



INDEPENDENT AUDITORS' REPORT

To
The Members
M/s. Stylam Panels Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements **M/s. Stylam Panels Limited ("Company")**, which comprise the balance sheet as at March 31, 2022, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013 ("Act")** in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance sheet of the state of affairs of the Company as at March 31, 2022;
- b) In the case of the Statement of Profit and Loss, the Loss of the company for the year ended on that date;
- c) In the case of Statement of Cash Flow, the cash flows of the company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.



We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether 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 financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement



that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.

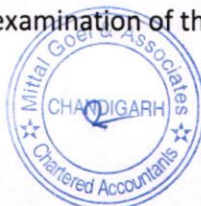


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



(c) The balance sheet and the statement of profit and loss dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls vide Ministry of Corporate Affairs' notification dated June 13, 2017; and

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

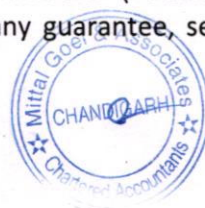
a. The Company does not have any pending litigations which would impact its financial position;

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

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

d. (i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("**Intermediaries**"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("**Ultimate Beneficiaries**") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("**Funding Parties**"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("**Ultimate Beneficiaries**") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the



Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) (clause (d) above) contain any material mis-statement;

3. Section 197 of the Act is not applicable to the company, being a private company. Thus, reporting under sub-section (16) thereof is not required.

For M/s Mittal Goel & Associates

Chartered Accountants

FRN 017577N




(Sandeep Kumar Goel)

Partner

M. No. 099212

UDIN:

Date: 09 May, 2022

Place: Chandigarh

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is engaged in the business of manufacturing of Plywood and thereby, maintains the physical stock of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or granted loan, guarantee or provided security to companies, firms, limited liability partnerships or any other parties during the year.



- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Act and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ("GST"). According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income tax, Goods & Services Tax, duty of customs or any other similar dues outstanding on account of dispute.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.



- (x) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible instruments during the financial year. Accordingly, the provisions of paragraph 3 (x)(b) of the Order are not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints were received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company is not required to have internal audit system in place.
- (b) Basis our opinion at (a). reporting under this clause is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



- (c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For Mittal Goel & Associates
Chartered Accountants
FRN 017577N



(Sandeep Kumar Goel)
Partner
M. No. 099212
UDIN:

Date: 09 May, 2022
Place: Chandigarh

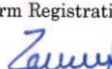
STYLAM PANELS LIMITED

CIN: U20211CH2021PLC043761

Registered Address : 1576 SECTOR 18 CHANDIGARH Chandigarh CH 160018 IN


Balance Sheet as at 31st March, 2022		(Amount in INR Lacs)		
	Particulars	Note	As at 31 st March, 2022	As at 31 st March, 2021
	ASSETS			
I	Non-current assets			
(a)	Property, Plant and Equipment and Intangible asset	3	-	-
(i)	- Property plant & equipment		-	-
(ii)	- Intangible Assets		-	-
(iii)	- Capital work in progress		-	-
(iv)	- Intangible Assets under development		-	-
(b)	Investment Property		-	-
(c)	Financial Assets	4	-	-
(i)	Investments		-	-
(ii)	Loan and Advances		-	-
(d)	Deferred Tax (Net)		-	-
(e)	Other Non-Current Assets	5	-	-
	Total Non-Current Assets		-	-
II	Current Assets			
(a)	Inventories	6	-	-
(b)	Financial Assets			
(i)	Trade receivables	7	-	-
(ii)	Cash and cash equivalents	8	98.17	-
(iii)	Other Bank Balance		-	-
(iv)	Other Financial Assets		-	-
(c)	Other current assets	9	4.92	-
	Total Current Assets		103.09	-
	TOTAL ASSETS		103.09	-
	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share Capital	10	100.00	-
(b)	Other Equity	11	(0.19)	-
	Total Equity		99.81	-
	Liabilities			
I	Non-current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings		-	-
(ii)	Provisions		-	-
(b)	Deferred Tax Liabilities		-	-
(c)	Other Non-current liabilities		-	-
	Total Non-Current Liabilities		-	-
II	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings		-	-
(ii)	Trade Payables due to other than MSME	12	3.16	-
(iii)	Trade Payables due to MSME		-	-
(iv)	Other Financial Liabilities		-	-
(b)	Other Current Liabilities	13	0.12	-
(c)	Provisions		-	-
(d)	Current Tax Liabilities	14	-	-
	Total Current Liabilities		3.28	-
	Total Equity and Liabilities		103.09	-

In terms of our report attached

for **Mittal Goel & Associates**
Chartered Accountants
Firm Registration Number 017577N

C.A. Sandeep Kumar Goel
Partner
M No- 099212



for and on behalf of the Board of Directors


Jagdish Gupta
Director
DIN:00115113


Manit Gupta
Director
DIN:00889528

Place : Chandigarh
Date : 09.05.2022

STYLAM PANELS LIMITED
CIN: U20211CH2021PLC043761

Statement of Profit and Loss for the year ended on 31 st March, 2022			
(Amount in INR Lacs)			
Particulars	Note	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from operations	15	-	-
Other Income	16	2.93	-
Total Income		2.93	-
Expenses:		-	
Purchase of stock in trade	17	-	
Changes in inventories of stock in trade	18	-	
Employee benefits expenses	19	-	
Depreciation and amortisation expense	20	-	
Other expenses	21	3.12	
Total Expenses		3.12	-
Profit before exceptional items and tax		(0.19)	-
Exceptional items		-	
Tax expense		-	
Current tax		-	
Deferred tax		-	
Profit/(Loss) for the year		(0.19)	-
Other comprehensive income		-	
(i) Items that will not be re-classified to profit or loss:		-	
-Remeasurements of defined benefit obligation (net)		-	
-Income tax relating to items that will not be reclassified to profit or loss		-	
(ii) Items that may be re-classified to profit or loss:		-	
-Income tax relating to items that may be reclassified to profit or loss		-	
Total other comprehensive income (net of tax)		-	
Total comprehensive income for the year		-0.19	
Earnings Per Share (Face value of ` 10/- per share)			
Basic	22	(0.02)	-
Diluted	22	(0.02)	-
See accompanying notes forming part of the financial statements	1 to 27		

In terms of our report attached

for **Mittal Goel & Associates**

Chartered Accountants

Firm Registration Number 017577N

CA. Sandeep Kumar Goel
Partner
M No- 099212



Place : Chandigarh

Date : 09.05.2022

for and on behalf of the Board of Directors

Jagdish Gupta
Director
DIN:00115113

Manjit Gupta
Director
DIN:00889528

STYLAM PANELS LIMITED
CIN: U20211CH2021PLC043761

Cash Flow Statement for the year ended 31 st March, 2022		
(Amount in INR Lacs)		
Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A. Cash Flow from Operating Activities		
Net Profit/(Loss) for the year	-0.19	-
Adjustments for		
Depreciation	-	-
Finance cost	-	-
Profit on sale of fixed assets	-	-
Provision for income-tax	-	-
Provision for deferred tax	-	-
Operating profit before working capital changes	-0.19	-
Adjustments for changes in working capital		
Decrease/(Increase) in Inventories		
Decrease/ (Increase) in trade receivables		
Decrease/ (Increase) in other current assets	-4.92	
(Decrease)/ Increase in trade payables	3.16	
(Decrease)/ Increase in other current liabilities	0.12	
Cash generated from operations	-	
Income tax paid	-	-
Net cash flow from/ (used in) operating activities (A)	-1.83	-
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment	-	-
Sale of fixed assets	-	-
Long-term loans and advances	-	-
Dividend received	-	-
Net cash flow from/ (used in) investing activities (B)	-	-
C. Cash flow from financing activities		
Proceeds from issue of equity shares	100.00	-
Proceeds from long term borrowings	-	-
Proceeds from short term borrowings	-	-
Finance Cost	-	-
Net cash generated/ (used) in financing activities (C)	100.00	-
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	98.17	-
Cash and cash equivalents at the beginning of the year		
Cash and cash equivalents at the end of the year	98.17	
See accompanying notes forming part of the financial statements		

Notes:

1. Reconciliation of cash and cash equivalents

Particulars	As at 31st March, 2022	As at 31 st March, 2021
Cash in hand	-	-
FDR	92.01	
Balances with banks		
In current account	6.16	-
Total	98.17	-

2. The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 'Cash Flow Statement'.

3. Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

4. Negative Figures have been shown in brackets.

In terms of our report attached

for **Mittal Goel & Associates**

Chartered Accountants

Firm Registration Number: 017577N


CA. Sandeep Kumar Goel
Partner
M No- 099212

Place : Chandigarh
Date : 09.05.2022

for and on behalf of the Board of Directors


Jagdish Gupta
Director
DIN:00115113


Mani Gupta
Director
DIN:00889528

Note 1 Significant accounting policies**1. Corporate Information**

Stylam Panels Limited (the 'Company') was incorporated on 6th July, 2021 with the main business activity of manufacturing of Plywood.

2. Summary of Significant Accounting Policies**1. Accounting Convention**

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"), Accounting Standards (AS)/ guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. The Financial Statements have been prepared on accrual basis under the historical cost convention

2. Use of Estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

3. Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4. Property, Plant and Equipment

Property, plant and equipment are stated at their original cost of acquisition/ revaluation, including non-refundable taxes, freight, and other incidental expenses related to acquisition and installation of the concerned assets. Internally fabricated assets are valued at cost. Interest on borrowed funds attributable to acquisition/construction of property, plant and equipment & related preoperative expenses up to the date of commencement of commercial production, are capitalized.

5. Depreciation and Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on 'Straight line method' based on useful lives of the assets specified in Part 'C' of Schedule II of the Companies Act, 2013.

Intangible assets are amortised on a systematic basis over the estimate of their useful life, commencing from the date the asset is available to the company for its use.

6. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sales of goods

Revenue from sales of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and no significant uncertainty exists regarding the amount the consideration that will be derived from the sales of goods.

7. Inventory

Cost of inventories is ascertained on the FIFO basis. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The Inventories are valued at lower of cost or net realizable value.

8. Classification

All expenditure and income accounts are classified under convenient heads of accounts.

9. Foreign Currency Transaction

Transaction in foreign currency is recorded at the exchange rate prevailing at the time of transaction. However in case of import purchases, transaction is recorded at the exchange rate mentioned on the bill of entry. Exchange differences, if any, arising out of transactions settled during the year are recognized in the profit and loss account. In the case of monetary assets and liabilities standing at the year-end date, the balances are stated at the rates prevailing at the year end and the exchange differences there on are adjusted in the profit and loss account.

In respect of forward contracts taken by the Company, the difference between the forward rate and the exchange rate at the end of transaction is recognised as expenses over the life of the forward contract.

10. Provisions and Contingent Liabilities

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liabilities is made where there is possible obligation debt arises for the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.



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