Loss Allowance	(38,02,959)	-	(38,02,959)	-
	Total		6,75,89,294		3,87,69,703

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

5. Cash and cash equivalents

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Cash on hand		1,80,105		1,37,642
	Banks balances		2,66,04,774		1,08,15,090
	Fixed Deposit with Bank		-		1,26,50,000
	Cheques on hand		-		10,00,000
	Total		**2,67,84,879**		**2,46,02,732**

6. Other Current Assets

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Unsecured and Considered Good:				
	Balances with Indirect Tax Authorities	7,28,823		83,70,393	
	Trade Advances	33,87,435		31,72,918	
	Prepaid Expenses	2,73,340		48,00,000	
	Other Receivable	36,34,149		34,13,152	
			80,23,747		1,97,56,463
	Total		**80,23,747**		**1,97,56,463**

MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

7. Share Capital

In Rupees

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
1	AUTHORIZED CAPITAL 1,50,0000 Equity Shares of Rs. 10/- each.		1,50,00,000		1,50,00,000
			1,50,00,000		1,50,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL 9,90,000, (9,90,000) Equity Shares of Rs. 10/- each fully paid up		99,00,000		99,00,000
	Total		**99,00,000**		**99,00,000**

7.1 The details of Shareholders holding more than 5% Shares:

Sr. No	Name of Shareholders	As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares	% held	No. of Shares	% held
1	Mr. M. A. Waheed	-	-	4,55,000	46
2	Mr. A. J. Charles	-	-	4,95,000	50
3	Mrs. Safia Waheed	-	-	40,000	4
4	Kansai Nerolac Paints Limited	9,89,999	99.99	-	-
5	Prashant Devidas Pai	1	0.01	-	-

7.2 The reconciliation of the number of shares outstanding is set out below:

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares	Amount	No. of Shares	Amount
	Equity Shares at the beginning of the year	9,90,000	99,00,000	9,90,000	99,00,000
	Add: Issued During the Year	-	-	-	-
	Equity Shares at the end of the year	**9,90,000**	**99,00,000**	**9,90,000**	**99,00,000**

7.3 The Equity Shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act, 2013

7.4 For a period of five years imediately preceding 31st March, 2020.

a) Nil Equity Shares were alloted as fully paid up persuant to contract without payment being received in cash.

b) Nil Equity Shares were alloted as fully paid up by way of Bonus Shares.

c) Nil Equity Shares were bought back.

d) Calls unpaid Nil.

e) Forfeited Shares Nil.

7.5 Kansai Nerolac Paints Limited (KNPL) has aquired 100% Shareholding from erstwhile promoters and has taken over the company with effect from 08.04.2019. Thus the company has since then become subsidiary company of KNPL.

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

8. Other Equity

In Rupees

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
1	Surplus in Statement of Profit & Loss				
	Balance as at the beginning of the year	10,35,66,256		9,06,05,149	
	Add: Profit for the year	2,27,56,723		1,29,61,107	
			12,63,22,979		10,35,66,256
	Total Reserves and Surplus		**12,63,22,979**		**10,35,66,256**

9. Long Term Borrowings

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Non Current	Current	Non Current	Current
a)	Secured				
	Term Loans from Bank	-	-	12,96,378	3,29,927
	Total	**-**	**-**	**12,96,378**	**3,29,927**

10. Income Taxes

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
1	Income tax recognised in the Standalone Statement of Profit and Loss				
	Current tax		79,76,296		57,09,286
	Deferred tax		1,11,583		- 5,19,075
	Total		**80,87,879**		**51,90,211**

10.1. Components of Deferred Tax Liability (Net)

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Deferred Tax Liability				
1	Differences in WDV of Fixed Assets		11,73,117		9,84,103
	Total		11,73,117		9,84,103
	Deferred Tax Assets				
1	Provision for Gratuity		1,87,043		8,758
2	Provision for Bad and Doubtful Debts		9,57,129		10,57,983
	Total		11,44,172		10,66,741
	Net Deferred Tax Liability		**28,945**		**- 82,638**

Taxes Provision : In pursuance to section 115BAA of Income Tax Act, 1961 announced by Government of India through Taxation Law (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to lower Corporate Tax Rate at 22% plus applicable Surcharges and Cess and simultaneously forego certain tax incentives including the additional depreciation on plant and machinery acquired/to be acquired by the Company. Accordingly, the Company shall excercise this option for current Financial Year. Hence the company has computed the tax expenses of the current Financial Year as per the lower Corporate Income Tax Regime announced under Sec 115BAA of the Income Tax Act, 1961. Accordingly,

a. The Provision for Current and Deferred tax has been determined at the rate of 25.168%

b. The Deferred Tax Assets and Deferred Tax Liablity as on 31.03.2020 has been restated at the rate of 25.168%

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

11. Short Term Borrowings

In Rupees

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
	(A) Secured:				
1	Bank of Baroda - Cash Credit / OD	-		94,40,305	
	(Secured by hyphothecation of Current Assets, Plant & Machinery, Equitable Mortgage of Factory Land & Building and personal guarantees of 2 Directors out of Present Directors.)		-		94,40,305
	Total		**-**		**94,40,305**

12. Trades Payable

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
1	Trade Payables- Micro, Small and Medium Enterprises [Refer Note 12.1]		87,38,497		93,60,980
2	Trade Payables- Other than Micro, Small and Medium Enterprises		1,47,84,470		1,18,15,195
	Total		**2,35,22,967**		**2,11,76,175**

12.1. Details of Dues to Micro, Small and Medium Enterprises as per MSME ACT, 2006:

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
a)	Principal amount to suppliers under MSMED Act, 2006		87,38,497		93,60,980
b)	Interest accrued due to suppliers under MSMED Act on the above amount and unpaid		-		-
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year		-		-
d)	Interest paid to suppliers under MSMED Act (Section 16)		-		-
e)	Interest due and payable towards suppliers under MSMED Act for payments already made		-		-
f)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)		-		-
	Total		**87,38,497**		**93,60,980**

12.1(a) The above information is given to the extent avialable with the Company and relied upon the Auditor.

13. Other Financial Liabilities

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current Maturities of long term debt		-		3,29,927
	Total		**-**		**3,29,927**

14. Other Current Liabilities

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Other Statutory Obligations		16,56,136		14,67,578
	Trade Receivable with Credit Balance		3,09,521		11,44,883
	Other Payable		15,86,211		10,76,012
	Total		**35,51,868**		**36,88,473**

15. Short Term Provisions

Sr. No	Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Provision for Taxation (Net of taxes paid)		4,37,345		9,01,528
	Provision for Expenses		23,75,255		3,71,005
	Provision for Gratuity		40,51,838		28,99,645
	Total		**68,64,438**		**41,72,178**

MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

16. Revenue from Contract with Customers

In Rupees

Sr. No	Particulars	2019-20		2018-19	
1	Sale of Products				
	Export Sales	1,53,31,822		2,16,38,110	
	Local Sales	33,16,13,763	34,69,45,585	31,75,99,132	33,92,37,242
2	Sale of Services		28,45,740		14,18,910
3	Other Operating Revenues				
	Sales of Advertising Goods	20,35,892		22,67,208	
	Sales of Scrap	4,84,441		1,72,677	
			25,20,333		24,39,885
	Total		**35,23,11,658**		**34,30,96,037**

17. Other Income

Sr. No	Particulars	2019-20		2018-19	
1	Interest Income:				
	Interest Received on Fixed Deposit		15,935		14,406
	Interest Received on Flexible Fixed Deposit		3,60,135		5,42,725
	Interest Received on Refund of Income Tax		51,884		75,610
	Interest Received on Security Deposits		46,287		38,544
2	Profit on Foreign Currency Transactions		6,410		1,633
3	Profit on Sales of Motor Car		-		48,027
4	Miscellanous Income (Recovered from Directors)		-		10,00,000
	Total		**4,80,651**		**17,20,945**

18. Cost of Materials Consumed

Sr. No	Particulars	2019-20		2018-19	
	Raw Materials Consumed				
	Opening Stocks	1,51,04,939		1,76,62,976	
	Add: Purchases	16,56,04,191		16,09,89,046	
	Add: Inter-Unit Transfer	-		-	
	Customs Duty (Net of ITC)	16,25,043		10,73,015	
		18,23,34,173		17,97,25,037	
	Less: Closing Stocks	1,92,17,040	16,31,17,133	1,51,04,939	16,46,20,098
	Packing Materials Consumed				
	Opening Stocks	1,16,27,544		1,24,69,641	
	Add: Purchases	2,99,92,822		3,41,89,141	
		4,16,20,366		4,66,58,782	
	Less: Closing Stocks	81,34,284	3,34,86,082	1,16,27,544	3,50,31,238
	Total		**19,66,03,215**		**19,96,51,336**

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

19. Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress

In Rupees

Sr. No	Particulars	2019-20		2018-19	
	Opening Stock				
	Finished Goods / Stock-in-Trade	66,68,366		38,18,389	
	Goods-in-Transit	5,29,647		-	
	Goods-in-Process	15,01,768		20,64,897	
	Stock-in-Process	6,04,809		10,76,749	
	Sales Promotional Items	7,68,855		6,95,307	
			1,00,73,445		76,55,342
	Closing Stock				
	Finished Goods / Stock-in-Trade	60,25,468		66,68,366	
	Goods-in-Transit	1,67,738		5,29,647	
	Goods-in-Process	18,65,718		15,01,768	
	Stock-in-Process	8,28,934		6,04,809	
	Sales Promotional Items	2,35,828		7,68,855	
			91,23,686		1,00,73,445
	Total		**9,49,759**		**-24,18,103**

20. Employee Benefits Expense

In Rupees

Sr. No	Particulars	2019-20		2018-19	
1	Salaries and Wages		5,97,52,905		5,75,93,500
2	Contribution to Provident and Other Funds		30,31,994		18,92,764
3	Staff Welfare Expense		75,186		1,06,342
	Total		**6,28,60,085**		**5,95,92,606**

21. Finance Costs

Sr. No	Particulars	2019-20		2018-19	
1	**Interest Expense**				
1	Interest on Cash Credit Account	54,738		2,60,733	
2	Interest on Car Loan	52,866		1,58,241	
3	Interest on Deferred Payment Tax	535		21,922	
4	Interest on Trade Security Deposits	85,172		76,216	
5	Interest on Bank Term Loan	-	1,93,311	-	5,17,112
2	**Bank Charges**		1,44,543		2,77,058
	Total		**3,37,854**		**7,94,170**

22. Depreciation & Amortization Expense

Sr. No	Particulars	2019-20		2018-19	
1	Depreciation		28,03,109		27,96,725
	Total		**28,03,109**		**27,96,725**

23. Other Expenses

Sr. No	Particulars	2019-20		2018-19	
1	Power and Fuel		14,10,036		12,85,432
2	Repairs to Machinery		14,27,664		13,39,795
3	Freight and Forwarding Charges		2,26,40,444		2,05,95,555
4	Advertisement and Sales Promotion		1,37,53,771		1,30,94,195
5	Legal and Professional Fees		30,33,530		47,15,248
6	Travelling and motor car expenses		82,85,086		1,05,96,212
7	Rent		26,38,990		27,10,750
8	Rates and Taxes (Net) (Refer Note No 26 (A) (1))		1,45,777		10,72,693
9	Insurance		4,70,435		6,76,495
10	Miscellaneous Expenses		45,87,952		63,59,596
	Total		**5,83,93,685**		**6,24,45,971**

23.1 Payments to Statutory Auditors'

Sr. No	Particulars	2019-20		2018-19	
	Auditors' remuneration excluding taxes (Included in Miscellaneous Expenses in Note 22)				
	As Auditor				
	Statutory Audit Fees		55,000		66,000
	Report under Section 44AB of the Income Tax Act, 1961		45,000		36,000
	In other capacity				
	Other Matters		88,800		1,23,640
	Total		**1,88,800**		**2,25,640**

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PERMA CONSTRUCTION AIDS PRIVATE LIMITED

Notes forming part of the Financial Statements for the period from 01st April, 2019 to 31st March, 2020

24. Earnings Per Share

Sr. No	Particulars	2019-20 (Rs.)	2018-19 (Rs.)
1	Net Profit after Tax as per Statement of Profit & Loss attributable to Equity Share Holders	2,27,56,723	1,29,61,107
2	Weighted average number of equity shares used as denominator for calculating EPS	9,90,000	9,90,000
3	Basic and Diluted Earnings per Share	22.99	13.09
4	Face Value per equity share	10.00	10.00

25. Related Party Disclosures:

During the year the Company entered into transactions with the related parties. Those transactions alongwith related balances as at 31st March, 2020 and for the year then ended are presented in the following table.

Sr. No.	Particulars	2019-20 (Rs.)	2018-19 (Rs.)
a)	**Related parties where control exists.**		
1	**Holding Company:**		
	KANSAI NEROLAC PAINTS LIMITED		
	Nature of Transactions		
	Sale of Goods	50,13,035	Nil
	Outstanding Receivable at the end of the year	40,22,435	
2	**Joint Venture**	Nil	Nil
3	**Associates:**	Nil	Nil
4	**Key Management Personnel**		
	Mr M A Waheed (Director)		
	Mr A J Charles (Director)		
	Mr Anuj Jain (Director)		
	Mr P D Pai (Director)		
	Mrs. Safia Waheed (Ex - Director)		
	Nature of Transactions		
	Remuneration Paid		
	Mr. M. A. Waheed	60,00,000	36,00,000
	Mr. A. J. Charles	60,00,000	60,00,000
	Mrs. Safia Waheed	-	24,00,000
	Mr Anuj Jain (Director)	-	-
	Mr P D Pai (Director)	-	-
	Rent Paid		
	Mr. M. A. Waheed	4,80,000	4,80,000
	Mr. A. J. Charles	9,60,000	9,60,000
	Mrs. Safia Waheed	4,80,000	4,80,000
	Salary Paid	Nil	Nil
	Interest Paid		
	Loan and Advances Received	Nil	Nil
	Repayment of Loans	Nil	Nil
	Outstanding Balance at the Year end	Nil	Nil

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

26 Contingent liabilities and Commitments

(A) Contingent Liability

	2019-20 (Rs.)	2018-19 (Rs.)
1. Claims against the Company/Disputed Liabilities not acknowledged as Debts are as under:		
i. Disputed Excise Duty Demand of Rs. (Lacs)	Nil	265.15
ii. Disputed Central Sales Tax Demand of Rs. (Lacs)	Nil	60.08
2. Guarantees given by the Company	Nil	Nil
3. Bills Discounted/Not Matured	Nil	Nil

Note: 1. The Company had disputed Statutory dues of Rs.2,65,15,849/-only towards Excise Duty, appeals for which were pending at different Appellate Authorities. Consequently the company had taken benefit of Sabka Vikas Legacy Dispute Resolution Scheme, 2019(SVLDRS) and had made settlement of all disputed labilty for earlier year for Rs.90,13,880/-. The said amount had been recovered from erstwhile promoters in terms of their share transfer agreement executed with Kansai Nerolac Paints Limited.

Note: 2. The Company had disputed Statutory dues of Rs 60,07,890/-only towards differential CST Dues in absence of C forms not given so far, by the suppliers. Consequently the company had taken benefit of Gujarat Tax Amensty Scheme, 2019 and had made settlement of all disputed liability for earliear years for Rs.8,76,179/-only. The said amount has been recoverable from the customers for not providing C form as per statutory requirement.

(B) Commitments

	2019-20 (Rs.)	2018-19 (Rs.)
1. Estimated amount of contracts remaining to be executed on capital account not provided for	Nil	Nil
2. Uncalled Liability on Shares and other Investments partly paid	Nil	Nil
3. Other Commitments	Nil	Nil

27 Balances of Trade Payables, Trade Receivables, Loans and Advances are subject to confirmation by the respective parties.

28 In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

PERMA CONSTRUCTION AIDS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

Note 29: Employee Benefits

Defined Benefit Plans:

a. Gratuity

The following tables setout the funded status of the gratuity plans and the amounts recognised in the Company's Financial Statements as at 31 March, 2020 as per acturial valuation.

Particulars	Year ended 31-03-2020
Change in Defined Benefit Obligation	
Defined Benefit Obligation at the beginning	35,39,412
Current Service Cost	5,12,426
Interest Expense	Nil
Benefit Payments from Plan Assets	Nil
Remeasurements - Actuarial (gains)/ losses	Nil
Defined Benefit Obligation at the end	**40,51,838**
Change in Fair Value of Plan Assets	
Fair Value of Plan Assets at the beginning	Nil
Interest Income	Nil
Employer Contributions	Nil
Benefit Payments from Plan Assets	Nil
Increase/(Decrease) due to effect of any business combination/ divestiture/transfer) Increase/(Decrease) due to Plan combination	Nil
Remeasurements – Return on plan assets excluding amounts included in interest income	Nil
Fair Value of Plan Assets at the end	Nil
Funded Status	Nil

Components of Defined Benefit Cost recognized in the Standalone Statement of Profit and Loss under Employee Benefit Expenses:

Particulars	Year ended 31-03-2020
Current Service Cost	5,12,426
Net Interest Cost	Nil
Defined Benefit Cost recognised in the Statement of Profit and Loss	5,12,426

Components of Defined Benefit Cost recognized in the Statement of Other Comprehensive

Particulars	Year ended 31-03-2020
Actuarial (gains) / losses on Defined Benefit Obligation	Nil
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liabilitv/(asset)	Nil
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	Nil

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

The assumptions used to determine net periodic benefit cost are set out below:

	Valuation Date 31-03-2020
Discount Rate	6.70%
Salary Escalation	6.00%
Weighted average duration of the defined benefit obligation (years)	0.00%

Sensitivity Analysis:

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	**31-03-2020**
Under Base Scenario	Nil
Salary Escalation - Up by 1%	Nil
Salary Escalation - Down by 1%	Nil
Withdrawal Rates - Up by 1%	Nil
Withdrawal Rates - Down by 1%	Nil
Discount Rates - Up by 1%	Nil
Discount Rates - Down by 1%	Nil
Expected Rate of Return on Planned Asset	Nil

Maturity Profile of Defined Benefit Obligations

Mortality Table	**31-03-2020**	
20	0.09%	0.09%
25	0.09%	0.09%
30	0.10%	0.10%
35	0.12%	0.12%
40	0.17%	0.17%
45	0.26%	0.26%
50	0.44%	0.44%
55	0.75%	0.75%
60	1.12%	1.12%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company contributes all ascertained liabilities towards gratuity to the fund maintained by the Life Insurance Corporation of India.

MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 30: Financial Instruments: Fair values and Risk Management

(A) Accounting Classifications and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ In Rupees

	Year	At FVTPL	Other financial assets / liabilities - Amortised cost	Level 1	Level 2	Level 3	Total
Financial Assets not measured at Fair Value							
Non-current Assets: Loans (Note 2)	2020	-	12,54,525	-	-	-	12,54,525
	2019	-	12,17,563	-	-	-	12,17,563
Current Assets: Trade Receivables (Note 4)	2020	-	6,75,89,294	-	-	-	6,75,89,294
	2019	-	3,87,69,703	-	-	-	3,87,69,703
Current Assets: Cash and Cash Equivalent (Note 5)	2020	-	2,67,84,879	-	-	-	2,67,84,879
	2019	-	2,46,02,732	-	-	-	2,46,02,732
Current Assets: Loans (Note 6)	2020	-	80,23,747	-	-	-	80,23,747
	2019	-	1,97,56,463	-	-	-	1,97,56,463
Financial Liabilities not measured at Fair Value							
Non-current Liabilities: Borrowings (Note 9)	2020	-	-	-	-	-	-
	2019	-	12,96,378	-	-	-	12,96,378
Current Liabilities: Borrowings (Note 11)	2020	-	-	-	-	-	-
	2019	-	94,40,305	-	-	-	94,40,305
Current Liabilities: Trade Payable (Note 12)	2020	-	2,35,22,967	-	-	-	2,35,22,967
	2019	-	2,11,76,175	-	-	-	2,11,76,175
Current Liabilities: Other Financial Liabilities (Note 13)	2020	-	-	-	-	-	-
	2019	-	3,29,927	-	-	-	3,29,927

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

PERMA CONSTRUCTION AIDS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 31: Financial Instruments: Fair values and Risk Management (contd.)

(B) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:
- Credit Risk
- Liquidity Risk
- Market Risk

(i) Risk Management Framework

Risk Management Committee oversees the management of these risks. Management is supported by Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the management that Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Company's Risk Management Policies are established to identify and analyses the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management Policies and Systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments in debt securities. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables and Loans:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes financial statements, credit agency information, industry information and in some cases bank references. Sales limits are established for each customer and reviewed constantly. Any sales exceeding those limits require approval from the management.

Financial Instruments and Cash Deposits

Credit risks from balances with banks and financial institutions is managed by the Company's Treasury Department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity Risk

Liquidity risk the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

₹

	Year ended	On demand	Upto 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	3 years and above	Total
Borrowings	31-03-2020	-			-			-
	31-03-2019	94,40,305			12,96,378			1,07,36,683
Trade	31-03-2020	-	2,35,22,967	-	-	-	-	2,35,22,967
Payables	31-03-2019	-	2,11,76,175	-	-	-	-	2,11,76,175

(iv) 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 price comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. In respect of monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level.

MANOJ SHAH & CO. ★ CHARTERED ACCOUNTANTS ★

PERMA CONSTRUCTION AIDS PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 31: Segment Reporting

The Management Committee of the Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Management Committee. The financial information presented to the Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Construction chemicals' and the sales substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

As per our report of even date

FOR MANOJ SHAH & CO.
CHARTERED ACCOUNTANTS

Manoj T. Shah

MANOJ T. SHAH
PARTNER
Membership No. : 043777
Firm Reg. No.: 106036W
UDIN: 20043777AAAABX2097

Place : VAPI
Date : 27/04/2020

MANOJ SHAH & CO. CHARTERED ACCOUNTANTS

FOR PERMA CONSTRUCTION AIDS PVT. LTD.

Anuj Jain
(DIRECTOR)
DIN:08091524

Prashant D Pai
(DIRECTOR)
DIN:0811548

Mohammad A. Waheed
(DIRECTOR)
DIN:00352600

Augustine J. Charles
(DIRECTOR)
DIN:00350686