

**Audited Ind AS Financial Statements**

**Of**

**CIPY POLYURETHANES PRIVATE LIMITED**

T-127, MIDC, Bhosari, Pune – 411026.

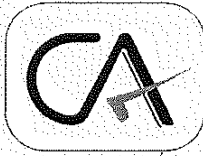
**For The Year Ended March 31, 2020**

**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**

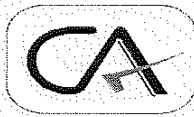
➤ **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **Cipy Polyurethanes Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020, 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 there under, 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.



**D. R. BARVE & Associates**  
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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.

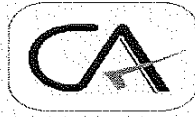
➤ **Emphasis of Matter**

We draw your attention to Note 54 to the financial results, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial results as it does not impact the current financial year. However, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

➤ **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.



**D. R. BARVE & Associates**  
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The Board of Directors is 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 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 there under;



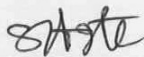


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Continuation Sheet.....

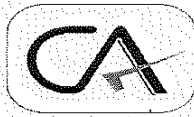
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.
- 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**  
**UDIN: 20044641AAAACU6744**  
**Place: Pune**  
**Date : 08<sup>th</sup> June, 2020**





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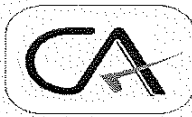
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**Annexure "A" to Independent Auditor's Report**

**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, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Property, Plant and Equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
- 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.



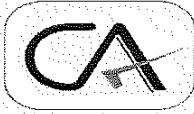
**D. R. BARVE & Associates**  
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Hence, our comments for reporting on whether terms and conditions of the grant of such loans are prejudicial to the interest of the company are not required.

- 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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Continuation Sheet.....

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, Goods and Service Tax, Duty of Customs, 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, Goods and Service Tax, Duty of Customs, and Cess and any other undisputed statutory dues were outstanding as at 31.03.2020 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	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 (including debt instruments or term loans), are applied for the purpose for which the same were obtained, are not required.
- x.** Based upon the audit procedures performed and according to the information and explanations given to us, we report that neither 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, 2013.
- 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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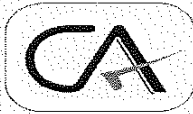
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, our comments regarding compliance of Section 192 of Companies Act, 2013 are not required.
- xvi. In our opinion and to the best 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**

*S. Agte*



**CA. Shireesh N. Agte**  
**(Partner)**  
**Membership No.044641**  
**UDIN: 20044641AAAACU6744**  
**Place: Pune**  
**Date: 08<sup>th</sup> June, 2020**



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*Chartered Accountants*  
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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 31<sup>st</sup> March 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management 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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*Chartered Accountants*  
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Continuation Sheet.....

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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.

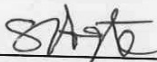
### **Opinion**

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 31<sup>st</sup> March 2020, 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**

**UDIN: 20044641AAAACU6744**

**Place: Pune**

**Date : 08<sup>th</sup> June, 2020**



## Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

Balance Sheet as at 31st March 2020

(Amount in Lakhs.)

Particulars	Note No	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Property, Plant and Equipment	4	1,966.23	1,398.11
(b) Right of use of assets	4a	48.12	-
(c) Capital Work-In-Progress	4	424.35	17.35
(d) Goodwill		-	-
(e) Other Intangible Assets		-	-
(f) Financial Assets			
(i) Investments			
(ii) Loans	6	7.03	12.18
(iii) Other Financial Assets	8	152.50	123.70
(g) Other Non-current Assets	14	113.03	77.76
(h) Deferred Tax Assets (net)	16	224.93	167.30
<b>Total Non-Current Assets</b>		<b>2,936.19</b>	<b>1,796.40</b>
<b>2 Current Assets</b>			
(a) Inventories	12	1,648.71	1,772.55
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	5	4,590.48	4,817.52
(iii) Cash and cash equivalents	10	530.32	1,334.84
(iv) Bank balances other than (iii) above	11	619.55	266.22
(v) Loans	7	8.19	2.39
(vi) Other Financial Assets	9	32.53	55.52
(c) Current Tax Assets (net)	13	102.38	55.74
(d) Other Current Assets	15	143.39	188.45
(e) Non Current Asset held for Sale	17	-	-
<b>Total Current Assets</b>		<b>7,675.56</b>	<b>8,493.23</b>
<b>TOTAL ASSETS</b>	<b>TOTAL</b>	<b>10,611.75</b>	<b>10,289.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>3 EQUITY</b>			
(a) Equity Share Capital	18	94.17	94.17
(b) Other Equity	19	7,371.63	6,216.21
<b>Total Equity</b>		<b>7,465.79</b>	<b>6,310.38</b>
<b>4 LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Lease Liabilities	20	3.11	-
(iv) Other Financial Liabilities		-	-
(b) Provisions	25	68.99	126.29
(c) Deferred Tax Liabilities (net)		-	-
(d) Other Non Current Liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>72.09</b>	<b>126.29</b>
<b>5 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	22		
- Outstanding dues of Micro & Small Enterprises		43.88	40.87
- Outstanding dues of Creditors other than Micro & Small Enterprises		2,258.19	2,721.50
(iii) Lease Liabilities	21	3.09	-
(iv) Other Financial Liabilities	23	610.54	800.36
(b) Other Current Liabilities	26	129.18	266.79
(c) Provisions	24	28.97	23.46
(d) Current Tax Liabilities (net)	27	-	-
<b>Total Current Liabilities</b>		<b>3,073.87</b>	<b>3,852.97</b>
<b>TOTAL LIABILITIES</b>		<b>3,145.96</b>	<b>3,979.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,611.75</b>	<b>10,289.63</b>

See accompanying notes to the financial statements

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

CA. Shireesh N. Agta  
Partner  
Membership No.: 44641  
Place: Pune  
Date: 08th June, 2020



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

Dr. Subash Cipy  
Managing Director  
DIN : 00608724

Sanjay Bahadur  
Director  
DIN : 00032590

Rishu Goel  
HOD-F&A

Hardeep Singh  
CEO



# Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

## Statement of Profit and Loss for the year ended 31 st March 2020

Particulars	Note No	(Amount in Lakhs.)	
		For the year ended 31st March 2020	For the year ended 31st March 2019
<b>INCOME</b>			
Revenue from Operations	28	12,137.69	15,542.77
Other Income	29	140.82	61.71
<b>Total Income</b>		<b>12,278.51</b>	<b>15,604.47</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	30	7,255.20	9,793.09
Purchases of Stock-in-Trade (Traded goods)		126.48	158.85
Changes in inventories of Finished Goods	31	10.24	59.91
Employee Benefits Expense	32	1,372.66	1,101.46
Finance Costs	33	1.12	44.70
Depreciation and Amortization Expense	34	136.54	116.31
Direct Manpower and Site Expenses	35	496.94	1,051.99
Other Expenses	36	1,337.73	1,284.93
<b>Total Expenses</b>		<b>10,736.91</b>	<b>13,611.24</b>
<b>Profit before Exceptional Items and Tax</b>		<b>1,541.59</b>	<b>1,993.23</b>
Exceptional Items	37	0.19	293.26
<b>Profit before Tax</b>		<b>1,541.78</b>	<b>2,286.50</b>
<b>Tax Expense</b>			
Current Tax		494.47	575.97
Deferred Tax		(70.33)	14.15
<b>Net Tax expense</b>		<b>424.15</b>	<b>590.12</b>
<b>Profit for the year</b>		<b>1,117.63</b>	<b>1,696.38</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of Defined Benefit Plan	38	50.49	(52.93)
Income tax relating to Items that will not be reclassified to profit or loss		(12.71)	15.41
<b>Total other comprehensive Income/(Loss)</b>		<b>37.78</b>	<b>(37.52)</b>
<b>Total Comprehensive Income for the year</b>		<b>1,155.41</b>	<b>1,658.86</b>
<b>Earnings per share</b>			
Basic (Rs.)		1,186.88	1,801.48
Diluted (Rs.)		1,186.88	1,801.48
Face Value of Share (Rs.)		100.00	100.00

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: 08th June, 2020



*Subash Cipy*  
*Sanjay Bahadur*

Dr. Subash Cipy  
Managing Director  
DIN : 00608724

Sanjay Bahadur  
Director  
DIN : 00032590



*Rishu*  
Rishu Goel  
HOD-F&A

*Hardeep Singh*  
Hardeep Singh  
CEO

**Cipy Polyurethanes Private Limited**

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

**Statement of Cash Flow**

For the year ended March 31st, 2020

( Amount in Lakhs Rs.)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,541.78	2,286.50
Adjustments for:		
Depreciation and amortization expense	136.54	116.31
Provision for employee benefits	50.49	(52.93)
Interest income	(49.18)	(38.68)
Allowance for Doubtful Debts	422.16	77.26
Finance costs	1.12	44.70
Profit on disposal of Property plant and Equipment	(0.19)	(293.26)
	560.94	(146.61)
Operating profit before working capital changes	2,102.72	2,139.88
Changes in working capital:		
a. (Increase) / decrease in operating assets:		
Inventories	123.84	254.80
Trade receivables	(171.98)	754.10
Loans - Non Current	5.15	(1.05)
Loans - Current	(5.80)	10.15
Other financial assets - Non Current	(28.80)	(34.50)
Other financial assets - Current	(0.16)	(15.56)
Other Non current assets	(35.27)	17.57
Other Current Assets	45.06	(10.63)
	(67.95)	974.87
b. Increase / (decrease) in operating liabilities:		
Trade payables	(460.29)	(230.62)
Other Financial liabilities - Current	(189.81)	74.78
Other Current Liabilities	(137.61)	(220.57)
Provisions - Non Current	(57.30)	68.21
Provisions - Current	5.52	2.73
	(839.49)	(305.45)
Cash generated from operations	1,195.28	2,809.30
Tax paid	(541.12)	(581.76)
<b>Net cash used in operating activities (A)</b>	<b>654.16</b>	<b>2,227.54</b>
<b>B. Cash flow from investing activities</b>		
Payments for purchase of Property, Plant and Equipments	(1,167.91)	(122.85)
Proceeds from disposal of Property, Plant and Equipments	8.30	700.35
Interest received	49.18	38.68
Dividend paid on equity shares	-	-
	(1,110.42)	616.17
<b>Net cash used in investing activities (B)</b>	<b>(1,110.42)</b>	<b>616.17</b>
<b>C. Cash flow from financing activities</b>		
Net Proceeds from Issue of equity share capital	-	-
Bank Balance other than C & CE	(353.33)	383.01
Net Proceeds from Long term borrowings	-	(4.77)
Net Proceeds from short-term borrowings	-	(440.49)
Lease Liabilities	6.20	-
Finance costs	(1.12)	(44.70)
	(348.25)	(106.94)
<b>Net cash generated from financing activities (C)</b>	<b>(348.25)</b>	<b>(106.94)</b>
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(804.52)	2,736.77
Cash and cash equivalents at the beginning of the year	1,334.84	(1,401.93)
<b>Cash and cash equivalents at the end of the year</b>	<b>530.32</b>	<b>1,334.84</b>

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

CA. Shireesh N. Agte  
Partner  
Membership No.: 44641  
Place: Pune  
Date: 08th June, 2020



For and On Behalf Of The Board Of Directors  
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Dr. Subash Cipy  
Managing Director  
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CEO





# Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

## Statement of Changes in Equity

For the year ended 31st March, 2020

### a. Equity Share Capital

(Amount in Lakhs.)

	Amount
Balance as at 1st April, 2018	94.17
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	94.17
Changes in equity share capital during the year	-
Balance as at 31st March, 2020	94.17

### b. Other Equity

(Amount in Lakhs.)

Particulars	Reserves & Surplus			Other Items of OCI	Total
	Securities Premium Reserve	General Reserve	Retained Earnings		
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
Profit for the year	-	-	1,117.63	-	1,117.63
Other Comprehensive Income for the year, net of income tax	-	-	-	37.78	37.78
Payment of dividends	-	-	-	-	-
Payment of dividends distribution tax	-	-	-	-	-
Balance as at 31st March 2020	454.30	70.41	6,861.38	(14.47)	7,371.63

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



874/20

CA. Shireesh N. Agte  
Partner  
Membership No.: 44641  
Place: Pune  
Date: 08th June, 2020.

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

*Dr. Subash Cipy*      *Sanjay Bahadur*

Dr. Subash Cipy  
Managing Director  
DIN : 00608724

Sanjay Bahadur  
Director  
DIN : 00032590

*Rishu Goel*

Rishu Goel  
HOD-F&A

Hardeep Singh  
CEO



# **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 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**

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, taking into account contractually defined terms of payment, excluding other taxes or duties collected on behalf of the government.

##### **2.3.1 Sale of Goods / Services**

Revenue from sale of goods/services is recognized upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales exclude G.S.T. It is measured at fair value of 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.

<b>Type of Assets</b>	<b>Useful Life in Years</b>
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.

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 aewise 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

Notes attached to Financial Statements for the year ended 31st March, 2020

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

Particulars	(Amount in Lakhs)						
	As at 31st March 2020		As at 31st March 2019				
<b>Carrying amounts of:</b>							
• Freehold Land							
• Buildings							
<b>Plant and Equipment</b>							
• Plant and Machinery							
• Vehicles							
• Furniture and Fixtures							
• Office Equipment							
<b>Sub Total</b>							
Capital Work-In-Progress							
<b>Total</b>							
<b>Particulars</b>	<b>Freehold Land</b>	<b>Buildings</b>	<b>Plant and Machinery</b>	<b>Vehicles</b>	<b>Furniture and Fixtures</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Balance as at 1st April 2018</b>	-	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)
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	571.72	1,056.31	159.24	91.14	166.47	2,044.88
Additions/ Transfers	564.47	-	64.22	-	43.63	27.69	700.01
Disposals/ Adjustments	-	-	(8.30)	-	-	-	(8.30)
<b>Balance as at 31<sup>st</sup> March 2020</b>	564.47	571.72	1,112.23	159.24	134.77	194.15	2,736.58
<b>Accumulated Depreciation and Impairment</b>							
<b>Balance as at 1st April 2018</b>	-	(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)
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	(129.93)	(214.15)	(88.20)	(66.01)	(148.47)	(646.77)
Eliminated on disposal of assets	-	-	0.52	-	-	-	0.52
Adjustments/ Transfers	-	-	-	-	-	-	-
Depreciation expense	-	(17.86)	(73.40)	(13.56)	(7.86)	(11.42)	(124.10)
<b>Balance as at 31<sup>st</sup> March 2020</b>	-	(147.79)	(287.03)	(101.76)	(73.87)	(159.89)	(770.35)
<b>Carrying Amount</b>							
<b>Balance as at 1st April 2018</b>	-	459.60	818.06	84.57	29.95	16.73	1,408.91
Additions / Revaluation	-	-	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 disposal	-	-	-	2.97	-	-	2.97
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	441.79	842.16	71.04	25.13	17.99	1,398.11
Additions	564.47	-	64.22	-	43.63	27.69	700.01
Disposals/ Adjustments	-	-	(8.30)	-	-	-	(8.30)
Depreciation expense	-	(17.86)	(73.40)	(13.56)	(7.86)	(11.42)	(124.10)
Depreciation Eliminated on disposal	-	-	0.52	-	-	-	0.52
<b>Balance as at 31<sup>st</sup> March 2020</b>	564.47	423.93	825.20	57.48	60.90	34.26	1,966.23

# Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

Notes attached to Financial Statements for the year ended 31st March, 2020

## 4a Right of use of assets

(Amount in Lakhs.)

Particulars	Leasehold Land	Other Building	Total
<b>Gross Block</b>			
<b>Balance as at 1st April 2018</b>	-	-	-
Additions	-	-	-
Disposals/ Adjustments	-	-	-
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	-	-
Additions/ Transfers	54.93	17.61	<b>72.53</b>
Disposals/ Adjustments	-	-	-
<b>Balance as at 31st March 2020</b>	<b>54.93</b>	<b>17.61</b>	<b>72.53</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at 1st April 2018</b>	-	-	-
Eliminated on disposal of assets	-	-	-
Depreciation expense	-	-	-
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	-	-
Eliminated on disposal of assets	-	-	-
Adjustments/ Transfers	(11.97)	-	<b>(11.97)</b>
Depreciation expense	(0.70)	(11.74)	<b>(12.44)</b>
<b>Balance as at 31st March 2020</b>	<b>(12.68)</b>	<b>(11.74)</b>	<b>(24.41)</b>
<b>Net Block</b>			
<b>Balance as at 1st April 2018</b>	-	-	-
Additions / Revaluation	-	-	-
Disposals/ Adjustments	-	-	-
Depreciation expense	-	-	-
Depreciation Eliminated on disposal	-	-	-
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	-	-
Additions	54.93	<b>17.61</b>	<b>72.53</b>
Disposals/ Adjustments	(11.97)	-	<b>(11.97)</b>
Depreciation expense	(0.70)	(11.74)	<b>(12.44)</b>
Depreciation Eliminated on disposal	-	-	-
<b>Balance as at 31st March 2020</b>	<b>42.25</b>	<b>5.87</b>	<b>48.12</b>

**Cipy Polyurethanes Private Limited**

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

**Notes attached to Financial Statements for the year ended 31st March, 2020****5 Trade Receivables**

Particulars	As at 31st March 2020	As at 31st March 2019
Secured, considered good	-	-
Unsecured, considered good	4,590.48	4,817.52
<u>Unsecured, considered doubtful</u>		
- Trade Receivables which have significant increase in Credit Risk	334.16	237.84
- Trade Receivables- credit Impaired	835.64	532.95
<b>Sub Total</b>	<b>1,169.80</b>	<b>770.79</b>
Less: Provision for doubtful receivables	5,760.28	5,588.31
	<b>1,169.80</b>	<b>770.79</b>
	<b>4,590.48</b>	<b>4,817.52</b>

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 For the year ended 31.03.2020	Expected Credit Loss For the year ended 31.03.2019
<b>Within the credit period (in days)</b>		
00-90	0%	0%
91-180	5%	5%
181-365	10%	10%
366-730	50%	20%
731-1095	100%	50%
> 1095	100%	100%
Legal	100%	100%
<b>Movement in expected credit loss allowance</b>	<b>For the period ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Balance at beginning of the year	770.79	717.18
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	399.02	53.61
<b>Balance at end of the year</b>	<b>1,169.80</b>	<b>770.79</b>

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	As at 31st March 2020	As at 31st March 2019
Loans and Advances to Employees & Others	7.03	12.18
	<b>7.03</b>	<b>12.18</b>

**7 Loans - Current**

Particulars	As at 31st March 2020	As at 31st March 2019
Loans and Advances to Employees & Others	8.19	2.39
	<b>8.19</b>	<b>2.39</b>

**8 Other Financial Assets - Non-Current**

Particulars	As at	As at
	31st March 2020	31st March 2019
Security Deposit	41.14	39.57
<b>Retention Money Receivable</b>		
Unsecured, Considered good	111.36	84.14
<u>Unsecured, Considered doubtful</u>		
-Retention Money Receivable which have significant increase in Credit Risk	-	-
-Retention Money Receivable- Credit Impaired	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
	111.36	84.14
Less: provision for doubtful balances	-	-
	111.36	84.14
<b>TOTAL</b>	<b>152.50</b>	<b>123.70</b>

**9 Other Financial Assets - Current**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Security deposit</b>		
Unsecured, Considered good	25.04	25.04
Considered doubtful	-	-
	25.04	25.04
Less: provision for doubtful balances	-	-
	25.04	25.04
Others (Interest Receivable)	2.26	-
Foreign Currency Forward Contract Assets		0.31
<b>Retention Money Receivable</b>		
Unsecured, Considered good	5.23	30.17
<u>Unsecured, Considered doubtful</u>		
-Retention Money Receivable which have significant increase in Credit Risk	17.60	7.28
-Retention Money Receivable- Credit Impaired	94.16	81.33
<b>Sub Total</b>	<b>111.76</b>	<b>88.61</b>
	116.99	118.79
Less: provision for doubtful balances	111.76	88.61
	5.23	30.17
<b>TOTAL</b>	<b>32.53</b>	<b>55.52</b>

**10 Cash and Cash Equivalents**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Cash and Cash Equivalents</b>		
Cash on Hand	0.69	0.27
Cheques on Hand	-	-
<b>Balance with banks</b>		
In Current Account	316.27	506.40
In EEFC Account	-	-
In Fixed Deposit Accounts with original maturity of 3 months or less	213.37	828.16
<b>TOTAL</b>	<b>530.32</b>	<b>1,334.84</b>
<b>Cash and Cash Equivalents (As above)</b>	<b>530.32</b>	<b>1,334.84</b>
Cash Credit Accounts	-	-
<b>Cash and Cash Equivalents (As per Cash Flow Statements)</b>	<b>530.32</b>	<b>1,334.84</b>

**11 Bank Balances other than Cash and Cash Equivalents above**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Balance with banks</b>		
In Current Account (balances with restriction on repatriation)	-	-
<b>Other Bank Balance</b>		
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	619.48	254.17
<b>Earmarked Account</b>		
Dividend Payment Bank Account	0.07	0.07
<b>TOTAL</b>	<b>619.55</b>	<b>266.22</b>

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

Particulars	As at	As at
	31st March 2020	31st March 2019
Raw Material and Packing Material	948.54	1,062.14
Work-in-Progress	399.55	313.22
Finished Goods	300.62	397.19
<b>TOTAL</b>	<b>1,648.71</b>	<b>1,772.55</b>



**13 Current Tax Assets (net)**

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes (Net of Provisions)	102.38	55.74
<b>TOTAL</b>	<b>102.38</b>	<b>55.74</b>

**14 Other Non-Current Assets**

Particulars	As at 31st March 2020	As at 31st March 2019
Capital Advances	96.51	18.98
Prepaid Expenses	-	42.25
Balance with Government Authorities	16.52	16.52
<b>TOTAL</b>	<b>113.03</b>	<b>77.76</b>

**15 Other Current Assets**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Export Benefits receivable</b>		
Unsecured, Considered good	9.20	5.41
Considered doubtful	-	-
	9.20	5.41
Less: provision for doubtful balances	-	-
	9.20	5.41
<b>Balances with Government Authorities</b>		
Unsecured, Considered good	66.41	47.88
Considered doubtful	-	-
	66.41	47.88
Less: provision for doubtful balances	-	-
	66.41	47.88
<b>Advances to vendors</b>		
Unsecured, Considered good	44.54	99.97
Considered doubtful	-	-
	44.54	99.97
Less: provision for doubtful balances	-	-
	44.54	99.97
Others (Discount & Interest Receivable)	-	-
Prepaid Expenses	23.24	35.20
<b>TOTAL</b>	<b>143.39</b>	<b>188.45</b>

**16 Deferred Tax Assets (net)**

Particulars	As at 31st March 2020	As at 31st March 2019
Tax effect of items constituting Deferred Tax Assets	343.23	298.74
Tax effect of items constituting Deferred Tax Liabilities	(118.30)	(131.43)
<b>TOTAL</b>	<b>224.93</b>	<b>167.30</b>

**17 Non Current Asset held for Sale**

Particulars	As at 31st March 2020	As at 31st March 2019
Non Current Asset held for Sale	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

### Notes attached to Financial Statements for the year ended 31st March, 2020

#### 18 Equity Share Capital

Particulars	(Amount in Lakhs.)	
	As at 31st March 2020	As at 31st March 2019
<b>Authorised Capital:</b>		
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, 2020)		
<b>Issued, Subscribed and Paid up Capital:</b>		
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, 2020)		
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>
<b>TOTAL</b>	<b>94.17</b>	<b>94.17</b>

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

	Number of Shares	Amount in Rs.
Balance at the beginning of the year	94,166	94,16,600
Shares issued during the year	-	-
Balance at the end of the year	94,166	94,16,600

#### 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 th

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	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%
Pidlilte 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

## Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

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Notes attached to Financial Statements for the year ended 31st March, 2020

### 19 Other Equity

Particulars	As at 31st March 2020	As at 31st March 2019
Securities Premium	454.30	454.30
General Reserve	70.41	70.41
Retained Earnings	6,846.92	5,691.50
<b>TOTAL</b>	<b>7,371.63</b>	<b>6,216.21</b>

#### 19.1 Securities Premium Reserve

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	454.30	454.30
Less. Adjustment during the year	-	-
<b>Closing balance</b>	<b>454.30</b>	<b>454.30</b>

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

#### 19.2 General Reserve

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	70.41	70.41
Add. Transferred from statement of Profit & Loss	-	-
<b>Closing balance</b>	<b>70.41</b>	<b>70.41</b>

#### 19.3 Retained Earnings

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	5,691.50	4,032.64
Add: Profit for the year	1,117.63	1,696.38
Less: Payment of Dividend	-	-
Less: Payment of Dividend Distribution Tax	-	-
Add/ (Less): Other Comprehensive Income/ (loss) for the year	37.78	(37.52)
<b>Closing balance</b>	<b>6,846.92</b>	<b>5,691.50</b>

### 20 Lease Liabilities - Non Current

Particulars	As at 31st March 2020	As at 31st March 2019
Lease Liabilities for Right of Use of Assets	3.11	-
<b>TOTAL</b>	<b>3.11</b>	<b>-</b>

### 21 Lease Liabilities - Current

Particulars	As at 31st March 2020	As at 31st March 2019
Lease Liabilities for Right of Use of Assets	3.09	-
<b>TOTAL</b>	<b>3.09</b>	<b>-</b>

## 22 Trade Payables

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises	43.88	40.87
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,258.19	2,721.50
<b>TOTAL</b>	<b>2,302.07</b>	<b>2,762.37</b>



**23 Other Financial Liabilities - Current**

Particulars	As at 31st March 2020	As at 31st March 2019
Current Maturities of Long Term Debts	-	6.70
Payable on Purchase of Fixed Assets	52.61	12.42
Liabilities for Expenses	430.51	574.23
Trade/Security Deposits Received	8.05	7.52
Employee Related Liabilities	118.07	175.37
Retention Money Payable	1.31	24.12
<b>TOTAL</b>	<b>610.54</b>	<b>800.36</b>

**24 Provisions - Current**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Provision for Employee Benefits</b>		
Gratuity	-	-
Compensated Absences	2.47	2.19
Provision for Warranty expenses	26.50	21.27
<b>TOTAL</b>	<b>28.97</b>	<b>23.46</b>

**25 Provisions - Non Current**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Provision for Employee Benefits</b>		
Gratuity	31.40	76.55
Compensated Absences	37.59	49.74
<b>TOTAL</b>	<b>68.99</b>	<b>126.29</b>

**26 Other Current Liabilities**

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory remittances	22.59	154.88
Advance from customers	106.60	111.91
<b>TOTAL</b>	<b>129.18</b>	<b>266.79</b>

**27 Current Tax Liabilities (net)**

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Tax (Net of Advance Tax) (Net of Advance Tax as at 31st March, 2020)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

# Cipy Polyurethanes Private Limited

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## Notes attached to Financial Statements for the year ended 31st March, 2020

### 28 Revenue From Operations

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Revenue From Operations</b>		
<b>Sale of Products</b>		
Finished Goods	11,138.41	12,951.18
Traded Goods	4.16	179.93
<b>Sale of Services</b>		
Job Work / Labour Charges	929.75	1,980.92
Uncertified revenue from Works Contract	14.22	377.00
<b>Other Operating Revenue</b>		
Freight Charges & Transit Insurance	40.27	41.80
Testing Charges	6.44	5.85
Export Incentives	4.44	6.10
<b>TOTAL (A)</b>	<b>12,086.54</b>	<b>15,489.03</b>
<b>TOTAL (B)</b>	<b>51.15</b>	<b>53.74</b>
<b>Revenue from operations (A+B)</b>	<b>12,137.69</b>	<b>15,542.77</b>

## 29 Other Income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Interest on:</b>		
Bank Deposit (at amortised cost)	41.23	38.26
Others	7.95	0.42
<b>Other Non-Operating Income:</b>		
Net Gain on foreign currency transaction and translation	13.35	19.30
Liabilities no longer required written back	77.62	0.00
Rental income	0.56	3.50
Miscellaneous Income	0.11	0.23
<b>TOTAL</b>	<b>140.82</b>	<b>61.71</b>

## 30 Cost of Materials Consumed

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the beginning of the year	1,062.14	1,257.03
Add : Purchases	7,141.61	9,598.20
	<b>8,203.75</b>	<b>10,855.23</b>
Less : Inventory at the end of the year	948.54	1,062.14
<b>TOTAL</b>	<b>7,255.20</b>	<b>9,793.09</b>

### 31 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Inventories at end of the year</b>		
Finished Goods	300.62	397.19
Work-in-Progress	399.55	313.22
	<b>(A)</b>	<b>710.41</b>
<b>Inventories at beginning of the year</b>		
Finished Goods / Stock-in-Trade	397.19	324.61
Work-in-Progress	313.22	445.71
	<b>(B)</b>	<b>770.32</b>
	<b>(B)-(A)</b>	<b>59.91</b>
<b>Increase / (Decrease) of Excise Duty on inventory of FG</b>	-	-
<b>TOTAL</b>	<b>10.24</b>	<b>59.91</b>

### 32 Employee Benefits Expense

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and Wages	1,232.44	987.92
Contribution to Provident and Other Funds	74.21	69.66
Contribution to Gratuity Fund	20.52	9.28
Staff Welfare Expenses	45.48	34.59
<b>TOTAL</b>	<b>1,372.66</b>	<b>1,101.46</b>



### 33 Finance Costs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense on:		
Borrowings	0.23	44.70
Interest on Lease Liability	0.89	-
<b>TOTAL</b>	<b>1.12</b>	<b>44.70</b>

### 34 Depreciation and Amortization Expense

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on Property, Plant and Equipment	124.10	116.31
Amortization on ROU	12.44	-
<b>TOTAL</b>	<b>136.54</b>	<b>116.31</b>

### 35 Direct Manpower and Site Expenses

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Labour Charges	495.99	951.05
Factory Expenses	0.95	100.94
<b>TOTAL</b>	<b>496.94</b>	<b>1,051.99</b>

### 36 Other Expenses

Particulars	For the year ended	
	31st March 2020	31st March 2019
Consumption of Stores & Spares	32.67	34.52
Carriage	141.53	151.99
Clearing, Forwarding and Octroi Duty	81.82	143.72
Director fees	3.40	-
Power and Fuel	53.53	58.47
Water Charges	2.72	1.84
Rent	0.00	14.00
Rates and Taxes	26.62	55.54
Insurance	10.56	6.75
Repairs Machinery	19.00	25.06
Repairs Others	14.47	11.36
Advertisement Publicity & Business Promotion Exp.	31.79	65.19
Legal, Professional and Consultancy fees	209.22	247.21
Communication Expenses	15.48	13.78
Printing and Stationery	6.73	4.61
Travelling and Conveyance Expenses	98.59	85.78
Bad Debts	33.29	70.25
Allowance for Doubtful Debts	422.16	77.26
Sales commission	10.98	69.52
Payments to Auditor	7.00	4.00
Donations	0.08	0.47
Corporate Social Responsibility Expenses	31.44	25.32
Miscellaneous expenses	84.67	118.32
<b>TOTAL</b>	<b>1,337.73</b>	<b>1,284.93</b>

**37 Exceptional Items (net)**

Particulars	For the year ended	For the year ended
	31st March 2020	31st March 2019
Profit / (Loss) on Sale of Assets	0.19	293.26
<b>TOTAL</b>	<b>0.19</b>	<b>293.26</b>

**38 Other Comprehensive Income**

Particulars	For the year ended	For the year ended
	31st March 2020	31st March 2019
Actuarial Gains/losses	50.49	(52.93)
Tax effect on Other Comprehensive Income	(12.71)	15.41
<b>TOTAL</b>	<b>37.78</b>	<b>(37.52)</b>

## Cipy Polyurethanes Private Limited

Notes attached to Financial Statements for the year ended 31st March, 2020

### 39 Contingent Liabilities and Commitments

Sr. No.	Particulars	(Amount in Lakhs.)	
		As at 31st March 2020	As at 31st March 2019
<b>A) Contingent liabilities not provided for</b>			
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
	- 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	-	-
2	Guarantees given by Banks in favour of customers	219.30	652.17
	<b>Total</b>	<b>408.74</b>	<b>848.13</b>
<b>B) Commitments</b>			
(a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for.	92.77	18.25
	<b>Total</b>	<b>92.77</b>	<b>18.25</b>

### 40 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.

### 41 Earnings Per Share (EPS)

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

Particulars	(Amount in Lakhs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Basic:</b>		
Profit for the year	1,117.63	1,696.38
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.)	1,186.88	1,801.48
<b>Diluted:</b>		
Profit for the year	1,117.63	1,696.38
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.)	1,186.88	1,801.48





3 Outstanding Balances with Related Parties as at March 31, 2020 are as follows:

Sr. No.	Outstanding Balances	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)	Pidilite Industries Limited	Pidilite Speciality Chemicals (BD) Pvt Ltd.	Pidilite MEA Chemicals LLC.	Mias Waterproofing India Pvt Ltd.	Percept Waterproofing Service Ltd.	Mina Percept Pvt. Ltd.	Building Envelope System India Limited	Cipr Creative Works Pvt Ltd.	Rikurosh Creative Works Pvt. Ltd.
a	Debtors including advances	-	-	-	-	-	64.66	-	66.70	7.40	-	698.26	-	-	-
b	Creditors / Provision	40.00	-	-	-	-	107.33	-	-	-	-	-	-	-	(100.45)

Figures in bracket indicate previous year's figures

# Cipy Polyurethanes Private Limited

Notes attached to Financial Statements for the year ended 31st March, 2020

## 43 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:

Sr. No.	Particulars	(Amount in Lakhs.)	
		March 31, 2020	March 31, 2019
1	Contribution to Provident Fund	55.50	36.67
2	Contribution to Employees' State Insurance Scheme	2.66	3.87
	<b>Total</b>	<b>58.16</b>	<b>40.54</b>

### (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.

**Defined benefit plans (Gratuity) – as per actuarial valuation**

(Amount in Lakhs.)

Sr.No.	Particulars	March 31, 2020	March 31, 2019
<b>Change in the present value of defined benefit obligation</b>			
1	Present value of defined benefit obligation at the beginning of the year	119.55	61.70
2	Obligation as per BTA	-	-
3	Current service cost	14.77	6.45
4	Interest cost	8.59	0.35
5	Remeasurements (gains)/ losses included in OCI		
	Actuarial (gains)/ losses arising from changes in demographic assumption	0.11	
	Actuarial (gains)/ losses arising from changes in financial assumption	(66.89)	47.55
	Actuarial (gains)/ losses arising from changes in experience adjustments	41.84	3.50
6	Past Service cost	-	-
7	Benefits paid	-	-
	<b>Present value of defined benefit obligation at the end of the year</b>	<b>117.97</b>	<b>119.55</b>

Sr.No.	Particulars	March 31, 2020	March 31, 2019
<b>Change in fair value of plan assets during the year</b>			
1	Fair value of plan assets at the beginning of the year	43.01	20.99
2	Interest income	3.29	1.58
3	Contribution by employer	15.18	26.38
4	Benefits paid	(0.45)	(4.07)
5	Remeasurements (gains)/ losses included in OCI		
6	Return on plan assets excluding amounts including in interest income	25.54	-1.88
	<b>Fair value of plan assets at the beginning of the year</b>	<b>86.58</b>	<b>43.01</b>

<b>Net Asset/(Liability) recognised in the Balance Sheet as at</b>		March 31, 2020	March 31, 2019
1	Present value of defined benefit obligation as at 31st March	117.97	119.55
2	Fair value of plan assets as at 31st March	86.58	43.01
3	Net Asset/(Liability)	(31.40)	(76.55)
4	Current portion of the above	-	-
5	Non current portion of the above	31.40	76.55

<b>Actuarial assumptions</b>		March 31, 2020	March 31, 2019
1	Discount rate	6.75%	7.65%
2	Withdrawal rate	up to 5.00%	up to 5.00%
3	Salary growth rate	5.00%	10.00%

<b>Quantitative sensitivity analysis for significant assumption is as below</b>		March 31, 2020	March 31, 2019
1	<b>Discount rate:</b>		
	- Varied by +0.5%	111.54	113.02
	- Varied by -0.5%	124.95	126.64
2	<b>Salary Growth rate:</b>		
	- Varied by +0.5%	124.47	126.45
	- Varied by -0.5%	111.92	113.12
3	<b>Withdrawal rate:</b>		
	- Varied by +10%	118.81	118.90
	- Varied by -10%	117.16	120.23

<b>Expense recognised in the Statement of Profit and Loss for the year</b>		March 31, 2020	March 31, 2019
1	Current service cost	14.77	6.45
2	Interest cost on benefit obligation (Net)	5.75	2.83
3	Past service cost		
	<b>Total expenses included in employee benefits expense</b>	<b>20.52</b>	<b>9.28</b>

<b>Recognised in other comprehensive income for the year</b>		March 31, 2020	March 31, 2019
1	Actuarial (gains)/ losses arising from changes in demographic assumption	0.11	-
2	Actuarial (gains)/ losses arising from changes in financial assumption	(66.89)	47.55
3	Actuarial (gains)/ losses arising from changes in experience adjustments	41.84	3.50
4	Return on plan asset excluding amounts including in interest income	(25.54)	1.88
	<b>Recognised in other comprehensive income</b>	<b>(50.49)</b>	<b>52.93</b>



# Cipy Polyurethanes Private Limited

## Notes attached to Financial Statements for the year ended 31st March, 2020

### 44 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	(Amount in Lakhs.)	
	March 31, 2020	March 31, 2019
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Trade Receivables	4,590.48	4,817.52
Cash and cash equivalents	530.32	1,334.84
Bank balance other than above	619.55	266.22
Loans	15.22	14.57
Other financial assets	185.03	179.22
<b>Total Financial Assets</b>	<b>5,940.61</b>	<b>6,612.37</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings	-	-
Trade Payables	2,302.07	2,762.37
Other financial liabilities	610.54	800.36
<b>Total Financial Liabilities</b>	<b>2,912.62</b>	<b>3,562.72</b>

#### 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, 2020 is Rs. 2912.61 Lakhs. Significant portion of the Company's financial assets as on March 31, 2020 is Rs. 5940.61 Lakhs which comprise of cash and cash equivalents aggregating to Rs. 530.32 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 2020 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.

# Cipy Polyurethanes Private Limited

Notes attached to Financial Statements for the year ended 31st March, 2020

## 45 Taxes

### 1 Deferred Tax

	(Amount in Lakhs.)	
	As at 31st March' 2020	As at 31st March, 2019
Deferred Tax Assets	343.21	298.74
Deferred Tax Liabilities	(118.29)	(131.43)
<b>Total</b>	<b>224.92</b>	<b>167.30</b>

#### a 2019-20

Deferred Tax Assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit or loss	Recognised in other Comprehensive Income	Closing balance
Property, Plant and Equipment	(131.43)	(13.14)	-	(118.29)
Allowance for doubtful debts	250.26	(72.28)	-	322.54
Defined Benefit Obligation	37.41	6.72	12.71	17.98
Other Provisions	11.07	8.37	-	2.70
<b>Total</b>	<b>167.30</b>	<b>(70.33)</b>	<b>12.71</b>	<b>224.92</b>

#### b 2018-19

Deferred Tax Assets/(liabilities) in relation to:

	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
<b>Total</b>	<b>166.04</b>	<b>(14.15)</b>	<b>15.41</b>	<b>167.30</b>

## 2 Income Taxes relating to continuing operations

### a Income Tax recognised in Profit or Loss

	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Current Tax</b>		
In respect of the year	494.47	575.97
In respect of prior years	-	
<b>Total</b>	<b>494.47</b>	<b>575.97</b>
<b>Deferred Tax</b>		
In respect of the current year	(70.33)	14.15
<b>Total</b>	<b>(70.33)</b>	<b>14.15</b>
<b>Total Income Tax expense recognised in the current year relating to continuing operations</b>	<b>424.15</b>	<b>590.12</b>

b The Income Tax expense for the year can be reconciled to the accounting profit as follows.

	(Amount in Lakhs.)	
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Profit Before Tax</b>	<b>1,592.27</b>	2,233.57
Income Tax Rate (%)	<b>25.17</b>	29.12
Income Tax expense	<b>400.74</b>	650.41
Effect of income that is exempt from taxation	-	(2.86)
Effect of expenses that are not deductible in determining taxable profit	<b>7.93</b>	7.71
Effect of concessions (research & development, other allowances and deductions)	-	-
Others	<b>15.48</b>	(65.14)
<b>Total</b>	<b>424.15</b>	590.12
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
<b>Income Tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>424.15</b>	590.12

**Income Tax recognised in Other Comprehensive Income**

	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Tax arising on income and expenses recognised in OCI</b>		
Re-measurement of Defined Benefit Obligation	<b>12.71</b>	(15.41)
<b>Total income tax recognised in other Comprehensive Income</b>	<b>12.71</b>	(15.41)

## Cipy Polyurethanes Private Limited

Notes attached to Financial Statements for the year ended 31st March, 2020

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

(Amount in Lakhs.)			
Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	43.88	40.87
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	-	-
	<b>Total</b>	<b>43.88</b>	<b>40.87</b>

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.

### 47 Details of Payments to Auditor

(Amount in Lakhs.)			
Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	<u>Payment to Auditor as</u>		
a	Auditor	7.00	4.00
b	for Taxation matters	-	-
c	for Company Law matters	-	-
d	for Other Services	-	-
e	for reimbursement of expenses	-	-
	<b>Total</b>	<b>7.00</b>	<b>4.00</b>

### 48 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. 12.30 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.

(Amount in Lakhs.)		
Future minimum lease payments	For the year ended March 31, 2020	For the year ended March 31, 2019
not later than one year	6.30	12.30
later than one year and not later than five years	-	-
later than five years	-	-

*M. K. Singh*  
*S. K. Singh*



**49 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	(Amount in Lakhs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance as at Beginning of the year	-	-
-Non Current	-	-
-Current	21.27	12.04
	21.27	12.04
Addition	12.12	15.53
Utilisation	(6.88)	6.30
Reversal (withdrawn as no longer required)	-	-
Balance as at Closing of the year	26.50	21.27
Non Current	-	-
Current	26.50	21.27
Total	26.50	21.27

**50 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. 31.44 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	31.44	-	31.44

**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 statements.

**52 Approval of financial statements**

The financial statements were approved for issue by the board of directors on at its meeting held on 08th June 2020.

**53 Figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable with current year's figures.**

The figures for quarter ended 31st March, 2020 are balancing figures between the audited figures of the full financial year and the reviewed year-to-date figures up to the third quarter of the financial year.

**54 Effect due to Coronavirus (COVID-19)**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31st May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Trade receivable, Inventories, Loans, Advances and Other Current Assets the Company has considered internal and external information upto the date of approval of these financial results. The company has performed sensitivity analysis, on the assumptions used basis, the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets.

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: 08th June, 2020



*Sanjay Bahadur*

Dr. Subash Cipy  
 Managing Director  
 DIN : 00608724

Sanjay Bahadur  
 Director  
 DIN : 00032590

*Rishu Goel*

Rishu Goel  
 HOD-F&A

Hardeep Singh  
 CEO

