KHANNA & PANCHMIA
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
Building Envelope Systems India Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Building Envelope Systems India Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other comprehensive Income) the Cash Flow Statement and the statement of changes in the Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read together with the Companies (Indian Accounting Standard) Rules ,2015, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, its cash flows and changes in the equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Information Other than the Standalone Ind AS Financial Statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

KHANNA & PANCHMIA * CHARTERED ACCOUNTANTS * MUMBAI

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

In connection with our audit of the Standalone Ind AS 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 Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS. 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 accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Standalone Ind AS Financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any managerial remuneration under the provisions of section 197 read with schedule V of the Companies Act, 2013, hence reporting under section 197 of the Act is not applicable.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer Note 26 to the Standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

KHANNA & PANCHMIA * MUMBAI * CHARTERED ACCOUNTANTS *

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

For **Khanna & Panchmia**
Chartered Accountants
Firm Reg. No. 136041W

KHANNA & PANCHMIA
MUMBAI
CHARTERED ACCOUNTANTS

Devendra Khanna
Partner
Membership No. 038987

Place: Mumbai
Date: 25-04-2019

Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements"of our report of even date)

(i)

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

b) As explained to us, the fixed assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.

c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company..

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investment or provided guarantee, which are covered by the provisions of section 185 and 186 of the Companies Act 2013. Hence, reporting under Clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.

(vi) The Cost records prescribed under Section 148(1) of the Act is not applicable to the Company and hence Clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Goods and Services Tax, Custom duty, Excise duty, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they become payable.

(b) There were no dues which have not been deposited in respect of Income tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax on account of any dispute.

KHANNA & PANCHMIA * MUMBAI * CHARTERED ACCOUNTANTS

(viii) In our opinion and according to information and explanation given to us, the Company has not taken loans from any financial institutions, bank, and government nor issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officer/employees has been noticed or reported during the year nor have we been informed about any such case by the Management.

(xi) According to information and explanations given to us, the Company has not paid/provided any managerial remuneration requiring approvals as mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013, hence reporting under clause 3(xi) of the Order is not applicable.

(xii) As the Company is not Nidhi Company, the reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

KHANNA & PANCHMIA * MUMBAI * CHARTERED ACCOUNTANTS

For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W

Devendra Khanna
Partner
Membership No. 038987

Place: Mumbai
Date: 25th April 2019

Annexure "B" to the Independent Auditor's Report

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Building Envelope Systems India Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

KHANNA & PANCHMIA * CHARTERED ACCOUNTANTS * MUMBAI reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of information and explanations given to us, the Company has, in all materials respects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting are operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W

KHANNA & PANCHMIA MUMBAI CHARTERED ACCOUNTANTS

Devendra Khanna
Partner
Membership No. 038987

Place: Mumbai
Date: 25-04-2019

Building Envelope Systems India Limited
Balance Sheet as at 31st March, 2019

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
1 **Non Current Assets**			
(a) Property, Plant and Equipment	3	7,88,88,467	8,25,83,090
(b) Income Tax Assets (Net)		87,966	17,33,083
(c) Financial Assets: (i) Investments	4	7,04,31,497	6,63,71,242
(ii) Others	5	64,32,932	1,34,79,883
(d) Deferred Tax Assets (net)	6	20,26,966	1,68,700
TOTAL NON CURRENT ASSETS		**15,78,67,828**	**16,43,35,998**
2 **Current Assets**			
(a) Inventories	7	2,69,44,194	1,63,73,990
(b) Financial Assets			
(i) Trade Receivables	8	2,54,65,804	1,38,08,507
(ii) Cash and cash equivalents	9	17,16,785	34,44,907
(c) Other Current Assets	10	6,04,418	33,59,552
TOTAL CURRENT ASSETS		**5,47,31,200**	**3,69,86,956**
TOTAL ASSETS		**21,25,99,028**	**20,13,22,953**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	8,35,00,000	8,35,00,000
(b) Other Equity	12	12,28,51,392	10,98,38,303
TOTAL EQUITY		**20,63,51,392**	**19,33,38,303**
LIABILITIES			
1 **Non-Current Liabilities**			
(a) Deferred Tax Liabilities (net)	13	35,42,492	1,43,692
(b) Provisions - Non Current	14	6,59,880	3,28,015
TOTAL NON CURRENT LIABILITIES		**42,02,372**	**4,71,707**
2 **Current Liabilities**			
(a) Financial Liabilities			
(i) Trade Payables	15	14,71,487	58,48,387
(ii) Other financial liabilities	16	1,52,541	1,71,353
(b) Other Current Non Financial Liabilities	17	3,87,227	14,79,764
(c) Provisions - Current	18	34,010	13,439
TOTAL CURRENT LIABILITIES		**20,45,265**	**75,12,943**
TOTAL EQUITY AND LIABILITIES		**21,25,99,028**	**20,13,22,953**
Significant Accounting Policies	2		
See accompanying notes forming part of the financial statements	3 to 34		

In terms of our Report attached
For Khanna & Panchmia
Chartered Accountants
Firm Regn. No.: 136041W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Devendra Khanna
Partner
Membership No.: 38987

Paul Jayan
Director

Sanjay Bahadur
Director

Manisha Shetty
Company Secretary

Place: Mumbai
Date : 25-04-2019

KHANNA & PANCHMIA MUMBAI CHARTERED ACCOUNTANTS

Building Envelope Systems India Ltd Mumbai - 21

Building Envelope Systems India Limited
Statement of Profit and Loss For The Period Ended 31th March, 2019

Particulars	Note No.	For the year ended 31st March 2019	(Amount in Rs.) For the year ended 31st March 2018
INCOME			
Revenue from Operations	19	9,69,64,174	8,95,28,685
Other Income	20	45,38,320	1,23,36,954
Total Income		**10,15,02,495**	**10,18,65,639**
EXPENSES			
Cost of Materials Consumed	21	5,84,59,981	5,54,71,160
Changes in inventories of Finished Goods	22	(1,29,778)	20,22,401
Excise Duty paid		-	20,24,365
Employee Benefits Expense	23	72,49,961	62,74,403
Depreciation and Amortization Expense	24	39,04,611	38,66,122
Other Expenses	25	1,21,81,784	1,10,48,204
Total Expenses		**8,16,66,558**	**8,07,06,656**
Profit before Exceptional Items and Tax		**1,98,35,936**	**2,11,58,983**
(Add) / Less : Exceptional Items (net)		-	-
Profit before Tax		**1,98,35,936**	**2,11,58,983**
Tax Expense			
Current Tax		32,67,235	-
Tax Pertaining to Prior Years		74,603	-
Deferred Tax		33,98,800	(9,46,123)
Net Tax expense		**67,40,638**	**(9,46,123)**
Profit for the year		**1,30,95,299**	**2,21,05,106**
Other Comprehensive Income			
Remeasurement of Defined Benefit Plan			
Items that will not be reclassified to profit or loss		**(64,317)**	8,542
Actuarial Gains/(Losses)			
Income tax relating to items that will not be reclassified to profit or loss		**17,893**	-
Total Comprehensive Income		**1,30,13,089**	**2,21,13,648**
Earnings per share			
Basic (Rs.)		**1.57**	2.65
Diluted (Rs.)		**1.57**	2.65
Face Value of Share (Re)		**10**	10
Significant Accounting Policies	2		
See accompanying notes forming part of the financial statements	3 to 34		

In terms of our Report attached
For Khanna & Panchmia
Chartered Accountants
Firm Regn. No.: 136041W

Devendra Khanna
Partner
Membership No.: 38987

Place: Mumbai
Date : 25-04-2019

KHANNA & PANCHMIA
MUMBAI
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Paul Jayan
Director

Sanjay Bahadur
Director

Manisha Shetty
Company Secretary

Building Envelope Systems India Ltd.
Mumbai - 21

STATEMENT OF CASH FLOW

(Amount in Rs.)

Particulars	For the year ended 31st March 2019		For the year ended 31st March 2018	
A. Cash flow from operating activities				
Net Profit before tax		1,98,35,936		2,11,58,983
Adjustments for:				
Depreciation and amortization expense	39,04,611		38,66,122	
Share issue expense				
Provision for employee benefits	(64,317)		8,542	
Provision for warranty expense				
Interest income recognised in P&L A/c	(4,78,065)		(4,75,778)	
Unrealised foreign exchange loss				
Share Profit from Hybrid Coatings recognised in P&L A/c	(40,60,255)		(1,12,19,379)	
Provision for Doubtful Debts	-			
Loss on sale of Asset	-			
Finance costs	-			
		(6,98,026)		(78,20,493)
Operating profit before working capital changes		1,91,37,910		1,33,38,491
Movement in working capital:				
(Increase) / decrease in operating assets:				
Inventories	(1,05,70,204)		77,35,908	
Trade receivables	(1,16,57,297)		(1,27,99,760)	
Short Term Advances				
Other financial Non Current assets	68,33,802		(1,00,86,384)	
Other Current Assets	27,55,134		19,81,967	
Other non current assets	-			
		(1,26,38,565)		(1,31,68,269)
Increase / (decrease) in operating liabilities:				
Trade payables	(43,76,900)		(39,82,709)	
Other Current Financial liabilities	(18,812)		4,71,946	
Other Current Liabilities	(10,92,537)		-	
Other Non Current Financial liabilities	3,52,436		(29,087)	
		(51,35,813)		(35,39,850)
Cash generated from / (used in) operations		13,63,532		(33,69,628)
Net income tax paid		(33,59,731)		-
Net cash used in operating activities (A)		**(19,96,199)**		**(33,69,628)**

B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(2,09,988)		(3,37,144)	
Capital Work in Progress				
Proceeds from sale of Asset				
Increase in Investments	(40,60,255)		(1,12,19,379)	
Interest Received	4,78,065		4,75,778	
Investment in Mutual Funds	-			
Income from Hybrid Coatings	40,60,255		1,12,19,379	
Investment in Deposits		2,68,077		1,38,634
Net cash used in investing activities (B)		**2,68,077**		**1,38,634**
C. Cash flow from financing activities				
Net Proceeds from Issue of equity share capital	-			
Share issue expenses paid	-		-	
Net Proceeds from short-term borrowings	-		-	
Finance costs	-		-	
		-		-
Net cash generated from financing activities (C)		**-**		**-**
Net increase in Cash and cash equivalents (A+B+C)		**(17,28,122)**		**(13,35,375)**
Cash and cash equivalents at the beginning of the year		**34,44,907**		**47,80,282**
Cash and cash equivalents at the end of the year		**17,16,785**		**34,44,907**
		17,16,785		**34,44,907**
Significant Accounting Policies	2	0		-
See accompanying notes forming part of the financial statements	3 to 34			

In terms of our Report attached
For Khanna & Panchmia
Chartered Accountants

Devendra Khanna
Partner
Membership No.: 38987

Place: Mumbai
Date : 25-04-2019

KHANNA & PANCHMIA * CHARTERED ACCOUNTANTS * MUMBAI

Building Envelope Systems India Ltd. Mumbai - 21

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Paul Jayan
Director

Sanjay Bahadur
Director

Manisha Shetty
Company Secretary

Statement of changes in Equity

(Amount in Rs.)

a. Capital Account	Amount
Balance at March 31, 2017	8,35,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2018	8,35,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2019	8,35,00,000

(Amount in Rs.)

b. Other Equity	Reserves and Surplus		Total
	Securities Premium Account	**Retained Earnings**	
Balance at March 31, 2017	**6,45,00,000**	**2,32,24,655**	**8,77,24,655**
Profit for the year	-	2,21,13,648	2,21,13,648
On Issue of equity shares during the year	-	-	-
Less Withdrawals	-	-	-
Balance at March 31, 2018	**6,45,00,000**	**4,53,38,303**	**10,98,38,303**
Profit for the year	-	1,30,13,089	1,30,13,089
On Issue of equity shares during the year	-	-	-
Less Withdrawals	-	-	-
- Actuarial gain/(loss) on defined benefit obligation	-	-	-
Balance at March 31, 2019	**6,45,00,000**	**5,83,51,392**	**12,28,51,392**

Notes to the financial statements for the year ended 31st March 2019

1.0 Corporate Information

Building Envelope Systems India Limited ("the company") is a Public Limited company incorporated in India in the year 2012.The company is engaged in the business of manufacturing the construction materials.

2.0 Significant Accounting Policies

2.1 Basis of preparation and presentation

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared under the historical cost convention except for certain financial assets that are measured at fair value. The financial statements are presented in Indian Rupees (INR).

2.2 Revenue recognition

Revenue from the sale of goods in normal course of business is recognized at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by Entity may include fixed or variable amounts which can be impacted by sales returns, trade discount and volume rebates. Revenue is measured at the Fair Value of the consideration received or receivable, net of returns, rebates and discounts. Revenue for the sale of goods is recognized when control of asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of Goods and Services Tax (GST). A variable consideration is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2.3 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Gains or losses arising from these translations are recognised in the statement of Profit and Loss.

2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

2.4.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

2.4.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.5 Property, plant and equipment

2.5.1 Property, plant and equipment acquired separately

Freehold land is stated at cost and not depreciated.
Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any.
Capital Work in Progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.
Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.
Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of such self-constructed item includes professional fees. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss in the year of occurrence.

2.5.2 Depreciation

Depreciation is provided so as to write off the cost of assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Based on the technical evaluation, the Company estimates useful lives of items of property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. Estimated useful lives of the property, plant and equipment are as follows:

Building	30-60 Years
Plant & Machinery	6-25 Years
Vehicles	8-10 Years
Furnitire & Fixtures	10 Years
Office Equipment	3-6 Years

2.6 Intangible Assets

2.6.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairement losses. Amortisation is recognised on a straight line basis over their estimated useful lives.

2.6.2 Useful lives of intangible assets

Estimated useful lives of the Intangible assets are as follows:

Computer Softwares	6 Years

2.7 Inventories

Inventories are valued at lower of cost and net realisable value.
Cost of inventories is determined on weighted average basis. Cost for this purpose includes cost of direct materials, direct labour and appropriate share of overheads.
Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

2.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
Contingent liabilities are not recognised but disclosed in the Notes to the Financial Statements.
Contingent assets are not recognised but disclosed in the Notes to the Financial Statements, where an inflow of economic benefits is probable.

2.9 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.0 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method.
All other financial assets are measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

3.0.1 Impairment of financial assets

The Company applies expected credit loss model for recognizing impairment loss on financial assets like trade receivables, financial assets measured at amortised cost, lease receivables and other contractual rights to receive cash or other financial assets. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

3.0.2 Financial Liabilities

All financial liabilities are measured at amortised cost using effective interest method at the end of subsequent reporting periods. Interest expense is included in the Finance costs line item.

3.0.3 Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when the Company's obligations are discharges, cancelled or have expired.

3.0.4 Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.
Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.1 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short- term investments net of bank overdrafts with an original maturity of three months or less.

3.2 Employee benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Employee Medical Insurance and Anniversary Awards.

3.2.1 Defined contribution plans

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

3.2.2 Defined benefit plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

3.2.3 Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Notes forming part of financial statements.

3. Property, plant and equipment

(Amount in Rs.)

Carrying amounts of:	31th March 2019	31st March 2018
Land	2,84,06,925	2,84,06,925
Building (Leasehold Improvement)	1,45,51,533	1,50,08,675
Plant & Machinery	3,42,71,493	3,73,55,884
Vehicles	10,18,195	11,29,326
Furniture & Fixtures	4,88,247	5,38,874
Office Equipments	1,52,074	1,43,406
Total	**7,88,88,467**	**8,25,83,090**

Cost (Gross Block)	Free holdLand	Buildings	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at March 31, 2017	**2,84,06,925**	**1,62,85,175**	**4,57,05,342**	**16,36,200**	**7,51,578**	**3,57,832**	**9,31,43,052**
Additions	-	-	4,96,430		-	15,714	5,12,144
Deletions				1,75,000			1,75,000
Balance at March 31, 2018	**2,84,06,925**	**1,62,85,175**	**4,62,01,772**	**14,61,200**	**7,51,578**	**3,73,546**	**9,34,80,196**
Additions	-	-	1,16,582	-	22,000	71,407	2,09,988
Deletions	-	-	-	-	-	-	-
Balance at March 31, 2019	**2,84,06,925**	**1,62,85,175**	**4,63,18,354**	**14,61,200**	**7,73,578**	**4,44,953**	**9,36,90,184**

Accumulated depreciation	Free holdLand	Buildings	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at March 31, 2017	-	**8,19,358**	**56,60,574**	**2,62,022**	**1,41,302**	**1,49,408**	**70,32,664**
Depreciation expense	-	4,57,142	31,85,314	69,852	71,402	80,732	38,64,442
Balance at March 31, 2018	-	**12,76,500**	**88,45,888**	**3,31,874**	**2,12,704**	**2,30,140**	**1,08,97,106**
Depreciation expense	-	4,57,142	32,00,972	1,11,131	72,627	62,739	39,04,611
Accumulated depreciation on Deletions	-	-	-	-	-	-	-
Balance at March 31, 2019	-	**17,33,642**	**1,20,46,860**	**4,43,005**	**2,85,331**	**2,92,879**	**1,48,01,717**

Carrying amount (Net Block)	Free holdLand	Buildings	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at March 31, 2017	**2,84,06,925**	**1,54,65,817**	**4,00,44,768**	**13,74,178**	**6,10,276**	**2,08,424**	**8,61,10,388**
Additions	-	-	4,96,430	-	-	15,714	5,12,144
Deletion				1,75,000			1,75,000
Depreciation expense	-	4,57,142	31,85,314	69,852	71,402	80,732	38,64,442
Balance at March 31, 2018	**2,84,06,925**	**1,50,08,675**	**3,73,55,884**	**11,29,326**	**5,38,874**	**1,43,406**	**8,25,83,090**
Additions	-	-	1,16,582	-	22,000	71,407	2,09,988
Deletion	-	-	-	-	-	-	-
Depreciation expense	-	4,57,142	32,00,972	1,11,131	72,627	62,739	39,04,611
Balance at March 31, 2019	**2,84,06,925**	**1,45,51,533**	**3,42,71,493**	**10,18,195**	**4,88,247**	**1,52,074**	**7,88,88,467**

Notes forming part of financial statements.

4 Investments

	As at 31st March 2019	As at 31st March 2018
		(Amount in Rs.)
Investment in Partnership Firm (Hybrid Coatings)	-	-
Capital Account	2,47,50,000	2,47,50,000
Current Account	4,56,81,497	4,16,21,242
TOTAL	**7,04,31,497**	**6,63,71,242**

Name of Partners & Share of Profit (%)		
1. Building Envelope Systems India Limited	99.00%	99.00%
2. Jayan Paul	0.50%	0.50%
3. Paul Jayan	0.50%	0.50%
	100%	100%
Total Capital of Firm	**2,50,00,000**	**2,50,00,000**

5 Other Non-Current Financial Assets

	As at 31st March 2019	As at 31st March 2018
		(Amount in Rs.)
Considered good - Unsecured		
Fixed Deposits with Banks	61,10,000	1,30,00,000
Interest Receivable on Fixed Deposit	64,332	2,66,283
Security Deposits	2,58,600	2,13,600
TOTAL	**64,32,932**	**1,34,79,883**

6 Deferred Tax Asset Net

	As at 31st March 2019	As at 31st March 2018
		(Amount in Rs.)
Mat Credit Entitiement	20,26,966	1,68,700
	20,26,966	**1,68,700**

7 Inventories (At lower of cost and net realizable value)

	As at 31st March 2019	As at 31st March 2018
		(Amount in Rs.)
Raw Material & Packing Material	2,09,53,128	1,13,02,152
Fuel	22,17,829	14,28,380
Scrap	40,368	-
Finished Goods	37,32,869	36,43,458
TOTAL	**2,69,44,194**	**1,63,73,990**

8 Trade Receivables

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Trade Receivables		
Considered good - Secured	-	-
Considered good - Unsecured	2,54,65,804	1,38,08,507
Significant increase in Credit Risk	-	-
Credit Impaired	-	-
	2,54,65,804	1,38,08,507
Less: Provision for doubtful receivables	-	-
Total	**2,54,65,804**	**1,38,08,507**

The average credit period on sales of goods is 90 days. No interest is charged on trade receivables.

Ageing:		
Within the credit period (in Days)		
01-90		
91-180	2,54,65,804	1,38,08,507
181-360		
> 360		

9 Cash and Cash Equivalents

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Cash on Hand	19,032	14,713
Balances with banks		
In Current Account	16,97,753	34,30,194
TOTAL	**17,16,785**	**34,44,907**
Cash and cash equivalents as per Statement of Cash Flow	**17,16,785**	**34,44,907**

10 Other Current Assets

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Prepaid Expenses	2,80,973	2,95,977
Advances to suppliers	2,87,910	12,50,850
Balances with Government Authorities	35,535	18,12,725
TOTAL	**6,04,418**	**33,59,552**

Notes forming part of financial statements.

11 Equity Share Capital

(Amount in Rs.)

		As at 31st March 2019	As at 31st March 2018
Authorised Capital			
15,000,000 (15,000,000) equity shares of Rs.10 each		15,00,00,000	15,00,00,000
	TOTAL	15,00,00,000	15,00,00,000
Issued, Subscribed and Paid up Capital			
8,350,000 (8,350,000) equity shares of Rs.10 each		8,35,00,000	8,35,00,000
	TOTAL	8,35,00,000	8,35,00,000

i. The Company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share.
ii. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential

a. **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares				
Shares outstanding at the beginning of the year	83,50,000	8,35,00,000	83,50,000	8,35,00,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	83,50,000	8,35,00,000	83,50,000	8,35,00,000

c. **Details of shareholders holding more than 5% shares in the Company:**

	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidilite Industries Limited (Holding Company)	50,10,000	60%	50,10,000	60%
Rajendra Kiri	16,70,000	20%	16,70,000	20%
Jayan Paul	16,70,000	20%	16,70,000	20%
	83,50,000	100%	83,50,000	100%

No equity shares were allotted without payment being received in cash.

12 Other Equity

		As at 31st March 2019	As at 31st March 2018
Securities Premium Account			
Balance as per last financial statements		6,45,00,000	6,45,00,000
Add : Premium on Shares issued during the year		-	-
Closing Balance		6,45,00,000	6,45,00,000
Retained Earnings			
Balance as per last financial statements		4,53,38,303	2,32,24,655
Add: Profit / (Loss) for the year		1,30,13,089	2,21,13,648
Closing Balance		5,83,51,392	4,53,38,303
	TOTAL	12,28,51,392	10,98,38,303

Notes forming part of financial statements.

13 Deferred Tax Liabilities Net

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liability	35,42,492	1,43,692
	35,42,492	1,43,692

14 Non-Current Provisions

(Amount in Rs.)

	As at As at	As at As at
Provision for Employee Benefits		
Gratuity	3,98,756	2,26,111
Compensated absences	2,61,124	1,01,904
TOTAL	6,59,880	3,28,015

15 Trade Payables

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Trade Payables	14,71,487	58,48,387
TOTAL	14,71,487	58,48,387

16 Other Financial Liabilities

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Employee related liabilities	1,52,541	1,71,353
TOTAL	1,52,541	1,71,353

17 Other Non Financial Liabilities

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Statutory Remittances	2,76,738	13,44,717
Liabilities for Expenses	1,10,489	1,35,047
TOTAL	3,87,227	14,79,764

18 Current Provisions

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits		
Gratuity	603	345
Compensated absences	33,407	13,094
TOTAL	34,010	13,439

19 Revenue From Operations

	For the year ended 31th March 2019	(Amount in Rs.) For the year ended 31st March 2018
Revenue From Operations (Gross)		
Sale of Products		
Finished Goods	9,69,64,174	8,95,28,685
TOTAL (A)	**9,69,64,174**	**8,95,28,685**
Revenue from operations (Gross)	-	-
TOTAL	**9,69,64,174**	**8,95,28,685**

20 Other Income

	For the year ended 31th March 2019	(Amount in Rs.) For the year ended 31st March 2018
Interest on:		
Bank Deposit	4,78,065	4,75,778
Share of Profit from Investment		
Long Term Investment- Associates	40,60,255	1,12,19,379
Other Non-Operating Income:		
Miscellaneous Income	-	6,41,797
TOTAL	**45,38,320**	**1,23,36,954**

21 Cost of Materials Consumed

	For the year ended 31th March 2019	(Amount in Rs.) For the year ended 31st March 2018
Inventory at the beginning of the year	1,13,02,152	1,68,75,231
Add : Purchases	6,81,10,957	4,98,98,081
	7,94,13,109	**6,67,73,312**
Less : Inventory at the end of the year	2,09,53,128	1,13,02,152
TOTAL	**5,84,59,981**	**5,54,71,160**

22 Changes in Inventories of Finished Goods

	For the year ended 31th March 2019	(Amount in Rs.) For the year ended 31st March 2018
Inventories at end of the year		
Finished Goods	37,73,237	36,43,458
(A)	**37,73,237**	36,43,458
Inventories at beginning of the year		
Finished Goods	36,43,458	56,65,860
(B)	36,43,458	56,65,860
(B)-(A)	-1,29,778	20,22,401
Increase / (Decrease) of Excise Duty on inventory of FG	-	-
TOTAL	**-1,29,778**	**20,22,401**

23 Employee Benefits Expense

(Amount in Rs.)

	For the year ended 31th March 2019	For the year ended 31st March 2018
Salaries and Wages	62,64,432	56,42,614
Contribution to Provident and ESI	4,97,735	4,15,583
Gratuity & Leave Encashment	2,88,119	83,605
Staff Welfare Expenses	1,99,675	1,32,601
TOTAL	**72,49,961**	**62,74,403**

24 Depreciation and Amortization Expense

(Amount in Rs.)

	For the year ended 31th March 2019	For the year ended 31st March 2018
Depreciation on Tangible Assets	39,04,611	38,64,442
Amortization of Intangible Assets	-	1,680
TOTAL	**39,04,611**	**38,66,122**

25 Other Expenses

(Amount in Rs.)

	For the year ended 31th March 2019	For the year ended 31st March 2018
Consumption of Fuel and Gas	22,84,699	22,43,304
Power and Fuel	13,25,922	13,31,438
Loss on Fixed Assets Sold/ Discarded	-	1,28,125
Direct Man Power and Site Expense	26,20,879	19,87,848
Foreign Exchange Loss	3,63,548	4,23,586
Insurance	1,48,432	1,83,344
Security Charges	4,62,593	4,13,453
Repairs & Maintenance	5,04,436	4,48,181
Legal, Professional and Consultancy fees	7,62,249	11,02,383
Communication Expenses	84,483	55,716
Travelling and Conveyance Expenses	2,33,557	1,88,981
Waste Disposal Charges	19,64,562	10,23,199
Payments to Auditor	1,10,000	1,10,000
Miscellaneous expenses	13,16,425	14,08,647
TOTAL	**1,21,81,784**	**1,10,48,204**

Notes forming part of financial statements.

26 Contingent Liabilities and Commitments

(Amount in Rs.)

		As at 31st March, 2019	As at 31st March, 2018
A)	**Contingent liabilities not provided for:**		
(a)	Guarantees given by Banks in favor of others	Nil	Nil
(b)	Excise Duty claims disputed by the Company relating to issue of valuation of goods cleared to inter connected company	81,99,740	Nil
B)	**Commitments:**		
(a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for	Nil	Nil
(b)	Other Commitments - Non Cancellable Operating Leases (Refer Note 51)	Nil	Nil

27 Segment information

The Company does not have any segment for reporting.

28 Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
Basic and Diluted:		
Total Operations for the year / period		
Profit for the year	1,30,95,299	2,21,05,106
Weighted average number of equity shares for calculating basic and diluted EPS	83,50,000	83,50,000
Par value per share	10.00	10.00
Earning per share (Basic and Diluted)	1.57	2.65

29 Related Party Transactions

List of Related Parties

(i) **Holding Company**
Pidilite Industries Ltd — Holding Company

(ii) **Subsidiary Company**
Nil

(iii) **Key Management Personnel**
a. Shri Jayan Paul — Director

(iv) **Name of Related Parties**
a. Pidilite Industries Ltd — Holding Company
b. Hybrid Coatings — Firm in which company is a partner (Refer Note 5)

Transactions with Related Parties for the year ended 31st March, 2019 are as follows :

(Amount in Rs.)

	Nature of Transaction	Period	Pidilite Industries Ltd	Nina Waterproofing Systems Pvt Ltd	Percept Waterproofing Services Ltd.
a	Sales /Works Contact Income	Current Year	2,15,05,711	4,67,12,994	4,63,28,093
		Previous Year	10,13,88,729	8,80,684	34,20,997
b	Business Purchase		-	-	-
c	Purchases and Other Services	Current Year	10,80,728	-	-
		Previous Year	6,80,059	-	-
d	Outstanding Balances :				
	- Debtors including advances	Current Year	26,40,386	1,85,56,214	39,59,035
		Previous Year	95,06,826	8,80,684	34,20,997
	- Creditors	Current Year	5,09,422	-	-
		Previous Year	32,42,756	-	-
	- Net Receivable/(Payable)	Current Year	21,30,964	1,85,56,214	39,59,035
		Previous Year	62,64,070	8,80,684	34,20,997

30 **Employee Benefits**

General description of defined benefit plans :

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined benefit plans – as per actuarial valuation

(Amount in Rs.)

	Particulars	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Change in the present value of defined benefit obligation					
1	Present value of defined benefit obligation at the beginning of the year	2,26,456	1,51,393	59,617	-
2	Current service cost	91,388	72,721	57,338	59,617
3	Interest cost/income	17,198	10,884	4,553	
4	Remeasurements (gains)/ losses included in OCI		29,885		
	Actuarial (gains)/ losses arising from changes in demographic assumption				
	Actuarial (gains)/ losses arising from changes in financial assumption	1,720	-8,840	6,421	0
	Actuarial (gains)/ losses arising from changes in experience adjustment	62,597	298	23,464	
5	Past Service cost				
6	Benefits paid				
7	Present value of defined benefit obligation at the end of the year	3,99,359	2,26,456	1,51,393	59,617
Net Asset/(Liability) recognised in the Balance Sheet as at					
1	Present value of defined benefit obligation as at 31st March	3,99,359	2,26,456	1,51,393	59,617
2	Fair value of plan assets as at 31st March		-	-	-
3	Surplus/(Deficit)	3,99,359	2,26,456	1,51,393	59,617
4	Current portion of the above	603	345	450	196
5	Non current portion of the above	3,98,756	2,26,111	1,50,943	59,421
Actuarial assumptions					
1	Discount rate	7.55%	7.6%	7.2%	7.7%
2	Attrition rate	10%	10%	10%	10%
3	Salary Escalation	6.5%	6.5%	6.5%	6.5%
Quantitative sensitivity analysis for significant assumption is as below					
1	One percentage point increase in discount rate	4,36,613	2,49,637	1,67,354	66,323
2	One percentage point decrease in discount rate	3,67,234	2,06,559	1,37,685	53,866
3	One percentage point increase in Salary growth rate	3,66,659	2,06,197	1,37,478	53,756
4	One percentage point decrease in Salary growth rate	4,36,651	2,49,673	1,67,300	66,334
5	One percentage point increase in attrition rate				
6	One percentage point decrease attrition rate				
Expense recognised in the Statement of Profit and Loss for the year ended					
1	Current service cost	91,388	72,721	57,338	59,617
2	Interest cost on benefit obligation (Net)	17,198	10,884	4,553	-
3	Total expenses included in employee benefits expense	1,08,586	75,063	91,776	59,617
Recognised in other comprehensive income for the year					
1	Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	-	-
2	Actuarial (gains)/ losses arising from changes in financial assumption	1,720	-8,840	6,421	-
3	Actuarial (gains)/ losses arising from changes in experience adjustment	62,597	298	23,464	-
4	Return on plan asset	-	-	-	-
5	Recognised in other comprehensive income	64,317	-8,542	29,885	-

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's contribution to Provident Fund and Employees State Insurance Scheme aggregating **Rs.4,63,501/-** has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

31 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

(Amount in Rs.)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
TOTAL	-	-

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.

32 Details of Payments to Auditor

(Amount in Rs.)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Audit fees		
Tax matters	80000	80000
Company Law matters	30000	30000
Other services	-	-
Reimbursement of expenses	-	-
	1,10,000	**1,10,000**

33 Financial Instrument

1 Capital Management

The Company does not have any debt as on 31st March 2019

2 Categories of financial instruments

	31st March 2019	31st March 2018
Financial assets		
Cash and bank balances	17,16,785	34,44,907
Other financial assets	2,54,65,804	1,38,08,507
Financial liabilities		
Measured at amortised cost	16,24,028	60,19,740

3 Financial risk management objectives

Liquidity risk management

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company's financial assets are higher than labilities as on 31st March 2019.

4 Foreign currency sensitivity analysis

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	FC value in Foreign Currency		FC value in INR	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Amounts payable in foreign currency on account of the following:				
AED	-	-	-	-
USD	-	-	-	-

The Company is mainly exposed to the AED

The following table details the Company's sensitivity to a 10% increase and decrease against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

	Impact		
	31st March 2019	31st March 2018	
Impact on profit or loss for the year (ii)	-	-	

(i) This is mainly attributable to the exposure to outstanding AED payables at the end of the reporting period.
In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)
Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	31st March 2019		31st March 2018	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Financial assets carried at Amortised Cost				
Inventories				
Trade Receivables	2,69,44,194	2,69,44,194	1,63,73,990	1,63,73,990
Cash and cash equivalents	2,54,65,804	2,54,65,804	1,38,08,507	1,38,08,507
Bank balances other than above	17,16,785	17,16,785	34,44,907	34,44,907
Other Current Assets	6,04,418	6,04,418	33,59,552	33,59,552
Total	**5,47,31,200**	**5,47,31,200**	**3,69,86,956**	**3,69,86,956**
Financial liabilities				
Financial liabilities held at amortised cost				
Trade Payables	14,71,487	14,71,487	58,48,387	58,48,387
Other Financial Liabilities (Statutory Remittance)	1,52,541	1,52,541	1,71,353	1,71,353
Other Current Non Financial Liabilities				
Provisions - Current	34,010	34,010	13,439	13,439
Total	**16,58,038**	**16,58,038**	**60,33,179**	**60,33,179**

34 Taxes

1 **Deferred Tax**

a **2018- 2019**

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit and Loss	Closing balance
Property, plant and equipment	1246380	24,89,152	37,35,532
Business Losss	(997179)	9,97,179	0
Defined benefit obligation	(105509)	-87,531	-1,93,040
Total	**143692**	**33,98,800**	**35,42,492**

b **2017- 2018**

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit and Loss	Closing balance
Property, plant and equipment	2688450	-14,42,070	12,46,380
Business Losss	(1484138)	4,86,959	-9,97,179
Defined benefit obligation	(114497)	8,988	-1,05,509
Total	**1089815**	**(946123)**	**143692**

2 Income Tax

a **Income tax recognised in profit or loss Year**

	As at 31st March 2019	As at 31st March 2018
Current tax		
In respect of the current year	32,67,235	0
In respect of prior years	74,603	0
	33,41,838	**0**
Deferred tax		
In respect of the current year	33,98,800	-9,46,123
	33,98,800	**-9,46,123**
Total income tax expense recognised in the current year relating to continuing operations	**67,40,638**	**-9,46,123**

b **The income tax expense for the year can be reconciled to the accounting profit as follows:**

	As at 31st March 2019	As at 31st March 2018
Profit before tax from operations	**1,98,35,936**	**2,11,58,983**
	27.82%	30.90%
Effect of expenses that are not deductible in determining taxable profit	80,246	92,073
Others	66,60,392	- 10,38,196
	67,40,638	- 9,46,123
Adjustments recognised in the current year in relation to the current tax of prior years		
Income tax expense recognised in profit or loss (relating to continuing operations)	**67,40,638**	**- 9,46,123**

Significant Accounting Policies

See accompanying notes forming part of the financial statements '3 to 34

In terms of our Report attached

For Khanna & Panchmia

Chartered Accountants

Devendra Khanna

Partner

Membership No.: 38987

Place: Mumbai

Date : 25-04-2019

KHANNA & PANCHMIA ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Building Envelope Systems India Ltd. Mumbai - 21

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Paul Jayan
Director

Sanjay Bahadur
Director

Manisha Shetty
Company Secretary