

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
ADINATH POLYFILLS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ADINATH POLYFILLS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 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 of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information other than the financial Statements and Auditor's report thereon

- i) The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' Report, but does not include the financial statements and our auditor's report thereon.
- ii) Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon,
- iii) In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- iv) If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (c) The balance sheet, the Statement of profit and loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under *except fair value measurement of unsecured loans*,
 - (e) On the basis of written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 control, refer to our separate report in the **Annexure-A**

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid the remuneration to its directors during the year.

- (h) With respect to 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:

- i. the company did not have any pending litigations which have impact on its financial position .
- ii. the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. 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 the section 143 of the Act, we give in the **Annexure "B"**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

For BHANWAR JAIN & CO.,
Chartered Accountants.
(Registration No. 117340W)

(B. M. JAIN)
Partner.
M. No. 034943
Ahmedabad: 22th April, 2020.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" of our report of even date)

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 **ADINATH POLYFILLS PRIVATE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for the 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.

Auditors' Responsibility

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

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 have, 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 March 31, 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 ICAI.

**For BHANWAR JAIN & CO.,
Chartered Accountants
(Firm's Registration No.:117340W)**

**(B. M. JAIN)
Partner.
M. No. 034943
Ahmedabad: 22th April,2020.**

“Annexure B” to the Independent Auditors’ Report

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) Based on information and explanations given to us, the company does not have any inventory during the year. Accordingly, reporting under Clause 3 (ii) of the Order is not applicable to the Company.
- 3) As informed, 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) Based on information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, investments, guarantees, and security as applicable.
- 5) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at 31st March 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

- 6) According to the information and explanation given to us, the maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the company during the year.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.

- 8) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from banks, financial institution and the government and has not issued any debentures during the year. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.

- 9) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or fraud on the company by its officers or employees has been noticed or reported during the year.

- 11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided during the year.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013.
- 14) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**For BHANWAR JAIN & CO.,
Chartered Accountants
(Firm's Registration No. 117340W)**

**(B. M. JAIN)
Partner.
M. No. 034943
Ahmedabad: . 22th April,2020.**

ADINATH POLYFILLS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

Amount in Rs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	3,644,133	4,422,810
Capital Work in Progress		-	-
Goodwill		-	-
Other Intangible Assets		-	-
Financial Assets			
Investments		-	-
Trade Receivables		-	-
Loans		-	-
Other Non Current Financial Assets	5	225,539	225,539
Deferred Tax Assets (Net)	6	9,473,000	9,473,000
Other Non Current Assets		-	-
		13,342,672	14,121,349
Current Assets			
Financial assets			
Investments		-	-
Trade Receivables	7	-	-
Cash and Cash Equivalents	8	18,710	19,035
Other Bank Balance		-	-
Loans	5	-	-
Other Current Financial Assets		-	-
Others Current Assets		-	-
		18,710	19,035
Total Assets		13,361,382	14,140,383
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	1,185,000	1,185,000
Other Equity	10	-15,507,396	-14,684,545
Total Equity		-14,322,396	-13,499,545
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	24,758,163	24,758,163
Other Financial Liabilities		-	-
Other Non-Current Liabilities		-	-
		24,758,163	24,758,163
Current Liabilities			
Financial Liabilities			
Borrowings		-	-
Trade and Other Payables	12	2,250,507	2,219,357
Other Current Financial Liabilities		-	-
Other Current Liabilities	13	675,108	662,408
Net Employee Defined Benefit Liabilities		-	-
Liabilities for Current Tax		-	-
Provisions		-	-
		2,925,615	2,881,765
Total Liabilities		27,683,778	27,639,928
TOTAL EQUITY AND LIABILITIES		13,361,382	14,140,383

Explanatory notes annexed.

The explanatory notes form an integral part of these financial statements.

As per our report of even date

For BHANWAR JAIN & CO

Chartered Accountants

Firm Registration No 117340W

For and Behalf of Board of Directors

(B. M. JAIN)

Partner

Membership No : 034943

Saurin Dilipbhai Shah

Director

DIN : 00017778

Rakshit Shah

Director

DIN : 00103501

Place : Ahmedabad

Date : April 22, 2020

Place : Ahmedabad

Date : April 22, 2020

ADINATH POLYFILLS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Amount in Rs

Particulars	Note No.	As at March 31, 2020	March 31, 2019
Income			
Revenue from Operations		---	---
Other Income		---	---
Total Income		-	-
Expenses			
Operating Expenses		---	---
Employee Benefits Expense		---	---
Depreciation and Amortization Expense	4	778,677	778,677
Finance Costs	14	324	574
Other Expenses	15	43,850	29,221
Total Expenses		822,851	808,473
Profit before Share of (Profit)/Loss of an associate and a joint venture, exceptional items and tax			
		(822,851)	(808,473)
Share of profit of a joint venture		-	-
Profit before exceptional Items and Tax		(822,851)	(808,473)
Exceptional items		-	-
Profit before Tax		(822,851)	(808,473)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	(204,677)
Less: MAT credit Entitlement		-	-
Income Tax Expense		-	(204,677)
Profit for the Period		(822,851)	(603,796)
Attributable to:			
Equity holders of the Parent		-	-
Non-Controlling Interests		-	-
Other Comprehensive Income			
Re-measurement gains (losses) on defined benefit plans		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(822,851)	(603,796)
Attributable to:			
Equity holders of the parent		-	-
Non-controlling interests		-	-
Paid up Equity Share capital (Face value of Rs 100)		1185000	1185000
Earnings per Share - (Face value of Rs 100 each)		(69.44)	(50.95)

Explanatory notes annexed.
The explanatory notes form an integral part of these financial statements.

As per our report of even date
For **BHANWAR JAIN & CO**
Chartered Accountants
Firm Registration No 117340W

For and Behalf of Board of Directors

(B. M. JAIN)
Partner
Membership No : 034943

Saurin Dilipbhai Shah
Director
DIN :00017778

Rakshit Shah
Director
DIN : 00103501

Place : Ahmedabad
Date : April 22, 2020

Place : Ahmedabad
Date : April 22, 2020

ADINATH POLYFILLS PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2020

	(Amount in Rs)	
	For March 31, 2020	For March 31, 2019
A Cash Flow From Operating Activities		
Net Profit Before Tax	(822,851)	(808,473)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	778,677	778,677
Interest Expense	--	-
Interest Income	-	-
Income tax receivable charged directly to Retained earning	-	(71,422)
Changes in assets and liabilities		
Increase / (Decrease) in Trade Payables	31,150	(22,186)
Increase / (Decrease) in other financial liabilities , other liabilities and provisions	12,700	(225,535)
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade Receivables	-	14,188,260
(Increase) / Decrease Loans & other financial assets and other assets	-	75,422
Cash (used) /Generated from Operations	(324)	13,914,744
Taxes Paid	-	-
Net Cash (used) / generated from Operating Activities	(324)	13,914,744
B Cash Flow from Investing Activities		
Purchase of Property , plant & Equipment	-	-
Interest Received	-	-
Net Cash (used)\ generated in Investing Activities	-	-
C Cash Flow from Financing Activities		
Increase/ (decrease) in Long term Borrowings	-	(13,994,339)
Interest paid	---	-
Net Cash Flow from Financing Activities	-	(13,994,339)
D Net Increase in Cash and Cash Equivalents (A+B+C)	(324)	(79,595)
E Cash and Cash Equivalents at beginning of the year	19,035	98,630
F Cash and Cash Equivalents at end of the year	18,711	19,035
Components of Cash & Cash Equivalents		
- Cash on Hand	1,929	1,929
- Balance with Scheduled banks	16,781	17,106
	18,710	19,035

As per our report of even date
For BHANWAR JAIN & CO
Chartered Accountants
Firm Registration No 117340W

For and Behalf of Board of Directors

(B. M. JAIN)
Partner
Membership No : 034943

Saurin Dilipbhai Shah
Director
DIN :00017778

Rakshit Shah
Director
DIN : 00103501

Place : Ahmedabad
Date : April 22, 2020

Place : Ahmedabad
Date : April 22, 2020

ADINATH POLYFILLS PRIVATE LIMITED

Statement of changes in equity

Amount in Rs

Particulars	Equity Share Capital	Other equity		Other Comprehensive Income			Total equity attributable to equity shareholders of the company
		General Reserve	Retained earnings	Equity Instruments through other comprehensive income	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as on April 01, 2018	1,185,000	5,000,000	-19,009,327	-	-	-	-12,824,327
Income tax of earlier years	-	-	-71422	-	-	-	-71422
Profit/(loss) for the period	-	-	-603796	-	-	-	-603796
Balance as on March 31, 2019	1,185,000	5,000,000	-19,684,545	-	-	-	-13,499,545
Income tax of earlier years	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-822,851	-	-	-	-822,851
Balance as on March 31, 2020	1,185,000	5,000,000	-20,507,396	-	-	-	-14,322,396

As per our report of even date.

For and Behalf of Board of Directors

For Bhanwar Jain & co
Firm Registration No.: 11734OW
Chartered Accountants

Saurin Dilipbhai Shah
Director

Rakshit Shah
Director

(B.M. JAIN)
Partner
Membership No. 034943

DIN :00017778

DIN : 00103501

Place
Date

Place : Ahmedabad
Date : April 22, 2020

Place : Ahmedabad
Date : April 22, 2020

1 Corporate information

Adinath Polyfills Private Limited is a Private Company in India and Incorporated under the provisions of the Companies Act, 1956. It came into existence on 10th March, 1987 having registered office at 303, Kaling Complex, Near Mount Carmel School , Ashram Road , Ahmedabad , Gujarat

2 Basis of Preparation

For year ended March 31,2019, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 Indian GAAP/previous GAAP. These financial statements for the year ended March 31,2020 are prepared in accordance with Ind AS.

Use of estimates

The preparation of financial statements in conformity with generally accepted IND AS requires management to make estimates requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year. Although these estimates are based on management's best knowledge of current events and actions, actual result could differ from these estimates.

3.1 Summary of Significant Accounting Policies

a) Current / Non current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- > Expected to be realized or intended to be sold or consumed in normal operating cycle
- > Held primarily for the purpose of trading
- > Expected to be realized within twelve months after the reporting period, or
- > Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- > It is expected to be settled in normal operating cycle
 - > It is held primarily for the purpose of trading
 - > It is due to be settled within twelve months after the reporting period, or
 - > There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- the company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

c) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use.

Property, plant and equipment (including Capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, The company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

d) Depreciation

Depreciation is calculated over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013.

e) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the company and 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 and excluding taxes or duties collected on behalf of the government.

f) Foreign Currency Translation

The company's financial statements are presented in INR, which is also the company's functional currency

i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date

g) Employees Retirement Benefits

Retirement benefits are accounted for on accrual basis.

h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long - term investments. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Segment Reporting

Since the company is operating in one segment only the disclosure requirements as per IND AS 108 - Operating Segments is not applicable.

k) Related Party Transactions

Disclosure of transactions with Related Parties, as required by Ind-As 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-As 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

m) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.

n) Taxes

i) Current income tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

o) Impairment

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

p) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

r) Fair value measurement

The Company has valued financial assets and Financial Liabilities, at fair value. changes are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

s) Financial assets

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

- > Debt instruments at amortised cost
- > Debt instruments at fair value through other comprehensive income (FVTOCI)
- > Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- > Equity instruments measured at fair value through other comprehensive income (FVTOCI)

t) Financial liabilities

Financial liabilities at fair value through profit or loss :-

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

4 Property , Plant & Equipment

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As on 01.04.2019	Additions	Deductions	As on 31.03.2020	Upto the Previous year	During the year	Recouped	Total	As on 31.03.2020	As on 31.03.2019
1	Land	330,631	-	-	330,631	-	-	-	-	330,631	330,631
2	Building	7,029,273	-	-	7,029,273	4,549,128	432,941	-	4,982,068	2,047,205	2,480,145
3	Plant & Machinery	59,798,090	-	-	59,798,090	58,186,057	345,736	-	58,531,794	1,266,296	1,612,033
4	Electric Installation	697,773	-	-	697,773	697,772	-	-	697,772	1	1
	Current Year Total	67,855,767	-	-	67,855,767	63,432,957	778,677	-	64,211,634	3,644,133	4,422,810
	Prev. Year Total	67,855,767	-	-	67,855,767	62,654,280	778,677	-	63,432,957	4,422,810	5,201,487

5 Other Non Current Financial Assets	Non-Current		Current	
	March 31, 2020 Rs.	March 31, 2019 Rs.	March 31, 2020 Rs.	March 31, 2019 Rs.
Unsecured and Considered Good				
Security Deposit	225,539	225,539	-	-
Balance with Revenue Authorities	-	-	-	-
Others	-	-	-	-
	225,539	225,539	-	-
6 Deferred Tax Assets (Net)			March 31, 2020 Rs.	March 31, 2019 Rs.
On timing difference relating to depreciation			(164,000)	(164,000)
Others			9,637,000	9,637,000
			9,473,000	9,473,000
7 Trade Receivables (Unsecured considered good except to the extent stated below)				
	Non-Current		Current	
	March 31, 2020 Rs.	March 31, 2019 Rs.	March 31, 2020 Rs.	March 31, 2019 Rs.
Outstanding More than Six Months	-	-	-	-
Other Receivables	-	-	-	-
	-	-	-	-
8 Cash and Cash Equivalents	Non-Current		Current	
	March 31, 2020 Rs.	March 31, 2019 Rs.	March 31, 2020 Rs.	March 31, 2019 Rs.
Cash and cash equivalents				
Balances with banks:				
Cash on Hand	-	-	1,929	1,929
Balance with Schedule Banks				
- On current Accounts	-	-	16,781	17,106
	-	-	18,710	19,035
9 Equity Share Capital			March 31, 2020 Rs.	March 31, 2019 Rs.
Authorized Shares				
28,000 (previous year 28,000) Equity Shares of Rs 100 each			2,800,000	2,800,000
2,000 (previous year 2,000) 12% Redeemable Preference Shares of Rs 100 each			200,000	200,000
			3,000,000	3,000,000
Issued, subscribed and fully paid-up shares				
11,850 (previous year 11,850) Equity Shares of Rs 100 each			1,185,000	1,185,000
Total issued, subscribed and fully paid-up Share Capital			1,185,000	1,185,000
a The reconciliation of the number of shares outstanding and the amount of share capital :				
Particulars	March 31, 2020		March 31, 2019	
	No. of Shares		No. of Shares	
Outstanding at beginning of the year	11850	1185000	11850	1185000
Addition / Deduction	---	---	---	---
Outstanding at the end of the year	11850	1185000	11850	1185000
b. The details of shareholders holding more than 5% of shares in the company:				
Particulars	31-Mar-20		31-Mar-19	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Adani Port and Special Economic Zone Ltd.	11850	100.00%	11850	100.00%

10 Other Equity	March 31, 2020	March 31, 2019
	Rs.	Rs.
General Reserve		
Opening Balance	5,000,000	5,000,000
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
	5,000,000	5,000,000
Surplus in the Statement of Profit and Loss		
Opening Balance	(19,684,545)	(19,009,327)
Add : Addition during the year	(822,851)	(603,796)
Add : Income tax of earlier years	---	(71,422)
	(20,507,396)	(19,684,545)
Total Other Equity	(15,507,396)	(14,684,545)
11 Borrowings	Non-Current Portion	Current Maturities
	March 31, 2020	March 31, 2019
	Rs.	Rs.
Unsecured Loan		
Loans from Related Parties	24,758,163	24,758,163
(Directors) (refer note below)	24,758,163	24,758,163
12 Trade & Other Payables	March 31, 2020	March 31, 2019
	Rs.	Rs.
Trade Payables	2,250,507	2,219,357
	2,250,507	2,219,357
13 Other Current Liabilities	March 31, 2020	March 31, 2019
	Rs.	Rs.
Statutory Due	-	-
Other Current Liabilities	675,108	662,408
	675,108	662,408
14 Finance Costs	March 31, 2020	March 31, 2019
	Rs.	Rs.
Bank Charges	324	574
	324	574
15 Other Expenses	March 31, 2020	March 31, 2019
Audit Fees	17,700	15,000
Legal Fees Expenses	20,000	11,050
Miscellaneous Expenses	6,150	3,171
	43,850	29,221
16 Detail of Payment to Auditors		
Audit Fees	17,700	15,000
Other Matters	---	1,050
	17,700	16,050

17 Related Party Transactions**(a) List of related parties**

Name of the Related Party	Relationship
Adani Port and Special Economic Zone Ltd.	100% Holding Company
Saurin Dilipbhai Shah	Key Managerial Personnel
Suresh Ghewarchand Nahata	Key Managerial Personnel
Jawerilal Ghewarchand Nahata	Key Managerial Personnel
Rakshat Shah	Key Managerial Personnel
Ghewarchand Bastiram Nahata	Key Managerial Personnel
Madanlal Ghewarchand Nahata	Key Managerial Personnel
Parasmal Ghewarchand Nahata	Key Managerial Personnel
Niranjan Chunilal Engineer	Key Managerial Personnel

(b) Transactions during the year with Related Parties:

Nature of Transaction	Key Managerial Personnel	Holding Company
Reimbursement of Audit fee		55,400

(c) Outstandings Balance**Loans:**

Ghewarchand B Nahata	20,625,207
Parasmal G Nahata	4,132,956

Payables:

Adani Port and Special Economic Zone Ltd.	55,400
---	--------

18 In the opinion of the management the balances of unsecured loans and loans and advances have approximately the same realisable value as shown in the accounts.

19 The financial statements have been prepared in accordance with recognition and measurement principals laid down in the applicable in Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act 2013, except fair value measurement of unsecured loans.

20 The previous year's figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date
For **BHANWAR JAIN & CO**
Chartered Accountants
Firm Registration No 117340W

For and Behalf of Board of Directors

(B. M. JAIN)
Partner
Membership No : 034943

Saurin Dilipbhai Shah
Director
DIN :00017778

Rakshit Shah
Director
DIN : 00103501

Place : Ahmedabad
Date : April 22, 2020

Place : Ahmedabad
Date : April 22, 2020