Notes on Financial Statements for the year ended 31st March, 2019

01: Property, Plant and Equipment

(Amount in ₹)

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Vehicle	Office Equipments	Total	Capital Work in progress
Cost								
As at April 01, 2017	**48,24,141**	**6,64,75,142**	**12,58,82,090**	**12,65,464**	**8,37,051**	**16,71,075**	**20,09,54,963**	**-**
Additions		12,26,785	2,13,88,924	89,656	-	24,50,498	2,51,55,864	7,08,893
Disposals	(16,370)	-	(15,40,938)	-	(3,69,740)	-	(19,27,048)	(6,93,281)
As at March 31, 2018	**48,07,771**	**6,77,01,927**	**14,57,30,077**	**13,55,120**	**4,67,311**	**41,21,573**	**22,41,83,778**	**15,612**
Additions	-	9,61,858	97,26,400	-	-	2,40,593	1,09,28,850	39,76,716
Disposals	-	-	-	-	-	-	-	
As at March 31, 2019	**48,07,771**	**6,86,63,785**	**15,54,56,476**	**13,55,120**	**4,67,311**	**43,62,166**	**23,51,12,629**	**39,92,328**
Accumulated depreciation and impairment								
As at April 01, 2017	**-**	**43,09,482**	**81,93,501**	**1,77,314**	**1,79,075**	**2,01,839**	**1,30,61,211**	
Depreciation for the year	-	41,96,312	87,30,962	1,19,868	1,61,904	3,50,786	1,35,59,833	
Impairment	-	-	-	-	-	-	-	
Disposals	-	-	(14,63,891)	-	(3,51,253)	-	(18,15,144)	
As at March 31, 2018	**-**	**85,05,795**	**1,54,60,572**	**2,97,182**	**(10,274)**	**5,52,625**	**2,48,05,900**	
Depreciation for the year	-	42,07,582	88,53,241	-	-	3,89,982	1,34,50,805	
Impairment	-	-					-	
Disposals	-	-		-	-	-	-	
As at March 31, 2019	**-**	**1,27,13,376**	**2,43,13,813**	**2,97,182**	**(10,274)**	**9,42,607**	**3,82,56,705**	
Carrying amount								
As at March 31, 2018	48,07,771	5,91,96,132	13,02,69,505	10,57,938	4,77,585	35,68,948	**19,93,77,878**	30,64,084
As at March 31, 2019	48,07,771	5,59,50,408	13,11,42,663	10,57,938	4,77,585	34,19,559	**19,68,55,923**	28,80,425

Investment in Property, plant & equipment — **Amount in ₹**

	Land	Building	Total
Cost			
As at April 01, 2017	**46,558**	**32,83,270**	**33,29,828**
Additions	-	1,03,449	1,03,449
Disposals	-	-	-
As at March 31, 2018	**46,558**	**33,86,719**	**34,33,278**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	**46,558**	**33,86,719**	**34,33,278**
Accumulated depreciation and impairment			
As at April 01, 2017	**-**	**1,83,399**	**1,83,399**
Depreciation for the year	-	1,85,795	1,85,795
Impairment	-	-	-
Disposals	-	-	-
As at March 31, 2018	**-**	**3,69,193**	**3,69,193**
Depreciation for the year	-	1,83,659	1,83,659
Impairment	-	-	-
Disposals	-	-	-
As at March 31, 2019	**-**	**5,52,853**	**5,52,853**
Carrying amount			
As at March 31, 2018	46,558	30,17,526	30,64,084
As at March 31, 2019	46,558	28,33,867	28,80,425

Notes on Financial Statements for the year ended 31st March, 2019

(Amount in ₹)

		Units	As at 31st March,2019	Units	As at 31st March,2018
02.	**INVESTMENT-NON-CURRENT**				**(Amount in ₹)**
	Particulars	**Units**	**As at 31st March,2019**	**Units**	**As at 31st March,2018**
	Long Term Investment (at cost)				
A	Investment in Shares				
	i) Unquoted : (Non Trade) in Equity				
	Investment in Shares of Subsidiary Company :				
	4,50,200 Shares (PY.4,50,200) in Euro Royal Flor Limited	4,50,200	2,59,31,404	4,50,200	2,59,31,404
	(U.K.) of STG pound 1 (one) each fully paid up.				
	Less : provision for diminution in value of investment	4,50,200	2,59,31,404	4,50,200	2,59,31,404
			-		-
	30,000 (PY 30,000) equity shares in AB Corp Ltd	30,000	24,75,000	30,000	24,75,000
	of '10/- each fully paid up.				
	Less : Provision for Diminution in value of Investment	30,000	24,75,000	30,000	24,75,000
			-		-
	5,010 (PY 5,010) shares in Swaminarayan Co-op Bank Ltd.	5,010	1,25,250	5,010	1,25,250
	of '25/- each fully paid up.				
	12,500 (PY.12,500) shares in Baroda Peoples Co-op Bank	12,500	1,25,000	12,500	1,25,000
	Ltd of '10/- each fully paid up.				
	7,500 (PY.7,500) shares in Baroda City Co-op Bank Ltd.	7,500	75,000	7,500	75,000
	of '10/- each fully paid up.				
	1,416 (PY.1,000)shares in Saraswat Co-op Bank Ltd.	1,416	20,830	1,416	20,830
	of '10/- each fully paid up. (Converted into 416 shares of Saraswat co-op bank ltd.against 1083 shares of Mandvi co-op Bank Ltd.)				
B	Government Securities				
	National Saving Certificates		2,000		2,000
	(Pledged with Government Authorities)				
C	Investment by way of capital in a partnership firm				
	Creative Investment		16,72,198		14,37,861
	Total		**20,20,278**		**17,85,941**

Particulars	**As at 31st March,2019**	**As at 31st March,2018**
Aggregate amount of unquoted investments	2,84,08,404	2,84,08,404
Aggregate Provision for the diminution in Value of investments	2,84,06,404	2,84,06,404

2.1) The Company has made an investment of ₹.25,931,404 (£ 450.200) in Euroroyal Floors Ltd.("ERF") wholly owned subsidiary in U.K.The subsidiary also owes ₹,233,375,543 (Net of commission payable ₹.10,619,234) towards supply of goods made to it. The principal customers of ERF in Russia did not honor the debts, Due to this ERF in turn, could not pay its creditors. The Company has been informed by the ex-local Directors of ERF that one of the creditors had filed a suit for winding-up of ERF pursuant to which the High Court of Justice of U.K.made a winding-up order dated 11th June,2001 against ERF and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and ERF is dissolved Under the circumstances, the Management had provided for diminution in value of investment made in ERF in the year 2000-01. As also, provision against the debt of ₹.233,375,543 due from ERF had been made during the earlier year.

Notes on Financial Statements for the year ended 31st March, 2019

(Amount in ₹)

03. OTHER FINANCIAL ASSETS-CURRENT

Particulars	As at 31st March,2019	As at 31st March,2018
Deposits	99,13,379	1,16,90,304
Total	**99,13,379**	**1,16,90,304**

04. INVENTORIES

Particulars	As at 31st March,2019	As at 31st March,2018
Raw materials	1,87,68,906	1,70,82,169
Work-in-progress	4,06,08,160	5,13,75,260
Finished goods	5,53,67,504	5,90,01,431
Packing Materials	21,91,049	26,69,215
Consumable Stores	83,87,454	88,73,882
Fuel	2,52,800	2,40,500
Total	**12,55,75,873**	**13,92,42,457**

05. TRADE RECEIVABLES

Particulars		As at 31st March,2019		As at 31st March,2018
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	1,13,19,664		79,92,944	
Considered Doubtful	23,45,74,220		23,61,86,484	
	24,58,93,884		**24,41,79,428**	
Less : Provision for Doubtful Debts	23,45,74,220		23,61,86,484	
		1,13,19,664		79,92,944
Others (Considered good)		1,20,52,730		2,09,71,841
Total		**2,33,72,394**		**2,89,64,785**

06. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March,2019	As at 31st March,2018
a. Balances with banks	14,90,301	38,68,948
b. Cash on hand	3,71,907	87,799
Total	**18,62,208**	**39,56,747**

07. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st March,2019	As at 31st March,2018
Fixed Deposit with banks	21,87,156	12,80,850
Total	**21,87,156**	**12,80,850**

Fixed deposit of ₹.21,87,156 (P.Y.₹.12,80,850) was held as security deposit against Bank Guarantee.

08. LOANS-CURRENT

Notes on Financial Statements for the year ended 31st March, 2019

(Amount in ₹)

Particulars	As at 31st March,2019	As at 31st March,2018
Advances to Employees	9,05,900	10,12,211
Other Advances	-	67,282
Total	**9,05,900**	**10,79,493**

09. OTHER CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at 31st March,2019	As at 31st March,2018
Prepaid Expenses	1,65,667	4,06,718
Advances to Suppliers	20,59,503	41,22,265
Balance with Government authorities	61,37,475	16,10,192
Total	**83,62,645**	**61,39,175**

10. SHARE CAPITAL

Particulars	As at 31st March,2019	As at 31st March,2018
Authorised : 30,000,000 (Previous year 30,000,000) Equity Shares of ₹.10/- each	**30,00,00,000**	**30,00,00,000**
Issued, Subscribed & Paid up 12,067,212 (Previous Year 12,067,212) Equity Shares of ₹.10/- each fully paid up	12,06,72,120	12,06,72,120
Total	**12,06,72,120**	**12,06,72,120**

10.1) Rights of Equity Shareholders

The Company has only one class of equity share of ₹.10/- per share, Each Share holder of equity shares is entitled to one vote per share.

10.2) Reconciliation of the Shares outstanding and amount of share capital.

Particulars	As at Mar 31, 2019		As at Mar 31, 2018	
	Numbers	₹	Numbers	₹
Shares outstanding at the beginning of the year	1,20,67,212	12,06,72,120	1,20,67,212	12,06,72,120
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,20,67,212	12,06,72,120	1,20,67,212	12,06,72,120

10.3) Details of Shareholders holding more than 5% shares.

Notes on Financial Statements for the year ended 31st March, 2019

(Amount in ₹)

		As at Mar 31, 2019		As at Mar 31, 2019	
		Name of Share holder	% of Holding	Name of Share holder	% of Holding
1	Bhaktavatsala Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
2	Sahishnu Trading & Consultancy Services LLP	7,09,340	5.88	7,09,340	5.88
3	Shreedaha Trading & Consultancy Services LLP	7,09,300	5.88	7,09,300	5.88
4	Sughosh Trading & Consultancy Services LLP	7,09,310	5.88	7,09,310	5.88
5	Trilokatma Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
6	Lapada (Mauritius) Limited	28,80,000	23.87	28,80,000	23.87

11.OTHER EQUITY

Particulars			As at31st March, 2019		As at31st March, 2018
a.	**CAPITAL RESERVE**				
	Opening Balance	6,49,080		6,49,080	
	Addition	-		-	
	Deduction	-		-	
	Closing Balance		6,49,080		6,49,080
b.	**SECURITIES PREMIUM RESERVE**				
	Opening Balance	72,32,25,231		72,32,25,231	
	Addition	-			-
	Deduction	-			-
	Closing Balance		72,32,25,231	72,32,25,231	
c.	**NVESTMENT ALLOWANCE RESERVE**				
	Opening Balance	45,34,000			45,34,000
	Addition	-			-
	Deduction	-			-
	Closing Balance		45,34,000		45,34,000
d.	**SURPLUS/DEFICIT IN THE STATEMENT OF PROFIT & LOSS**				
	Opening Balance	(5,35,53,29,061)		(5,29,05,61,615)	
	Remeasurement of defined benefits plans	7,92,703		51,36,126	
	Add : Loss for the year	4,40,09,981		(6,99,03,572)	
	Closing Balance		(5,31,05,26,377)		(5,35,53,29,061)
e.	**PROMOTERS**				
	Opening Balance	-		7,39,15,000	
	Addition	-			-
	Deduction	-		7,39,15,000	
	Closing Balance	-			-
Total			**(4,58,21,18,066)**		**(4,62,69,20,750)**

Nature and Purpose of each reserve

Notes on Financial Statements for the year ended 31st March, 2019

(Amount in ₹)

a) Capital reserve - During amalgamation, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

b) Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

c) Investment allowance reserve - Investment Allowance Reserve was created under the provisions of Income tax , when new machineries were purchased.

12. BORROWING

Particulars	As at31st March, 2019 Non Current	As at31st March, 2018 Non Current
Secured		
From Banks :	1,56,27,919	1,56,27,919
Loans from Financial Institutions :	2,38,09,18,196	2,38,35,62,564
Secured by way of first charge on movable & immovable properties presents & future subject to the prior charge on specified movable properties created in favor of bankers, by way of security for borrowing and further secured by personal guarantee of promotor directors of the Company.		
Loan from Others	58,96,72,609	57,28,87,203
Unsecured		
From Companies	1,35,00,000	60,00,000
From Directors	5,05,89,609	6,40,69,162
From Others	23,36,92,518	17,39,50,627
Total	**3,28,40,00,851**	**3,21,60,97,475**

12.1 (a) As in the past, in current year also, due to non-receipt of the statements / advices / balance confirmation certificates from the financial institutions / banks, book entries pertaining to banks and financial institutions, the balances could not be reconciled. Further, in absence of such details and information, the amount payable also could not be estimated or ascertained. Thus, bank balances and balances of such financial institutions as on 31.03.2019 are subject to adjustments, if any, to be carried out on receipt of the relevant statements / advices / balance confirmation certificates from banks/ financial institutions.

(b) The original lenders of the Company namely IDBI, Bank of India, Oriental Bank of Commerce and EXIM Bank had assigned their dues to Asset Reconstruction Company of India Limited ('ARCIL') in the year 2006-07 and thereafter ARCIL assigned its rights in dues of the Company to SICOM Limited in the year 2011-12. During the financial year 2017-18, SICOM Limited assigned its rights in the dues outstanding from the Company to Finquest Financial Solutions Private Limited ('Finquest'). Similarly, during the financial year 2017-18, Saraswat Co-op Bank Ltd. assigned its rights in the dues outstanding from the Company to Finquest. Therefore, the outstanding loan balance of all these original lenders have been presented to the credit of Finquest. The Company has not provided interest on loan outstanding to the credit of Finquest. Similarly, the Company has not provided interest on loan outstanding of Swaminarayan Co-op Bank, Baroda Peoples Co-op Bank, Baroda City Co-op Bank and Panchmahal District Co-op Bank as the Company has already given one-time settlement proposal to these lenders. Had the Company provided interest as per practice followed in earlier years, loss would have been higher by ₹ 5,11,38,773 (P.Y. ₹ 5,35,57,562) .Further, the Company had made an application to the Industries Commissionerate, Government of Gujarat ('GoG') for availing various reliefs and concessions provided to viable sick units located in Gujarat in terms of GoG's GR for reliefs and concessions to sick units. In terms of provisions of this GoG's GR, the Company have proposed to GoG and lenders of the Company namely Gujarat State Financial Corporation, Swaminarayan Co-op Bank, Baroda Peoples Co-op Bank, Baroda City Co-op Bank and Panchmahal District Co-op Bank to settle their dues by making payment of principal

Notes on Financial Statements for the year ended 31st March, 2019

outstanding dues. The GOG has registered the Company as a viable sick unit and granted relief and concession as per the order dated 20-07-2018 , whereby Company to pay principal outstanding loan of ₹ 135.57 lacs to GSFC along with interest @ 9% PA .

(c) The Directors of the Company along with their family members and group companies/associates have arranged loans from Deutsch Bank (DB) and Capital First Limited (CFL) by giving their personal property as collateral security. These loans are released by DB and CFL to Natroyal Industries Private Limited ('NIPL'). Pursuant to the arrangement / understanding between NIPL, Directors, associates and the Company, the said loan amount were transferred by NIPL to the Company and the Company has treated the same as Loan from NIPL. The installments including interest is paid on the said Loan by the Company. The principal loan repayment amount is debited to NIPL Loan Account and interest thereon is debited to interest account in the Company's Books of Accounts. The loan outstanding as on 31.03.2019 for DB is ₹ 1245.09 lacs and CFL is ₹ 1261.35 lacs.

(d) The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Hon'ble BIFR had circulated the revised DRS vide it's order dated 11.06.2015, for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. The last hearing before Hon'ble BIFR was held on 22.11.2016. However, in the meantime, the Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. In terms of provisions of IBC, the said proceedings will be governed by the provisions of the newly notified IBC law. The Company had filed an application for initiation of Corporate Insolvency Resolution Process before NCLT, Mumbai under IBC law on 29.05.2017. Many hearings were taken place during last year, however, in the last hearing held on 23.04.2018, the Company withdrew the application from NCLT.

13. PROVISION - NON-CURRENT

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	1,62,00,690	1,69,27,114
Provision for Leave Benefits	30,18,619	26,28,884
Provision for Customs duty including interest	56,83,94,779	76,92,34,686
Total	**58,76,14,088**	**78,87,90,684**

13.1) Under the Duty Exemption Scheme of Advance License (as well as similar other license scheme) pursuant to Import & Export Policy of Government of India,duty free imports of raw materials are permitted and they are required to be used in manufacturing of goods for export,as well as, export of goods has to be effected within the time allowed, in terms of the scheme. The Company has availed of such licenses from time to time. In the past, it had fulfilled its export obligations. The Company had imported duty free raw material under certain licenses, however it could not effect export within the time allowed due to circumstances beyond the control of the Company. The Company has evaluated its obligations under the scheme and it has been advised that in view of non fulfillment of export obligations, the authorities can recover the import duty and mandatory interest thereon. From 01.04.2014 the Company has stopped providing interest on custom duty liability, as company has filed DRS with BIFR with a request to fulfill balance export obligation with seven year of approval of the DRS. The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed as application before NCLT,Mumbai under IBC law on 29.05.2017. Many hearings were taken place during last one year, however, in the last hearing held on 23.04.2018, the Company withdrew the application from NCLT. During the year Company has got extention for fulfilement export obligation upto 15th June, 2022 under Five licences vide orders from DGFT. Hence the Company had recalculated the liability . Duty liability of ₹.414.97 lacs and interest there on RS.1593.43 lacs had been reversed in this year on these Five licences. Had the company provided interest

Notes on Financial Statements for the year ended 31st March, 2019

as per practice followed in earlier years loss would have been higher by ₹.278.66 lacs and reserve and surplus would have been lower to that extent during the year.

13.2) BIFR's Order dated 11/06/2015 includes various reliefs from DFGT such as extension of Export Obligation Period, Waiver of Penalties and also refund from Customs against Advance Licenses and EPCG Licenses once the export obligation is extended and completed. The company has already got extension of export obligation for various Licenses and is in the process of getting extension of Export Obligation of Advance Licenses and EPCG Licenses. In the year 2000, 2001 and 2006, the Customs Dept. has encashed Bank Guarantees provided by Union Bank of India and Global Trust Bank. The total amount of these Guarantees is ₹.4.35 Crores. The company is in the process of consolidating all the documents and will file the claim with Customs Dept. for refund of the Bank Guarantees amount etc. As the application is yet to be filed, this amount is not shown as "Receivable" in the Balance Sheet.

14. TRADE PAYABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Micro & Small Enterprises (Ref Note No.35)	66,23,833	*
Others	94,55,92,035	82,45,99,871
Total	**95,22,15,868**	**82,45,99,871**

*Note: Figures for FY 2017-18 not available

15. OTHER FINANCIAL LAIBILITIES

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Deposits	-	65,000
Total	**-**	**65,000**

16. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Advance from Customers	21,35,473	3,99,35,943
(b) Statutory Liabilities	40,20,691	3,16,26,131
(c) Other Liabilities	60,63,944	-
Total	**1,22,20,108**	**7,15,62,074**

17. PROVISIONS - CURRENT

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for Gratuity	25,04,159	9,22,887
(b) Provision for Leave Benefits	8,19,381	8,07,965
Total	**33,23,540**	**17,30,852**

Particulars	for the year ended 31st March, 2019	for the year ended 1st March, 2018
18. REVENUE FROM OPERATION		
Sales of Products	73,17,21,511	72,99,80,756
Add: Exchange Rate Difference	-	3,46,128
	73,17,21,511	73,03,26,884
Other Operating Revenue		
Sale of Scrap	34,15,620	25,35,467
Others	2,27,727	1,92,989
	36,43,347	27,28,456
Total :	**73,53,64,858**	**73,30,55,340**

Notes on Financial Statements for the year ended 31st March, 2019

(Amount in ₹)

18.1)

Particulars	for the year ended 31st March, 2019	for the year ended 1st March, 2018
DETAILS OF TURNOVER :		
PVC Floor Covering	73,17,21,511	72,99,80,756
Total :	**73,17,21,511**	**72,99,80,756**

19. OTHER INCOMES

Interest	7,53,293	7,46,314
Dividend From Long Term Investment	-	4,248
Commission on sales	45,37,615	-
Unclaimed Liabilities /Provision / Balance Written Back	21,17,43,373	7,68,27,772
Lease Rent	49,53,578	26,69,819
Profit on sale of fixed assets	-	24,53,252
Share of profit from Partnership firm	924	5,47,081
Miscellaneous Income	1,14,694	5,05,773
Total :	**22,21,03,477**	**8,37,54,259**

19.1 Unclaimed Liabilities/Balances written back represents balances of various suppliers, advances from customers, balances of banks and financial Institutions etc. Which are no longer payable, have been written back.

20. COST OF MATERIAL CONSUMED

Opening Stock	1,70,82,169	3,37,48,659
Purchases	58,06,67,576	50,89,46,142
	59,77,49,745	54,26,94,801
Less: Closing Stock	1,87,68,906	1,70,82,169
Total :	**57,89,80,839**	**52,56,12,632**

20.1) Value of Consumption of directly imported and Indigenously obtained Raw materials & the percentage of each to the total.

RAW MATERIAL CONSUMED	Amount	%	Amount	%
Imported	39,22,099	1	10,04,05,177	19
Indigenous	57,50,58,740	99	42,52,07,455	81
Total :	**57,89,80,839**	**100**	**52,56,12,632**	100

RAW MATERIAL CONSUMED	Amount	Amount
PVC Resin	25,63,70,075	20,45,28,763
Plasticizers	13,68,38,024	12,28,58,297
Others	18,57,72,740	19,82,25,572
Total :	**57,89,80,839**	**52,56,12,632**

21. CHANGES IN INVENTORIES OF FINISHED GOODS

Work-In-Progress		
Opening Stock		
Finished Goods	5,90,01,431	4,98,12,677
Work-in-process	5,13,75,260	8,06,01,456
	11,03,76,691	13,04,14,133

Notes on Financial Statements for the year ended 31st March, 2019

(Amount in ₹)

Less: Closing Stock		
Finished Goods	5,53,67,504	5,90,01,431
Work-in-process	4,06,08,160	5,13,75,260
	9,59,75,664	11,03,76,691
Total :	**1,44,01,027**	**2,00,37,442**

21.1) Details of inventory of Finished Goods	Amount	Amount
PVC Floor Covering	5,53,67,504	5,90,01,431
Total :	**5,53,67,504**	**5,90,01,431**

22. EMPLOYEES BENEFITS EXPENSE		
Salaries	5,86,05,997	5,90,70,465
Contribution to Provident Fund and Other Funds	25,25,914	27,02,324
Gratuity	24,75,491	28,52,309
Staff Welfare	19,75,866	17,48,781
Total :	**6,55,83,268**	**6,63,73,879**

23. FINANCE COSTS		
Interest Expenses :		
Interest on long term borrowings	4,65,87,237	3,94,06,609
Bank Charges	30,87,710	31,64,927
Total :	**4,96,74,947**	**4,25,71,536**

24. OTHER EXPENSES		
Consumption of stores and spares	1,15,57,299	1,42,13,813
Consumption of packing material	2,80,81,152	2,85,10,734
Power and fuel	9,28,16,209	9,23,57,616
Rent Fork lift	27,55,662	24,99,857
Lease Rent	41,64,646	39,56,589
Rates and taxes	5,34,431	1,97,810
Insurance	5,79,854	7,07,052
Electricity Charges	13,07,293	13,84,512
Repairs and maintenance		
- Plant and machinery	64,44,326	80,61,692
- Buildings	1,75,437	9,16,949
- Others	78,459	1,84,463
Management Fees	-	2,46,170
Design & Development	5,02,996	8,58,350
Machine Operating Charges	37,67,150	39,15,654
Services and maintenance	1,07,13,999	1,39,43,361
Advertising and sales promotion	4,23,093	4,96,315
Travelling and conveyance	18,23,717	20,59,835
Telephone Expense	5,76,227	8,20,744
Vehicle Expense	42,09,225	43,37,096
Legal and professional fees	63,51,518	57,12,688
Payment to auditor		
- Audit fees	2,27,400	2,27,400
- Tax Audit fees	33,000	33,000

- Certification Work	45,000	19,575
Donation	-	25,000
Professional Tax - Company	12,000	-
Freight and forwarding charges Outward	24,85,552	30,82,640
Miscellaneous expenses	1,12,90,436	1,34,13,529
Bad debts w/off	2,27,727	-
Total :	**19,11,83,808**	**20,21,82,443**

Note 25 Categories of Financial Instruments and Fair Value Hierarchy

	As at 31-03-2019			
	Amount	**Level 1**	**Level 2**	**Level 3**
Financial Assets				
Classified as Fair value through Profit & Loss				
Investments :-				
In Equity Instruments (Unquoted)	-	-	-	-
Classified as Amortised Cost				
Investment in Partnership firms	16,72,198	-	-	-
Govt. Securities	2,000	-	-	-
Trade Receivables	2,33,72,394	-	-	-
Loans	9,05,900	-		-
Cash and cash equivalents	18,62,208	-		-
Bank Balances other than Cash and Cash Equivalents	21,87,156			-
Security Deposit	99,13,379			-
Total Financial Assets	**3,99,15,234**	**-**	**-**	**-**
Financial Liabilities				
Classified as Amortised Cost				
Borrowings	3,28,40,00,851	-		
Trade payables	95,22,15,868	-		
Other Financial Liability	-	-		
Total Financial liabilities	**4,23,62,16,719**	**-**	**-**	**-**

	As at 31-03-2018			
	Amount	**Level 1**	**Level 2**	**Level 3**
Financial Assets				
Classified as Fair value through Profit & Loss				
Investments :-				
In Equity Instruments (Unquoted)	-	-	-	-
Classified as Amortised Cost				
Investment in Partnership firms	14,37,861	-	-	-
Govt. Securities	2,000	-	-	-
Trade Receivables	2,89,64,785	-	-	-
Loans	10,79,493	-		-
Cash and cash equivalents	39,56,747	-		-
Bank Balances other than Cash and Cash Equivalents	12,80,850			-
Security Deposit	1,16,90,304			-
Total Financial Assets	**4,84,12,040**	**-**	**-**	**-**
Financial Liabilities				
Classified as Amortised Cost				

Borrowings	3,21,60,97,475	-		
Trade payables	82,45,99,871	-		
Other Financial Liability	65,000	-		
Total Financial liabilities	**4,04,07,62,346**	**-**	**-**	**-**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, it has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: Such inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset and liability, either directly or indirectly.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

The Management considers that the carrying amount of financials assets and financial liabilities carried at amortised cost approximates their fair values.

Note 26 Financial Risk Management

The Company’s activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company’s risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company’s activities.

A) 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 and investments in debt securities.“The carrying amount of following financial assets represents the maximum credit exposure:

a) Trade and Other Receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. No impairment is observed on the carrying value of trade receivables.

b) Cash and Cash Equivalents

Credit risk 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. Counterparty credit limits are reviewed by the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

Liquidity risk

Liquidity risk is 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 condition, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans,debentures and inter-corporate loans."The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below provides details regarding the contractual maturities of significant financial liabilities :

(Amount in ₹)

			For the year ended 31.03.2019	
Particulars	**Less than 1 Year**	**1-5 Years**	**above 5yrs**	**Total**
Borrowings	3,04,93,24,547	11,24,49,517	12,22,26,787	3,28,40,00,851
Trade payables	95,22,15,868			95,22,15,868
Other financial liabilities	-	-	-	-
Total	**4,00,15,40,415**	**11,24,49,517**	**12,22,26,787**	**4,23,62,16,719**
			For the year ended 31.03.2018	
Particulars	**Less than 1 Year**	**1-5 Years**	**above 5yrs**	**Total**
Borrowings	3,01,52,51,728	8,63,34,533	11,45,11,214	3,21,60,97,475
Trade payables	82,45,99,871			82,45,99,871
Other financial liabilities	65,000	-		65,000
Total	**3,83,99,16,599**	**8,63,34,533**	**11,45,11,214**	**4,04,07,62,346**

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to commodity prices and the market value of its investments.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Note 27 EMPLOYEE BENEFIT PLANS

(all figures in Indian Rupees)

		Annexure 'A'	
		GRATUITY	
	Defined Benefit Plans- as per actuarial valuation under Ind AS 19		
	Period of accounting		
	Valuation Result as at	**31-Mar-19**	**31-Mar-18**
I	Changes in present value of obligations		
	PVO at beginning of period	1,78,50,001	2,19,09,912
	Interest cost	12,80,836	14,94,800
	Current Service Cost	9,75,333	9,35,330
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Benefits Paid	(6,08,618)	(13,53,915)
	Contributions by plan participants	-	-
	Business Combinations	-	-
	Curtailments	-	-
	Settlements	-	-
	Actuarial (Gain)/Loss on obligation	(7,92,703)	(51,36,126)
	PVO at end of period	1,87,04,849	1,78,50,001

II	**Interest Expenses**		
	Interest cost	12,80,836	14,94,800
III	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning	-	-
	Interest Income	-	-
IV	**Net Liability**		
	PVO at beginning of period	1,78,50,001	2,19,09,912
	Fair Value of the Assets at beginning report	-	-
	Net Liability	1,78,50,001	2,19,09,912
V	**Net Interest**		
	Interest Expenses	12,80,836	14,94,800
	Interest Income	-	-
	Net Interest	12,80,836	14,94,800
VI	**Actual return on plan assets**		
	Less Interest income included above	-	-
	Return on plan assets excluding interest income	-	-
VII	**Actuarial (Gain)/loss on obligation**		
	Due to Demographic Assumption*	-	-
	Due to Financial Assumption	(4,05,775)	(3,96,409)
	Due to Experience	(3,86,928)	(47,39,717)
	Total Actuarial (Gain)/Loss	(7,92,703)	(51,36,126)

*This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience

		Annexure 'A' GRATUITY	
	Accounting Disclosures Statement		
	Period of accounting	**31-Mar-19**	**31-Mar-18**
VIII	**Fair Value of Plan Assets**		
	Opening Fair Value of Plan Asset	-	-
	Adjustment to Opening Fair Value of Plan Asset	-	-
	Return on Plan Assets excl. interest income	-	-
	Interest Income	-	-
	Contributions by Employer	6,08,618	13,53,915
	Contributions by Employee	-	-
	Benefits Paid	(6,08,618)	(13,53,915)
	Fair Value of Plan Assets at end	-	-
IX	**Past Service Cost Recognised**		
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognised Past service Cost- non vested benefits	-	-
	Recognised Past service Cost- vested benefits	-	-

	Unrecognised Past Service Cost- non vested benefits	-	-
X	**Amounts to be recognized in the balance sheet and statement of profit & loss account**		
	PVO at end of period	1,87,04,849	1,78,50,001
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(1,87,04,849)	(1,78,50,001)
	Net Asset/(Liability) recognized in the balance sheet	(1,87,04,849)	(1,78,50,001)
XI	**Expense recognized in the statement of P & L A/C**		
	Current Service Cost	9,75,333	9,35,330
	Net Interest	12,80,836	14,94,800
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Curtailment Effect	-	-
	Settlement Effect	-	-
	Actuarial (Gain)/Loss recognised for the period	-	-
	Expense recognized in the statement of P & L A/C	22,56,169	24,30,130

		Annexure 'A' GRATUITY	
	Accounting Disclosures Statement		
	Period of accounting	**31-Mar-19**	**31-Mar-18**
XII	**Other Comprehensive Income (OCI)**		
	Actuarial (Gain)/Loss recognized for the period	(7,92,703)	(51,36,126)
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	(7,92,703)	(51,36,126)
XIII	**Movements in the Liability recognized in Balance Sheet**		
	Opening Net Liability	1,78,50,001	2,19,09,912
	Adjustment to opening balance	-	-
	Expenses as above	22,56,169	24,30,130
	Contribution paid	(6,08,618)	(13,53,915)
	Other Comprehensive Income(OCI)	(7,92,703)	(51,36,126)
	Closing Net Liability	1,87,04,849	1,78,50,001
XIV	**Schedule III of The Companies Act 2013**		
	Current Liability	25,04,159	9,22,887
	Non-Current Liability	1,62,00,690	1,69,27,114
XV	**Projected Service Cost 31st March, 2020**	7,87,186	
XVI	**Asset Information**		
	Not applicable as the plan is unfunded		
XVII	**Assumptions as at**	**31-Mar-19**	**31-Mar-18**
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	7.59%	7.30%
	Rate of increase in compensation	10.00%	10.00%

Annual increase in healthcare costs		
Future Changes in maximum state healthcare benefits		
Expected average remaining service	10.19	11.34
Retirement Age	58 Years	58 Years
Employee Attrition Rate	Upto Age 40: 3% 41 to 50: 2% 51 and above: 1%	Upto Age 40: 3% 41 to 50: 2% 51 and above: 1%

Annexure 'A'

Accounting Disclosures Statement — **GRATUITY**

Period of accounting — **31-Mar-19** — **31-Mar-18**

XVIII Sensitivity Analysis

	ER: Salary Escalation Rate		DR: Discount Rate	
	PVO ER +1%	**PVO ER -1%**	**PVO DR +1%**	**PVO DR -1%**
PVO	2,01,23,397	1,74,30,397	1,74,14,714	2,01,71,386

XIX Expected Payout

Year	**Expected Outgo First**	**Expected Outgo Second**	**Expected Outgo Third**	**Expected Outgo Fourth**	**Expected Outgo Fifth**	**Expected Outgo Six to Ten years**
PVO payouts	3,00,590	8,51,007	10,20,461	17,41,701	22,27,024	97,80,267

XX Asset Liability Comparisons

Year	**31-Mar-15**	**31-Mar-16**	**31-Mar-17**	**31-Mar-18**	**31-Mar-19**
PVO at end of period	1,64,27,232	1,83,69,543	2,19,09,912	1,78,50,001	1,87,04,849
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(1,64,27,232)	(1,83,69,543)	(2,19,09,912)	(1,78,50,001)	(1,87,04,849)
Experience adjustments on plan assets	-	-	-	-	-

Note 28 Capital management

The company's objectives when managing capital are to:

> Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

> Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company’s objective for capital management is to maintain an optimum overall financial structure.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

(Amount in ₹)

Particulars	**31-03-2019**	**31-03-2018**
Gross Debt	3,28,40,00,851	3,21,60,97,475
Less: -		
Cash and Cash Equivalent	18,62,208	39,56,747
Other Bank Balance	21,87,156	12,80,850
Net debt (A)	3,27,99,51,487	3,21,08,59,877
Total Equity (B)	(4,46,14,45,946)	(4,50,62,48,630)
Net debt to equity ratio	**(0.74)**	**(0.71)**

Note 29 - Segment Reporting

The company is engaged in manufacture of PVC products (PVC Laminated Sheet/Tiles, PVC Leather Cloth). Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

Note 30 - Related Party transactions

1 NAME OF RELATED PARTIES AND RELATIONS

(A) SUBSIDIARY COMPANY

a) Euro royal Floors Ltd.

(B) ASSOCIATES CONCERN

a) Natroyal Industries Pvt.Limited
b) Sughosh Trading & Consultancy Services LLP
c) Trilokatma Trading & Consultancy Services LLP
d) Shreedaha Trading & Consultancy Services LLP
e) Shreeshaha Trading & Consultancy Services LLP
f) Bhaktavatsala Trading & Consultancy Services LLP
g) Trilokesh Trading & Consultancy Services LLP
h) Vishwamurthy Trading Consultancy Services LLP
i) Sumukh Trading & Consultancy Services LLP
j) Lokswami Trading & Consultancy Services LLP
k) Sahishnu Trading & Consultancy Services LLP

(C) (i) KEY MANAGERIAL PERSONNEL

a) Mahesh K Shah (Managing Director)
b)* Jayesh Motasha (Non Executive Director)
c)* Urvish Shah (CFO)

C) (ii) BOARD OF DIRECTORS

a)**Vinod Shah (Whole Time Director)
b)**Kavita Bachwani
c)** Mukesh Motasha
d)** Deepak Motasha
e)**Arvind Motasha
f)**Harsha Mukesh Shah
g)**Avani Jolly Pandit

2 RELATED PARTY TRANSACTIONS

Sr.	Nature of Transaction	2018-19 Subsidiary	2018-19 Associates	2018-19 Key Management	2017-18 Subsidiary	2017-18 Associates	2017-18 Key Management
1	Sales of Finished Goods #	-	73,28,11,292	-	-	40,25,56,692	-
2	Purchase of Raw materials #	-	61,73,96,142	-	-	53,39,76,486	-
3	Remuneration	-	-	27,49,829	-	-	25,86,316
4	Interest paid	-	-	70,27,704	-	-	65,69,645
5	Lease Rent received		49,53,578			26,69,819	
6	Loan Received ##	-	3,27,00,000	-	-	11,24,15,000	-
7	Repayment of Loan (Ref. Note no. 12.1 (C)	-	4,33,47,962	-		4,31,90,529	-
8	Loan Payable	-	76,01,19,236	-	-	74,68,37,830	-
9	Trade Payable	-	61,68,99,432	-	-	52,41,05,417	-
10	Trade Receivable*	23,33,75,543	-	-	23,33,75,543	-	-

Disclosure in respect of material related parties transactions during the year

* In respect of above parties, there is no provision for doubtful debts as on 31st March'2019 except ₹ 233,375,543 provided in respect of due by the Subsidiary Company in earlier year.

Material/Goods sold to Natroyal Industries Pvt.Ltd. ₹732,811,292 (P.Y.₹402,556,692)

Material Purchase from Natroyal Industries Pvt.Ltd. ₹617,396,142 (P.Y.₹533,976,486)

1 **The High Court of Justice of U.K. made a winding -up order dated 11th June, 2001 against Euroroyal Flor Ltd and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and Euroroyal Flor Ltd is dissolved. Further full provision has been made towards receivable of ₹23,33,75,543/- from Euroroyal Flor Ltd in earlier years.

These transactions are with Natroyal Industries Pvt Ltd

2 ** Mr. Jayesh Motasha was a Director and CFO up to 14/03/2019 and then he became Non- Executive Director

3 **Mr. Urvish Shah was appointed as a CFO on 14/03/2019

4 **Mr. Vinod Shah was a Whole Time Director and on 16/02/2019 his designation changed to Non- Executive Director and further he resigned on 14/03/2019

5 **Mr. Arvind Motasha was a Director and resigned on 16/02/2019 and Ms. Kavita Bachwani, Mr. Mukesh Motasha and Mr. Deepak Motasha was a Director and they resigned on 14/03/2019

6 **Mrs. Harsha Shah and Mrs. Avani Pandit was appointed as an Independent Director on 11/03/2019

Note 31 - Contingent Liabilities **(Amount in ₹)**

Particulars	**As at 31-03-2019**	**As at 31-03-2018**
Claims against the Company not acknowledged as debts	45,86,64,195	45,86,64,195
Liabilities disputed -appeals filed with respect to :	21,05,053	21,05,053
Income tax on account of disallowances / additions	48,52,408	42,43,390
Sales tax on account of rebate / classification	-	-
Excise duty on account of valuation / cenvat credit / service tax	9,98,783	9,98,743
Penalty Impose by FERA & disputed by Company	1,00,00,000	1,00,00,000
Others:	-	-

Note 32 - Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	**2018-19**	**2017-18**
a. Net Profit after Tax available for equity shareholders (₹)	4,40,09,981	(6,99,03,572)
b. Number of Equity Shares of ₹ 10/-each outstanding during the year (Nos. of Shares)	1,20,67,212	1,20,67,212
c. Basic/ Diluted Earnings Per Share (₹ a/b)	3.65	(5.79)

Note 33 - Below is the table showing fair value of Investment Property

	Investment Property:	**31-03-2019**	**31-03-2018**	**31-03-2017**
i	Amounts recognised in profit or loss for investment properties Rental income	49,53,578	26,69,819	8,31,480
ii	Cost value	28,80,425	30,64,084	31,46,430
iii	Fair value	3,85,71,900	3,85,71,900	3,85,71,900
	Estimation of fair value: Method of Estimation			
	We have used the prevailling market rate for the purposes of arriving at the fair value of land and buildings.			

Note 34 The Company is a partner in M/s.Creative Investment, the details of the partners, their share in profit / loss and total capital of the partners of the firm as on 31.03.2019 are as under.

Sr.	**a) Name of Partners**	**Share**
i	Shri Jay Shah	46.25%
ii	Shri Vivek Motasha	46.25%
iii	M/s. Royal Cushion Vinyl Products Ltd.	7.50%
		100.00%

b) The total Capital of the Partners is ₹ 23,90,860 (net)

c) The above details about investment and names of partners are based on the information, certified by a partner.

Note 35 Disclosure pursuant to Section 22 of "The Micro, Small & Medium Enterprises Development Act, 2006" is as follows:

The Company has identified micro and small enterprises to whom the Company owes the dues which are outstanding as at the year end:

Particulars	2018-19	2017-18
i) Principal amount remanining unpaid at the end of the year	66,23,833	-
ii) Interest accrued at the end of the year	Nil	-
iii) Interest remaining unpaid, out of above, as at the end of the year	Nil	-
iv) Further interest remaining due and payable even in the succeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	Nil	-

Note: This information has been determined to the extent such parties have been identified on ths basis of information available with the Company.

Note 36 The Company has suffered substantial losses and due to this, the entire net worth has been eroded. However, operations are Continued and the accounts of the Company have been prepared on the basis that the Company is a going concern.

Note 37 **Accounting for Taxes on Income**

Net Profit in current year but due to substantial brought forward losses and the fact that there would not be taxable income in the near future, the deferred tax assets is not recognised. Deferred tax liability, if any would arise in the year in which the claim giving rise to timing difference is made. Accordingly, deferred tax asset/liability is not recognised.

Note 38 Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.

Note 39 The Directors / employees of the Company have acquired motor cars in their names from and out of the loans obtained by them from the banks, pursuant to an arrangement between the Directors / employees for use of the Company. Accordingly, the Company has accounted the said cars & the said loans in the name of the Directors / employees, as the assets & the liabilities of the Company, including the transactions in respect of repayment and payment of interest and principal etc.

Note 40 Figures in brackets in the schedules and Notes pertain to previous year.

Note 41 - CIF Value of Import	2018-19	2017-18
	Amount in ₹	Amount in ₹
Raw Materials	23,18,905	8,86,11,091
Stores & Spares	54,10,030	35,60,696
	77,28,935	9,21,71,787

Note 42 - Expenditure in foreign currency	2018-19	2017-18
(on accrual basis)	Amount in ₹	Amount in ₹
Stores & Spares	48,73,835	32,36,123
Foreign Travel	8,31,424	8,80,968

Note 43 The figures of previous year have been regrouped / reclassified / recast wherever necessary to compare with the current year's figures.

As per our report of even date
For BIPIN & CO.
Chartered Accountants
Firm Reg. No. 101509W

Amit Shah
(Partner)
Membership No. 126337

Place : VADODARA
Date : 29-05-2019

For ROYAL CUSHION VINYL PRODUCTS LIMITED

MAHESH K.SHAH
Chairman & Managing Director
00054351

JAYESH A MOTASHA
Director
00054236

URVISH SHAH
CFO

Place : MUMBAI
Date : 29-05-2019

ROYAL CUSHION VINYL PRODUCTS LIMITED
Notes to the Financial Statements for the year ended 31st March 2019

1. CORPORATE INFORMATION:

Royal Cushion Vinyl Products Ltd. (RCVP) is an ISO 9001:2008 Certified Indian Company with its flooring concepts provides a full range of standard and customized flooring for commercial, residential, Transport and contract range as per the industries need and under the brand name "Royal House." Royal Cushion Vinyl Products Ltd. plant spread across 70 acres of land, at village Garadhia, District Vadodara Gujarat for manufacturing of Vinyl Floorings of different types for various end- users and Rigid Films.

2. SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS:

2.1 Basis for preparation of financial accounting

(i) Statement of Compliance

The financial statement of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified pursuant to-Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act together with the comparative period data as at and for the year ended March 31, 2018

(ii) Historical cost conversion

The Financial Statements have been prepared on historical cost conventions basis, except for the following:

- Certain financial instruments that are measured at fair value at the end of each reporting period;
- Defined benefit plans – plan assets measured at fair value.

(iii) Current and Non-Current classification

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

2.2 Use of estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statement

The company has consistently applied following accounting policies to all the period presented in these financial statements.

a) Property, plant and equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the transition date.

Free hold land is carried at cost and all other items of Property, Plant and Equipment are recorded at their cost of acquisition, net of taxes, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.
Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant

and Equipment and are depreciated over their useful life.

Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent cost is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset, is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation:

The Company depreciated its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. The depreciation on assets is provided on the straight-line method considering the useful life and residual value of respective asset. The residual values are not more than 5% of the original cost of the asset. Depreciation on assets purchased / installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

The useful life considered for calculation of depreciation for various asset class are as follows:

Particulars	Useful Life
Building (Factory)	30
Building (Residential)	30
Building (Fences, Wells, etc)	30
Plant and Machinery	15
Electrical Installations	15
Laboratory Equipment	15
Furniture	10
Office equipment	5
Vehicles - Four Wheeler	8

b) Intangibles

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

c) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on FIFO basis and is reduced by CENVAT, VAT and GST credits available under the respective laws. Net realizable value is determined after reducing the estimated selling cost from the estimated selling price.

The cost of work in progress and finished goods comprises direct material, direct labour, other direct cost and related production overheads. Excise duty is included in the value of the finished goods.

Stores and spares, parts and components are valued at cost.

d) Impairment of non-financial assets

Assets subject to amortization are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

e) Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and taxes, revenue from sale of goods is recognized on transfer of significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods.

Revenue from job charges is recognized on completion of job work.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due a contract asset is recognized for the earned consideration that is conditional.

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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

Dividend
Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by

reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of noncash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee-
Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Company as a lessor-
Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

The Company has entered into agreements/arrangements for taking certain assets on leave and license basis. The special disclosure in respect of these arrangements is given below.

(Amount in ₹)

Particulars	**2018-19**	**2017-18**
1) Lease payment recognised in Profit and Loss statement for the year.	41,64,646	39,56,589
2) Future MLP under the Leases in the aggregate and for each of the following periods	-	-
i) Not later than one year	41,64,646	36,35,686
ii) Later than one year & not later than Five Years.	89,34,724	54,42,295
iii) Due after five years	-	-

g) Foreign Currency Transactions

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date 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 period are recognised in profit or loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

h) Taxation

Current Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilize the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

i) Employee Benefits

Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service the service is classified as short-term employee benefits and are recognized in the period in which the employee renders the related service.

Post-Employment benefits:

Defined benefit plans: All employees are covered under Employees' Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Corporation of India (LIC) on the basis of the year-end liability determined based on actuarial valuation using the Projected Unit Cost Method. Re-measurement of the net defined benefit liability, which comprise actuarial gains/losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in Other

Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognized in the Statement of Profit and Loss.

Defined contribution plans: All employees are covered under contributory provident fund benefit of a contribution of 12% of basic salary. Contributions to defined contribution scheme is charges to the Statement of Profit and Loss of the year, on due basis. There are no obligations other than the contributions payable to the respective funds.

Long-term employee benefits: Provision for long-term employee benefits comprise of compensated absences. There are measured on the basis of year-end actuarial valuation in line with the Company's rules for compensated absences. Re-measurement gains or losses are recognized in profit or loss in the period in which they arise.

j) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

k) Provisions and contingent liabilities

Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent Liability and Contingent Assets

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortization recognised in accordance with the requirements for revenue recognition.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contract

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

l) Earnings Per Share (EPS)

Basic earnings per Share is computed by dividing the net profit or loss for the year attributable to equity share holders, by the weighted average number of equity share outstanding during the period.

Diluted earning per share is computed by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

m) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic basis over the expected useful life of the related asset.

n) Cash and cash equivalents

Cash and cash equivalents include cash at bank and deposit with banks having original maturity of not more than three months. Bank deposit with original maturity period of more than three months but less than twelve months are classified as other bank balances.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and fixed deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o) Investments in the nature of equity in subsidiaries, joint venture and associates

The Company has elected to recognise its investments in equity instruments in subsidiaries, joint venture and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement-

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in Three categories:

i. Financial assets measured at amortized cost
ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. A financial asset that meets the following two conditions is measured at amortized cost.

• Business Model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii. A financial asset that meets the following two conditions is measured at fair value through OCI:-

• Business Model test: The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

• Cash flow characteristics test: The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

iii. All other financial assets are measured at fair value through profit and loss.

Equity instruments

All equity instruments in scope of Ind AS 109 - [•] are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition-
A financial asset is primarily derecognized (i.e. removed from the Company's balance sheet) when:
• The contractual rights to receive cash flows from the asset have expired, or
• The Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets-
In accordance with Ind AS 109, The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-
• 12 months expected credit losses, or
• Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities-
Initial recognition and measurement-
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement-
All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss-
Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Derecognition-
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognize amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

q) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

s) Recent Accounting pronouncements

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 introducing /amending the following standards:

Ind AS 116: Lease

On 30th March 2019, Ministry of Corporate Affairs (MCA) has notified Ind AS 116 'Leases', effective from 1st April 2019. Ind AS 116 will supersede Ind AS 17 'Leases'. The Company will adopt Ind AS 116 w.e.f 1st April 2019. The effects on adoption of Ind AS 116 on the operation of the Company are being assessed by the Company.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company is evaluating the impact on its financial statements.