

Audited Ind AS Financial Statements

Of

Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune – 411026.

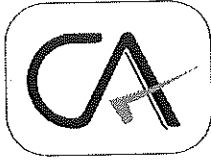
For The Year Ended March 31, 2019

Auditors

D. R. Barve & Associates

Chartered Accountants

461/1, Sadashiv Peth, Tilak Road
Pune – 411030.



D. R. BARVE & Associates
Chartered Accountants

CA D.R. Barve, B.Com., LL.B, FCA
CA S.N. Agte, B.Com., FCA
CA V.V. Pansare, B.Com, FCA,DISA

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Independent Auditor's Report

To the Members of Cipy Polyurethanes Private Limited

Report on the Standalone Ind AS Financial Statements

➤ **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **Cipy Polyurethanes Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to financial statements, including 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its Profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

➤ **Basis for Opinion**

We conducted our audit in accordance with standards on auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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➤ **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

➤ **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 Companies Act, 2013 ("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 the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 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 to do so.

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

➤ **Auditor's Responsibility**

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



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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 Ind AS financial statements.

➤ **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable 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, the 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 relevant books of account maintained for the purpose of preparation of the aforesaid Standalone Ind AS financial statements.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 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 unqualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
1. The company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer note no. 39 to the Ind AS financial statements.
 2. The Company did not have any Long term contracts including derivative contracts for which there were any material foreseeable losses.
 3. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

For D.R. Barve & Associates
Chartered Accountants
Firm Registration No. 122260W

CA. Shireesh N Agte
(Partner)
Membership No. 044641
Place:Pune
Date : 7th May, 2019





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Annexure "A" to Independent Auditor's Report

To the Members of Cipy Polyurethanes Private Limited

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date, we report that:

- i.**
 - a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) According to the information and explanations given to us, the Company has undertaken regular program of physical verification of all its property, plant and equipment during the year under report which in our opinion is reasonable having regard to the size of the company & nature of its property, plant and equipment. According to the information and explanations given to us, discrepancies observed on physical verification have been properly dealt with in the books of account.
 - c) According to the information and explanations given to us, the title deed comprising the immovable property of land which is taken on lease, is in the name of company where the company is lessee as per the lease agreement.
- ii.** As explained to us, the management has conducted physical verification of inventories at reasonable intervals. No material discrepancies have been noticed on physical verification of inventories as compared to book records.
- iii.**
 - a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, our comments for reporting on whether terms and conditions of the grant of such loans are prejudicial to the interest of the company are not required.



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- b) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, our comments for reporting on regularity for repayment of principal and payment of interest are not required.
- c) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, our comments for reporting whether reasonable steps are taken for recovery of overdue principal amount and interest for more than 90 days are not required.
- iv. According to the information and explanations given to us, the company has not granted any loan, made any investments, or provided any guarantee or security. Hence, our comments for reporting on compliance of provisions of Sections 185 and 186 of the Companies Act, 2013 are not required.
- v. According to the information and explanations given to us, the company has not accepted any loans or deposits which are 'deposits' within meaning of Rule 2(b) of Companies (Acceptance of Deposits) Rules, 2014. Hence, our comments for compliance of directives issued by the Reserve Bank of India or provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 or any rules made there under are not required.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the specified accounts & records have been made & maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



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

- a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year;

Further, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and any other undisputed statutory dues were outstanding as at 31.03.2019, for a period of more than six months from the date they became payable;

- b) According to the information and explanations given to us, there were no any dues of Income Tax, Sales Tax, Service Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess which have not been deposited in government account on account of any dispute, except following:

Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Amount deposited/ Bank guarantee furnished(Rs.)
1	Income Tax Act, 1961	Tax	3.21	F.Y.2009-10	ITAT	Nil
2	Income Tax Act, 1961	Penalty	3.32	F.Y.2009-10	CIT Appeals	Nil
3	Central Excise Act, 1944	Tax	1,89.44	F.Y.2015-16	Commissioner	Nil

- viii. Based on our audit procedures and on the basis of information and explanations given to us, we have formed the opinion that the company has not defaulted in repayment of dues to banks. Further, company has neither taken any loan from Government and financial institution nor issued any debentures.



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- ix. According to the information and explanations given to us and based on records of the company, the company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments or term loans). Therefore, our reporting on, whether the proceeds of the Initial Public Offer or Further Public Offer, are applied for the purpose for which the same were obtained, are not required. Further, the company has not raised any new term loans during the year under report. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.
- x. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no material fraud by the company nor any fraud on the company by its officers or employees been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 20013.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company hence our comments regarding compliance of Nidhi Rules, 2014 are not required.
- xiii. Based upon the audit procedures performed and information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in Standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, our comments regarding compliance of Section 42 of Companies Act, 2013 are not required.



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- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, our comments regarding compliance of Section 192 of Companies Act, 2013 are not required.
- xvi. In our opinion and to the best of our information and according to the explanations given to us, Company is not Non-Banking Financial Company. Hence, our comments regarding obtaining registration under Section 45-IA of RBI Act, 1934 are not required.

For D.R. Barve & Associates
Chartered Accountants
Firm Registration No. 122260W

CA. Shireesh N. Agte
(Partner)
Membership No.044641
Place:Pune
Date : 7th May, 2019





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Annexure "B" to the Independent Auditor's Report

To the Members of Cipy Polyurethanes Private Limited

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

We have audited the internal financial controls over financial reporting of **Cipy Polyurethanes Private Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.



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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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.



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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 our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 D.R. Barve & Associates
Chartered Accountants
Firm Registration No. 122260W

CA. Shireesh N. Agte
(Partner)
Membership No. 044641
Place :Pune
Date : 7th May, 2019



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328


Balance Sheet as at 31st March 2019

Particulars	Note No	(Rs. In Lakhs)	
		As at 31st March 2019	As at 31st March 2018
ASSETS			
1 Non Current Assets			
(a) Property, Plant and Equipment	4	1,398.11	1,408.91
(b) Capital Work-In-Progress	4	17.35	-
(c) Goodwill		-	-
(d) Other Intangible Assets		-	-
(e) Financial Assets		-	-
(i) Investments		-	-
(ii) Loans	6	12.18	11.13
(iii) Other Financial Assets	8	123.70	82.14
(f) Other Non-current Assets	14	77.76	95.33
(g) Deferred Tax Assets (net)	16	167.30	166.04
Total Non-Current Assets		1,796.40	1,763.56
2 Current Assets			
(a) Inventories	12	1,772.55	2,027.35
(b) Financial Assets		-	-
(i) Investments	5	4,817.52	5,625.24
(ii) Trade Receivables	10	1,334.84	54.00
(iii) Cash and cash equivalents	11	266.22	649.23
(iv) Bank balances other than (iii) above	7	2.39	12.53
(v) Loans	9	55.52	70.65
(vi) Other Financial Assets	13	55.74	49.94
(c) Current Tax Assets (net)	15	188.45	177.82
(d) Other Current Assets	17	-	407.08
(e) Assets held for Sale		-	-
Total Current Assets		8,493.23	9,073.85
TOTAL ASSETS	TOTAL	10,289.63	10,837.41
EQUITY AND LIABILITIES			
3 EQUITY			
(a) Equity Share Capital	18	94.17	94.17
(b) Other Equity	19	6,216.21	4,557.35
Total Equity		6,310.38	4,651.52
4 LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	-	4.77
(ii) Trade payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions	25	126.29	58.07
(c) Deferred Tax Liabilities (net)		-	-
(d) Other Non Current Liabilities		-	-
Total Non-Current Liabilities		126.29	62.84
5 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	1,896.42
(ii) Trade payables	22		
- Outstanding dues of MSMEs		40.87	177.35
- Outstanding dues of Creditors other than MSMEs		2,721.50	2,815.63
(iii) Other Financial Liabilities	23	800.36	725.57
(b) Other Current Liabilities	26	266.79	487.36
(c) Provisions	24	23.46	20.72
(d) Current Tax Liabilities (net)		-	-
Total Current Liabilities		3,852.97	6,123.05
TOTAL LIABILITIES		3,979.25	6,185.89
TOTAL EQUITY AND LIABILITIES		10,289.63	10,837.41

See accompanying notes to the financial statements
(Note nos.:1,2,3,38,39 and 41 to 52)


As per our attached report of even date
For **D. R. Barve & Associates**
Chartered Accountants
Registration No. 122260W

For and On Behalf Of The Board Of Directors
Cipy Polyurethanes Private Limited



CA. Shireesh N. Agte
Partner
Membership No.: 44641




Place: Pune
Date: 7th May, 2019


Dr. Subash Cipy
Managing Director
DIN : 00608724


Sanjay Bahadur
Director
DIN : 00032590


Rishu Goel
HOD-F&A
Place: Pune
Date: 7th May, 2019


A. K. Singh
CEO
Place: Pune
Date: 7th May, 2019



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026
CIN : U24219PN1994PTC083328

Statement of Profit and Loss for the year ended 31st March 2019


(Rs. In Lakhs)

Particulars	Note No	For the year ended 31st March, 2019	For the year ended 31st March 2018
INCOME			
Revenue from Operations	27	15,542.77	12,238.66
Other Income	28	61.71	179.04
Total Income		15,604.47	12,417.70
EXPENSES			
Cost of Materials Consumed	29	9,793.09	7,800.88
Purchases of Stock-in-Trade (Traded goods)		158.85	26.22
Changes in inventories of Finished Goods	30	59.91	(265.86)
Work-in-Progress and Stock-in-Trade		-	197.48
Excise Duty on sale of goods		-	841.46
Employee Benefits Expense	31	1,101.46	128.21
Finance Costs	32	44.70	203.24
Depreciation and Amortization Expense	33	116.31	628.27
Direct Manpower and Site Expenses	34	1,051.99	1,636.66
Other Expenses	35	1,284.93	11,196.56
Total Expenses		13,611.24	11,196.56
Profit before Exceptional Items and Tax		1,993.23	1,221.14
Exceptional Items	36	293.26	415.30
Profit before Tax		2,286.50	1,636.44
Tax Expense			
Current Tax		575.97	462.95
Deferred Tax		14.15	137.90
Net Tax expense		590.12	600.85
Profit for the year		1,696.38	1,035.59
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	37	(52.93)	(9.20)
Income tax relating to items that will not be reclassified to profit or loss		15.41	2.68
Total other comprehensive Income/(Loss)		(37.52)	(6.52)
Total Comprehensive Income for the year		1,658.86	1,029.07
Earnings per share			
Basic (Rs.)	40	1,801.48	1,099.75
Diluted (Rs.)		1,801.48	1,099.75
Face Value of Share (Rs.)		100.00	100.00

See accompanying notes to the financial statements
(Note nos.:1,2,3,39,40 and 42 to 53)


As per our attached report of even date
For D. R. Barve & Associates
Chartered Accountants
Registration No. 122260W


For and On Behalf Of The Board Of Directors
Cipy Polyurethanes Private Limited


CA. Shireesh N. Agte
Partner
Membership No.: 44641


Dr. Subash Cipy
Managing Director
DIN : 00608724


Sanjay Bahadur
Director
DIN : 00032590


Rishu Goel
HOD-F&A
Place: Pune
Date: 7th May, 2019


A. K. Singh
CEO
Place: Pune
Date: 7th May, 2019



Place: Pune
Date: 7th May, 2019

Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. Cash flow from operating activities				
Profit before tax		2,286.50		1,636.44
Adjustments for:				
Depreciation and amortization expense	116.31		203.24	
Provision for employee benefits	(52.93)		(9.20)	
Interest income	(38.68)		(59.96)	
Allowance for Doubtful Debts	77.26		6.17	
Finance costs	44.70		128.21	
Profit on disposal of Property plant and Equipment	(293.26)			
		(146.61)		268.45
Operating profit before working capital changes		2,139.88		1,904.89
Changes in working capital:				
a. (Increase) / decrease in operating assets:				
Inventories	254.80		(757.16)	
Trade receivables	754.10		(1,518.81)	
Loans - Non Current	(1.05)		3.04	
Loans - Current	10.15		8.28	
Other financial assets - Non Current	(34.50)		7.44	
Other financial assets - Current	(15.56)		34.03	
Other Non current assets	17.57		27.01	
Other Current Assets	(10.63)		27.06	
		974.87		(2,169.10)
b. Increase / (decrease) in operating liabilities:				
Trade payables	-		1,177.26	
Other Financial liabilities - Current	74.78		(122.13)	
Other Current Liabilities	(220.57)		223.06	
Provisions - Non Current	68.21		2.91	
Provisions - Current	2.73		12.66	
		(74.84)		1,293.75
Cash generated from operations		3,039.92		1,029.55
Tax paid		(581.76)		(649.05)
Net cash used in operating activities (A)		2,458.16		380.49
B. Cash flow from investing activities				
Payments for purchase of Property, Plant and Equipments	(122.85)		(252.35)	
Proceeds from disposal of Property, Plant and Equipments	700.35		34.98	
Interest received	38.68		59.96	
Dividend paid on equity shares	-		(487.34)	
		616.17		(644.76)
Net cash used in investing activities (B)		616.17		(644.76)
C. Cash flow from financing activities				
Net Proceeds from Issue of equity share capital	-		(62.96)	
Bank Balance other than C & CE	383.01		(77.98)	
Net Proceeds from Long term borrowings	(4.77)		339.54	
Net Proceeds from short-term borrowings	(440.49)		(128.21)	
Finance costs	(44.70)			
		(106.94)		70.39
Net cash generated from financing activities (C)		(106.94)		70.39
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		2,967.38		(193.87)
Cash and cash equivalents at the beginning of the year		(1,401.93)		(1,208.06)
Cash and cash equivalents at the end of the year		1,565.46		(1,401.93)

See accompanying notes to the financial statements

As per our attached report of even date
For D. R. Barve & Associates
Chartered Accountants
Registration No. 122260W

For and On Behalf Of The Board Of Directors
Cipy Polyurethanes Private Limited

CA. Shireesh N. Agte
Partner
Membership No.: 44641



Place: Pune
Date: 7th May, 2019

Dr. Subash Cipy
Managing Director
DIN : 00608724

Rishu Goel
HOD-F&A
Place: Pune
Date: 7th May, 2019

Sanjay Bahadur
Director
DIN : 00032590

A. K. Singh
CEO
Place: Pune
Date: 7th May, 2019



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

Statement of Changes in Equity

For the year ended 31st March, 2019

a. Equity Share Capital

(Rs. In Lakhs)

	Amount
Balance as at 1st April, 2017	94.17
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	94.17
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	94.17

b. Other Equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus			Other Items of OCI	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April 2017	454.30	70.41	3,499.13	(8.21)	4,015.63
Profit for the year	-	-	1,035.59	-	1,035.59
Other Comprehensive Income for the year, net of income tax	-	-	-	(6.52)	(6.52)
Payment of dividends	-	-	(404.91)	-	(404.91)
Payment of dividends distribution tax	-	-	(82.43)	-	(82.43)
Balance as at 31st March 2018	454.30	70.41	4,047.37	(14.73)	4,557.35
Profit for the year	-	-	1,696.38	-	1,696.38
Other Comprehensive Income for the year, net of income tax	-	-	-	(37.52)	(37.52)
Payment of dividends	-	-	-	-	-
Payment of dividends distribution tax	-	-	-	-	-
Balance as at 31st March 2019	454.30	70.41	5,743.75	(52.25)	6,216.21

See accompanying notes to the financial

As per our attached report of even date

For D. R. Barve & Associates
Chartered Accountants
Registration No. 122260W

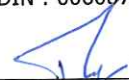
For and On Behalf Of The Board Of Directors
Cipy Polyurethanes Private Limited



CA. Shireesh N. Agte
Partner
Membership No.: 44641



Place: Pune
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Dr. Subash Cipy
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DIN : 00032590


A. K. Singh
CEO
Place: Pune
Date: 7th May, 2019



CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

1 Corporate information

Cipy Polyurethanes Private Limited is a Private limited company located in India and incorporated under the Companies Act, 1956 on November 29, 1994. The company is engaged in Manufacturing of Polyurethane paints, varnishes and lacquers and execution of the projects in connection with application of the same.

The address of registered office and Principal place of business of the company is T-127, MIDC Bhosari Industrial Area, Bhosari, Pune - 411026.

Pidilite Industries Limited, along with its 100% subsidiary namely Fevicol Company Limited acquired 70% shares of the company on 08th February, 2018. Accordingly, the Company has become subsidiary of Pidilite Industries Limited from the above date.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

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 for the year ended March 31, 2018 were the Company's first financial statements under Ind AS and the same were prepared in accordance with Ind AS 101 on 'First-time adoption of Indian Accounting Standards'. Accordingly the financial statements for the year ended March 31, 2019 are also being prepared in accordance with the applicable Ind AS as prescribed under section 133 of the Companies Act, 2013 read with its prescribed rules.

The financial statements have been prepared under the historical cost convention except for the following items -

a. Certain Financial Assets / Liabilities (including derivative instruments) - at Fair value

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except otherwise indicated.

2.2 Research and development expenses

Revenue expenditure pertaining to research is charged to respective heads in the Statement of Profit and Loss in the year it is incurred. Property, Plant & Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant & Equipment .

2.3 Revenue Recognition

2.3.1 Sale of Goods / Services

Revenue is recognised when the company's performance obligation is satisfied. The primary performance obligation is satisfied upon shipment or dispatch of products to the customers as well as when the control of products is transferred. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the Fair Value of the consideration received or receivable, net of returns, rebates and discounts.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.3.2 Interest income

Interest from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

The Company's policy for recognition of revenue (rental income) from operating leases is described in note 2.4.1

2.4 Leasing

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4.1 Company as Lessor

Rental income from operating leases is 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 increase, such increases are recognised in the year in which such benefits accrue.

2.4.2 Company as Lessee

Payments made under operating leases are recognized 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 lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.5 Foreign Currencies

The functional currency of the Company is Indian Rupee. 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised in the statement of Profit and Loss.

2.6 Taxation

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

2.6.1 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.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.6.2 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.

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.

2.6.3 Current and Deferred Tax for the year

Current and deferred tax are recognised in the statement of profit and 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.

2.7 Property, Plant and Equipment

2.7.1 Property, Plant and Equipment acquired separately

Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of Property, Plant and Equipment is de-recognised 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 determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit & loss.

2.7.2 Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

Type of Assets	Useful Life in Years
Buildings	30
Plant & Machinery	15
Vehicles	8
Furniture & Fixtures	10
Office Equipment	5

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.8 Impairment of Tangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.9 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 material, 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.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

2.10 Provisions (other than Employee Benefits)

A provision is recognised when as a result of past event, the Company has a present legal or constructive obligation can be reliably estimated, and, it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions (excluding retirement benefits) 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.

However, there has been a change in working estimate for Provision for Doubtful debts in current financial year. Earlier, the doubtful debts were provided for as per bucketing made on the basis of the dates of invoices raised and provision was made by applying estimated percentage rate for respective buckets. During the current financial year, there has been change in making an estimate for the purpose of making provision for Doubtful Debts. According to the new policy, the doubtful debts are being provided for as per bucketing made on the basis of due dates of payments to be received from the customers. The effect of such change in accounting estimate has been provided in the financial statements according to the provisions of Ind AS-8 Accounting Policies, Changes in Accounting Estimates and Errors.

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.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.11 Financial Instruments

2.11.1 Initial Recognition and Measurement

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

At initial recognition, financial assets and financial liabilities are initially measured at fair value, except for trade receivables and payables which are measured at their transaction price.

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 in profit or loss.

2.11.2 Subsequent measurement of 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.

2.11.3 Impairment of Financial Assets

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at fair value through profit or loss. 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 prepared on the basis of agewise analysis prepared.

2.11.4 Financial Liabilities & Equity Instruments

Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of reporting periods.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.11.5 Derecognition of Financial Assets and Liabilities

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

The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

2.11.6 Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to hedge its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into.

Subsequent to initial recognition, these contracts are measured at fair value and changes are recognised in profit or loss.

2.12 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated.

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

2.13 Employee Benefits

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

2.13.1 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.

2.13.2 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. Remeasurement, 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. Remeasurement 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.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.13.3 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.

Liabilities recognised in respect of short-term employee benefits, employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3. Critical Accounting Judgements and key sources of Estimation Uncertainty.

The preparation of the Company's financial statements requires management, to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.1 Key accounting judgements, assumptions and estimates

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

3.1.1 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions (disclosed in Note 45).

3.1.2 Property, Plant and Equipment

The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired. These estimates are reviewed annually by the management. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.1.3 Employee related provisions

The costs of long term and short term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates.

Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026
CIN : U24219PN1994PTC083328

4 Property, Plant and Equipment and Capital Work-In-Progress

(Rs. In Lakhs)

Particulars	As at		As at		As at		
	31st March 2019	31st March 2018	31st March 2018	1st April 2017	1st April 2017	1st April 2017	
Carrying amounts of:							
- Freehold Land					407.08	407.08	
- Buildings	441.79	459.60			465.85	465.85	
Plant and Equipment							
- Plant and Machinery	842.16	818.06			731.27	731.27	
- Vehicles	71.04	84.57			141.91	141.91	
- Furniture and Fixtures	25.13	29.95			35.80	35.80	
- Office Equipment	17.99	16.73			19.96	19.96	
Sub Total	1,398.11	1,408.91			1,801.86	1,801.86	
Capital Work-In-Progress	17.35	-			260.41	260.41	
Total	1,415.46	1,408.91			2,062.27	2,062.27	
Particulars	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	Total
Deemed Cost							
Balance as at 1 st April 2017	407.08	553.67	1,154.18	271.81	92.14	152.12	2,630.99
Additions	-	18.06	213.48	-	2.72	5.26	239.51
Disposals/ Adjustments	(407.08)	-	(404.17)	(109.60)	(5.14)	(2.18)	(928.16)
Balance as at 31 st March 2018	-	571.72	963.49	162.21	89.72	155.20	1,942.34
Additions	-	-	92.82	-	1.42	11.27	105.50
Disposals/ Adjustments	-	-	-	(2.97)	-	-	(2.97)
Balance as at 31 st March 2019	-	571.72	1,056.31	159.24	91.14	166.47	2,044.88
Accumulated Depreciation and Impairment							
Balance as at 1 st April 2017	-	(87.82)	(422.91)	(129.90)	(56.34)	(132.16)	(829.13)
Eliminated on disposal of assets	-	-	338.18	74.62	3.39	2.12	418.31
Depreciation expense	-	(24.30)	(60.70)	(22.36)	(6.82)	(8.42)	(122.61)
Balance as at 31 st March 2018	-	(112.12)	(145.43)	(77.64)	(59.77)	(138.47)	(533.43)
Eliminated on disposal of assets	-	-	-	2.97	-	-	2.97
Depreciation expense	-	(17.81)	(68.72)	(13.53)	(6.24)	(10.01)	(116.31)
Balance as at 31 st March 2019	-	(129.93)	(214.15)	(88.20)	(66.01)	(148.47)	(646.77)
Carrying Amount							
Balance as at 1 st April 2017	407.08	465.85	731.27	141.91	35.80	19.96	1,801.86
Additions	-	18.06	213.48	-	2.72	5.26	239.51
Disposals/ Adjustments	(407.08)	-	(404.17)	(109.60)	(5.14)	(2.18)	(928.16)
Depreciation expense	-	(24.30)	(60.70)	(22.36)	(6.82)	(8.42)	(122.61)
Depreciation Eliminated on	-	-	338.18	74.62	3.39	2.12	418.31
Balance as at 31 st March 2018	-	459.60	818.06	84.57	29.95	16.73	1,408.91
Additions	-	-	92.82	-	1.42	11.27	105.50
Disposals/ Adjustments	-	-	-	(2.97)	-	-	(2.97)
Depreciation expense	-	(17.81)	(68.72)	(13.53)	(6.24)	(10.01)	(116.31)
Depreciation Eliminated on	-	-	-	2.97	-	-	2.97
Balance as at 31 st March 2019	-	441.79	842.16	71.04	25.13	17.99	1,398.11

Note : On 08th February, 2018 i.e. on the date of Company becoming subsidiary of Pidilite Industries Limited, Freehold land is transferred to "Assets held for sale" and shown under current Assets.

5 Trade Receivables

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Secured, considered good	-	-
Unsecured, considered good	4,817.52	5,625.24
<u>Unsecured, considered doubtful</u>		
- Trade Receivables which have significant increase in Credit Risk	237.84	358.56
- Trade Receivables- credit Impaired	532.95	358.62
Sub Total	770.79	717.18
	5,588.31	6,342.41
	770.79	717.18
Less: Provision for Expected Credit Losses	4,817.52	5,625.24

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Ageing	Expected credit loss	
Within the credit period (in days)		
00-90		0%
91-180		5%
181-365		10%
366-730		20%
731-1095		50%
>1095		100%
Legal		100%
	For the period ended 31st March 2019	For the year ended 31st March, 2018
Movement in expected credit loss allowance		
Balance at beginning of the year	717.18	644.78
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	53.61	72.40
Balance at end of the year	770.79	717.18

A formal credit policy has been framed and credit facilities are given to dealers within the framework of the credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivables are identified based on criteria mentioned in the policy and provided for credit loss allowance.

6 Loans - Non Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Loans and Advances to Employees & Others*	12.18	11.13
	12.18	11.13

7 Loans - Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Loans and Advances to Employees & Others*	2.39	12.53
	2.39	12.53

* Loans and advances to others includes loans/ advances given for business purpose.

8 Other Financial Assets - Non-Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Security Deposit	39.57	31.84
Retention Money Receivable		
Unsecured, Considered good	84.14	50.30
<u>Unsecured, Considered doubtful</u>		
-Retention Money Receivable which have significant increase in Credit Risk	-	7.05
Sub Total	-	7.05
	84.14	57.36
	-	7.05
Less: Provision for Expected Credit Losses	84.14	50.30
TOTAL	123.70	82.14

9 Other Financial Assets - Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Security deposit		
Unsecured, Considered good	25.04	21.75
Considered doubtful	-	-
	25.04	21.75
Less: Provision for Expected Credit Losses	-	-
	25.04	21.75
Foreign Currency Forward Contract Assets	0.31	1.85
Retention Money Receivable		
Unsecured, Considered good	30.17	47.06
Unsecured, Considered doubtful		
-Retention Money Receivable which have significant increase in Credit Risk	7.28	12.72
-Retention Money Receivable- Credit Impaired	81.33	45.19
Sub Total	88.61	57.91
	118.79	104.97
Less: Provision for Expected Credit Losses	88.61	57.91
	30.17	47.06
TOTAL	55.52	70.65

10 Cash and Cash Equivalents

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Cash and Cash Equivalents		
Cash on Hand	0.27	0.26
Balance with banks		
In Current Account	506.40	53.75
In Fixed Deposit Accounts with original maturity of 3 months or less	828.16	-
TOTAL	1,334.84	54.00
Cash and Cash Equivalents (As above)	1,334.84	54.00
Cash Credit Accounts	-	(1,455.93)
Cash and Cash Equivalents (As per Cash Flow Statements)	1,334.84	(1,401.93)

11 Bank Balances other than Cash and Cash Equivalents above

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Balance with banks		
In Current Account (balances with restriction on repatriation)	-	-
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months	11.97	-
In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	254.17	649.15
Earmarked Account		
Dividend Payment Bank Account	0.07	0.07
TOTAL	266.22	649.23

a. Includes Fixed Deposit under lien.

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

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Raw Material and Packing Material	1,062.14	1,257.03
Work-in-Progress	313.22	445.71
Finished Goods	397.19	324.61
TOTAL	1,772.55	2,027.35

13 Current Tax Assets (net)

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Advance Payment of Taxes (Net of Provisions)	55.74	49.94
TOTAL	55.74	49.94

14 Other Non-Current Assets

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Capital Advances	18.98	18.98
Prepaid Expenses - Leasehold Land	42.25	42.95
Balance with Government Authorities	16.52	33.39
TOTAL	77.76	95.33

15 Other Current Assets

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Export Benefits receivable		
Unsecured, Considered good	5.41	0.90
Balances with Government Authorities		
Unsecured, Considered good	47.88	41.91
Advances to vendors		
Unsecured, Considered good	99.97	107.76
Prepaid Expenses	34.50	26.54
Prepaid Expenses - Leasehold Land	0.70	0.70
TOTAL	188.45	177.82

16 Deferred Tax Assets (net)

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Tax effect of items constituting Deferred Tax Assets (Refer Note No.44)	298.74	278.35
Tax effect of items constituting Deferred Tax Liabilities (Refer Note No.44)	(131.43)	(112.30)
TOTAL	167.30	166.04

17 Assets held for Sale

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Freehold land at Shirwal	-	407.08
TOTAL	-	407.08

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18 Equity Share Capital

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Authorised Capital:		
1,00,000 Equity Shares of Rs.100 each	100.00	100.00
(1,00,000 Equity Shares of Rs.100 each as at 31st March, 2018)		
TOTAL	100.00	100.00
Issued, Subscribed and Paid up Capital:		
94,166 Equity Shares of Rs. 100 each fully paid up	94.17	94.17
(94,166 Equity Shares of Rs.100 each fully paid up as at 31st March, 2018)		
TOTAL	94.17	94.17

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

	Number of Shares	(Rs. In Lakhs)
Balance as at 1 st April 2018	94,166	94.17
Shares issued during the year	-	-
Balance as at 31 st March 2019	94,166	94.17

b. Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

The company has not declared any dividend during the year.

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

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Sabitha Cipy	11,797	12.53%	11,797	12.53%
Dr. Subash Cipy	16,452	17.47%	16,452	17.47%
Pidilite Industries Ltd*	65,917	70.00%	65,917	70.00%

* includes shares held by wholly owned subsidiary company of Pidilite Industries Limited viz. Fevicol Company Limited

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19 Other Equity

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Securities Premium	454.30	454.30
General Reserve	70.41	70.41
Retained Earnings	5,691.50	4,032.64
TOTAL	6,216.21	4,557.35

19.1 Securities Premium

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	454.30	454.30
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	454.30	454.30

Note: Securities Premium is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of Securities Premium and company can use this Securities Premium for buy back of shares.

19.2 General Reserve

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	70.41	70.41
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	70.41	70.41

19.3 Retained Earnings

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	4,032.64	3,490.92
Add: Profit for the year	1,696.38	1,035.59
Less: Payment of Dividend	-	(404.91)
Less: Payment of Dividend Distribution Tax	-	(82.43)
Add/ (Less): Other Comprehensive Income/ (loss) for the year	(37.52)	(6.52)
Closing Balance	5,691.50	4,032.64

20 Borrowings - Non Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Other Term loans		
Secured Loans		
From Banks	-	4.77
TOTAL	-	4.77

Term loans mentioned above are secured against hypothecation of underlying assets viz. vehicles

21 Borrowings - Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Secured Loans		
Loans repayable on demand from banks		
Cash Credit	-	1,455.93
Short Term Loans from Banks - Buyer's Credit	-	440.49
TOTAL	-	1,896.42

Loans classified under secured loans are secured against hypothecation of moveable fixed assets, stocks, debtors, mortgage of immovable fixed assets and guaranteed by director/s.

22 Trade Payables

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	40.87	177.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,721.50	2,815.63
TOTAL	2,762.37	2,992.98

23 Other Financial Liabilities - Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long Term Debts	6.70	29.52
Payable on Purchase of Fixed Assets	12.42	24.02
Liabilities for Expenses	574.23	537.69
Trade/Security Deposits Received	7.52	7.78
Employee Related Liabilities	175.37	77.90
Retention Money Payable	24.12	48.66
TOTAL	800.36	725.57

24 Provisions - Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits		
Gratuity	-	6.45
Compensated Absences	2.19	2.23
Provision for Warranty expenses	21.27	12.04
TOTAL	23.46	20.72

25 Provisions - Non Current

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits		
Gratuity	76.55	34.26
Compensated Absences	49.74	23.81
TOTAL	126.29	58.07

26 Other Current Liabilities

Particulars	(Rs. In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Statutory remittances	154.88	94.00
Advance from customers	111.91	393.36
TOTAL	266.79	487.36

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27 Revenue From Operations

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March 2018
Revenue From Operations		
Sale of Products		
Finished Goods	12,951.18	11,114.15
Traded Goods	179.93	29.88
Sale of Services		
Job Work / Labour Charges	1,980.92	885.41
Uncertified revenue from Works Contract	377.00	109.75
TOTAL (A)	15,489.03	12,139.19
Other Operating Revenue		
Freight Charges & Transit Insurance	41.80	43.32
Testing Charges	5.85	2.84
Export Incentives	6.10	53.31
TOTAL (B)	53.74	99.47
Revenue from operations (A+B)	15,542.77	12,238.66

28 Other Income

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March 2018
Interest on:		
Bank Deposit (at amortised cost)	38.26	58.67
Others	0.42	1.29
Other Non-Operating Income:		
Net Gain on foreign currency transaction and translation	18.99	-
Liabilities no longer required written back	0.00	115.90
Net Gain arising on Financial Assets designated at FVTPL	0.31	1.85
Rental income	3.50	1.08
Miscellaneous Income	0.23	0.26
TOTAL	61.71	179.04

29 Cost of Materials Consumed

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March 2018
Inventory at the beginning of the year	1,257.03	765.73
Add : Purchases	9,598.20	8,292.19
	10,855.23	9,057.92
Less : Inventory at the end of the year	1,062.14	1,257.03
TOTAL	9,793.09	7,800.88

30 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March 2018
Inventories at end of the year		
Finished Goods	397.19	324.61
Work-in-Progress	313.22	445.71
(A)	710.41	770.32
Inventories at beginning of the year		
Finished Goods / Stock-in-Trade	324.61	289.95
Work-in-Progress	445.71	214.52
(B)	770.32	504.46
(B)-(A)	59.91	(265.86)

31 Employee Benefits Expense**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March 2018
Salaries and Wages	987.92	728.19
Contribution to Provident and Other Funds	78.94	85.15
Staff Welfare Expenses	34.59	28.12
TOTAL	1,101.46	841.46

32 Finance Costs**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March 2018
Interest expense on:		
Borrowings	44.70	125.48
Interest on Income Tax	-	2.73
TOTAL	44.70	128.21

33 Depreciation and Amortization Expense**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March 2018
Depreciation on Property, Plant and Equipment	116.31	203.24
TOTAL	116.31	203.24

34 Direct Manpower and Site Expenses**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March 2018
Labour Charges	951.05	459.62
Factory/Site Expenses	100.94	168.65
TOTAL	1,051.99	628.27

35 Other Expenses

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March 2018
Consumption of Stores & Spares	34.52	50.11
Carriage	151.99	206.00
Clearing, Forwarding and Octroi Duty	143.72	158.24
Power and Fuel	58.47	58.89
Water Charges	1.84	1.92
Rent	14.00	74.18
Rates and Taxes	55.54	105.67
Insurance	6.75	9.62
Repairs Machinery	25.06	23.09
Repairs Others	11.36	58.04
Advertisement Publicity & Business Promotion Exp.	65.19	76.71
Legal, Professional and Consultancy fees	247.21	229.03
Communication Expenses	13.78	17.50
Printing and Stationery	4.61	7.46
Travelling and Conveyance Expenses	85.78	123.68
Bad Debts	70.25	101.13
Allowance for Doubtful Debts	77.26	68.78
Sales commission	69.52	114.20
Payments to Auditor	4.00	5.50
Donations	0.47	0.07
Corporate Social Responsibility Expenses	25.32	19.59
Net loss on foreign currency transactions and translation	-	37.72
Miscellaneous expenses	118.32	89.54
TOTAL	1,284.93	1,636.66

36 Exceptional Items (net)

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March 2018
Profit / (Loss) on Sale of Assets	293.26	415.30
TOTAL	293.26	415.30

37 Other Comprehensive Income

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March 2018
Actuarial Gains/losses	(52.93)	(9.20)
Tax effect on Other Comprehensive Income	15.41	2.68
TOTAL	(37.52)	(6.52)

Cipy Polyurethanes Private Limited

38 Contingent Liabilities and Commitments

		(Rs. In Lakhs)	
Sr. No.	Particulars	As at 31st March 2019	As at 31st March 2018
A) Contingent liabilities not provided for			
1	Claims against the company not acknowledged as debts comprise of:		
	- Income tax demand against the Company not provided for and relating to issues of deduction and allowances in respect of which the Company is in appeal	6.53	7.75
	- Excise duty claims disputed by the Company relating to issues of classifications	189.44	189.44
	- Service tax claims disputed by the Company relating to issues of classifications	-	9.21
2	Guarantees given by Banks in favour of customers	652.17	1,040.57
Total		848.13	1,246.97
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	18.25	22.49
Total		18.25	22.49

39 Segment information

The Company is primarily engaged in a single segment i.e. business of manufacturing of paints, varnishes, etc. and accordingly, this is the only reportable segment. The entire operation is governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment. The same treatment is in accordance with the requirements of Indian Accounting Standard 108 - 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

40 Earnings Per Share (EPS)

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

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Basic:		
Profit for the year (Rs. In Lakhs)	1,696.38	1,035.59
Weighted average number of equity shares in calculating basic EPS	94,166	94,166
Par value per share (Rs.)	100.00	100.00
Earning per share (Basic) (Rs.)	1,801.48	1,099.75
Diluted:		
Profit for the year (Rs. In Lakhs)	1,696.38	1,035.59
Weighted average number of equity shares in calculating basic EPS	94,166	94,166
Par value per share (Rs.)	100.00	100.00
Earning per share (Diluted) (Rs.)	1,801.48	1,099.75

Cipy Polyurethanes Private Limited

41 Related Party Disclosures

1 List of Related Parties

Relationship

(i) Holding Company

Pidilite Industries Ltd

Holding Company

(ii) Key Management Personnel

- Dr. Subash Cipy
- Mr. Madhukar Parekh (From 09.02.18 to 18.01.19)
- Mr. Sanjay Bahadur (From 09.02.18)
- Mr. Nitin Choudhary (From 21.01.19)

Managing Director
Director
Director
Director

(iii) Close Members of Key Management Personnel

- Mrs. Sabitha Subash Cipy
- Mr. Roshan Cipy
- Ms. Ritu Cipy
- Subash Cipy (HUF)

Wife of Managing Director
Son of Managing Director
Daughter of Managing Director
Managing Director is Karta of HUF

(iii) Significant influence by Holding Company/Director of the Company

- Riturosh Creative Works Private Limited (Formerly known as Cipy Page1 Private Limited)
- Nina Waterproofing India Pvt Ltd.
- Percept Waterproofing Service Ltd.
- Building Envelope System India Limited
- Cipy Creative Works Pvt Ltd.

A company having significant Influence of Managing Director
Fellow subsidiary
Fellow subsidiary
Fellow subsidiary
A company having significant Influence of Managing Director

(Rs. In Lakhs)

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

Sr. No.	Nature of Transaction	Key Management Personnel				Close Members of Key Management Personnel				Significant influence by Holding Company/Director of the Company			
		Dr. Subash Cipy	Mrs. Sabitha Subash Cipy	Mr. Roshan Cipy	Ms. Ritu Cipy	Subash Cipy (HUF)	Nina Waterproofing India Pvt Ltd.	Percept Waterproofing Service Ltd.	Building Envelope System India Limited	Cipy Creative Works Pvt Ltd.	Riturosh Creative Works Pvt. Ltd.		
a	Sales/Works Contact Income	-	-	-	-	-	495.94	197.06	-	700.00	-	(9.77)	
b	Purchases and Other Services	-	-	-	-	-	-	-	0.91	-	-	255.88 (36.43)	
c	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	2.50 (29.05)	
d	Remuneration to Directors	190.00 (115.45)	(14.65)	-	-	-	-	-	-	-	-	-	
e	Rent Paid	1.20 (5.34)	-	-	-	(20.24)	-	-	-	-	-	-	
f	Vehicle Hiring charges	(15.43)	-	-	-	-	-	-	-	-	-	-	
g	Salary paid	-	-	(5.85)	12.71 (13.69)	-	-	-	-	-	-	-	

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42 Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Contribution Plans

- (i) Provident Fund
- (ii) State Defined Contribution Plans :
 - Employers' Contribution to Employees' State Insurance

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and loss:

		(Rs. In Lakhs)	
Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Contribution to Provident Fund	36.67	38.82
2	Contribution to Employees' State Insurance Scheme	3.87	5.12
	Total	40.54	43.94

(B) Defined Benefit Plans

- (i) Gratuity
- (ii) Compensated Absences

General description of defined benefit plans:

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act. 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.

Actuarial risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The Impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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43 Financial Instrument

1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debts and total equity of the Company. The company is not subject to any externally imposed capital requirements.

2 Categories of financial instruments

Particulars	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Financial assets		
Measured at amortised cost		
Trade Receivables	4,817.52	5,625.24
Cash and cash equivalents	1,334.84	54.00
Bank balance other than above	266.22	649.23
Loans	14.57	23.67
Other financial assets	179.22	152.80
Total Financial Assets	6,612.37	6,504.93
Financial liabilities		
Measured at amortised cost		
Borrowings	-	1,901.19
Trade Payables	-	-
Other financial liabilities	800.36	725.57
Total Financial Liabilities	800.36	2,626.76

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 liabilities as on March 31, 2019 is Rs. 35,62.72 Lakhs. Significant portion of the Company's financial assets as on March 31, 2019 is Rs. 66,12.37 Lakhs comprise of cash and cash equivalents aggregating to Rs. 13,34.84 Lakhs.

Credit risk management

Credit risk refers to risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has big reputed corporate as customer base due to which credit risk is very less. Significant portion of the Company's financial assets as at 31st March 2019 comprise of trade receivable, retention money receivable and unbilled revenue which are held with reputed and credit worthy reputed corporate customers.

4 Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into forward foreign exchange contracts to manage its exposure to foreign currency risk of imports.

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44 Taxes

1 Deferred Tax

	(Rs. In Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Assets	298.74	278.35
Deferred Tax Liabilities	(131.43)	(112.30)
Total	167.30	166.04

a 2018-19

Deferred Tax Assets/(liabilities) in relation to:

(Rs. In Lakhs)

	Opening Balance	Recognised in Profit or loss	Recognised in other Comprehensive Income	Closing balance
Property, Plant and Equipment	(112.30)	(19.13)	-	(131.43)
Allowance for doubtful debts	227.76	22.50	-	250.26
Defined Benefit Obligation	19.44	2.56	15.41	37.41
Other Provisions	31.15	(20.08)	-	11.07
Total	166.04	(14.15)	15.41	167.30

b 2017-18

Deferred Tax Assets/(liabilities) in relation to:

(Rs. In Lakhs)

	Opening Balance	Recognised in Profit or loss	Recognised in other Comprehensive Income	Closing balance
Property, Plant and Equipment	7.14	(119.44)	-	(112.30)
Allowance for doubtful debts	268.55	(40.79)	-	227.76
Defined Benefit Obligation	18.30	(1.54)	2.68	19.44
Other Provisions	7.28	23.87	-	31.15
Total	301.27	(137.90)	2.68	166.04

2 Income Taxes relating to continuing operations

a Income Tax recognised in Profit or Loss

	(Rs. In Lakhs)	
	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
Current Tax		
In respect of the year	575.97	462.95
In respect of prior years	-	-
Total	575.97	462.95
Deferred Tax		
In respect of the current year	14.15	137.90
Total	14.15	137.90
Total Income Tax expense recognised in the current year relating to continuing operations	590.12	600.85

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

		(Rs. In Lakhs)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	40.87	177.35
2	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6	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		40.87	177.35

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.

46 Details of Payments to Auditor

		(Rs. In Lakhs)	
Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	<u>Payment to Auditor as</u>		
a	Auditor	4.00	4.00
b	for Taxation matters	-	-
c	for Company Law matters	-	-
d	for Other Services	-	1.50
e	for reimbursement of expenses	-	-
Total		4.00	5.50

47 Operating Lease

a) Operating lease payment (minimum lease payments) has been recognised in Statement of Profit and Loss under heading Rent under other expenses amounting to **Rs. 11.72 Lakhs**

b) General description of the leasing arrangement:

i) Leased Assets : Factory space

ii) Future lease rentals are determined on the basis of agreed terms.

iii) At the expiry of the lease term, the Company has an option either to vacate the asset or extend the term by giving notice in writing.

The Company has entered into operating lease arrangements for certain facilities. The lease is non-cancellable for a period of 3 years and may be renewed for a further period based on mutual agreement of the parties.

Non cancellable operating lease commitments.

		(Rs. In Lakhs)	
Future minimum lease payments	For the year ended March 31, 2019	For the year ended March 31, 2018	
not later than one year	12.30	9.72	
later than one year and not later than five years	-	-	
later than five years	-	-	

48 Provision for Warranty expense

Provision for Warranty expense relates to warranty provision made on the basis of expected future liability on account of the warranty in respect of services rendered by the company during the year and is made @ 0.1% of the turnover for the year. The estimated cost of warranty is accrued at the time of sale.

The movement of provision for warranty is as follows:

Particulars	(Rs. In Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance as at Beginning of the year	-	-
-Non Current	-	-
-Current	12.04	-
	12.04	-
Addition	15.53	12.04
Utilisation	(6.30)	-
Reversal (withdrawn as no longer required)	-	-
Balance as at Closing of the year	21.27	12.04
Non Current	-	-
Current	21.27	12.04
Total	21.27	12.04

49 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- (a) Gross amount required to be spent by the company during the year is Rs. 25.32 Lakhs
(b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	25.32	-	25.32

50 Change in the basis of Provision for Doubtful Debts

During the current financial year, there has been change in making an estimate for the purpose of making provision for Expected Credit Loss. According to the new policy, the expected credit loss is being provided for as per bucketing made on the basis of due dates of payments to be received from the customers. The effect of such change in accounting estimate has been provided in the financial statements according to the provisions of Ind AS-8 Accounting Policies, Changes in Accounting Estimates and Errors. Had the company followed the same basis as followed in previous year, the provision for Expected Credit Loss would have been increased by Rs. 73.62 Lakhs and consequently the profit for the year ended 31st March, 2019 would have been less by Rs 73.62 Lakhs and the reserves at the end of the year would also have been less by the said amount. Further, previous year's figures are not comparable to that extent.

51 Events after reporting period


There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statement.

52 Approval of financial statements

The financial statements were approved for issue by the board of directors on at its meeting held on 7th May, 2019

**As per our attached report of even date
For D. R. Barve & Associates**
Chartered Accountants
Registration No. 122260W

**For and On Behalf Of The Board Of Directors
Cipy Polyurethanes Private Limited**


CA. Shireesh N. Agte
Partner
Membership No.: 44641



Place: Pune
Date: 7th May, 2019


Dr. Subash Cipy
Managing Director
DIN : 00608724


Rishu Goel
HOD-F&A

Place: Pune
Date: 7th May, 2019

Sanjay Bahadur
Director
DIN : 00032590


A. K. Singh
CEO

Place: Pune
Date: 7th May, 2019

