

CENTURYWELLS ROOFING INDIA PRIVATE LIMITED

23/6A, Vellanthangal Village, Irunkattu Kottai, Sriperumbudur, Kancheepuram 602105

CIN : U28112TN2002PTC049959

PHONE : 080 4011 7777

E MAIL ID : cs@shankarabuildpro.com

(All amount are stated in Indian Rupees, unless stated otherwise)

Balance Sheet as at 31st March 2019

Particulars	Note No.	As at 31-03-2019	As at 31-03-2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	6,53,25,959	5,12,81,531
(b) Financial Assets			
i) Loans	5	46,08,230	40,45,357
ii) Trade receivables	6	6,34,180	3,63,446
(c) Other non-current assets	7	-	24,35,200
Total Non current assets		7,05,68,370	5,81,25,534
Current Assets			
(a) Inventories	8	20,79,94,315	22,53,14,200
(b) Financial Assets			
i) Trade receivables	9	15,72,12,523	11,09,60,970
ii) Cash and cash equivalents	10	10,83,270	6,19,240
iii) Bank balances other than (ii) above	11	3,14,59,532	78,45,200
iv) Other financial assets	12	64,232	1,14,961
(c) Other current assets	13	10,58,57,335	6,69,94,587
Total current assets		50,36,71,207	41,18,49,158
Total Assets		57,42,39,576	46,99,74,692
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	1,99,92,000	1,99,92,000
(b) Other equity	15	18,27,70,682	14,74,39,124
Total Equity		20,27,62,682	16,74,31,124
Non-Current Liabilities			
(a) Provisions	16	18,42,400	14,43,140
(b) Deferred tax liabilities (Net)	17	49,14,452	34,47,624
Total Non-current liabilities		67,56,852	48,90,764
Current liabilities			
(a) Financial liabilities			
i) Borrowings	18	10,67,70,031	11,13,12,830
ii) Trade payables	19		
i) Dues to Micro and Small Enterprises			
ii) Dues to creditors other than Micro and Small Enterprises		25,14,75,382	8,81,28,880
iii) Other financial liabilities	20	40,85,819	8,67,78,656
(b) Provisions	21	34,351	26,893
(c) Current tax liabilities (Net)	17	10,07,031	92,83,786
(d) Other current liabilities	22	13,47,426	21,21,761
Total current liabilities		36,47,20,040	29,76,52,806
Total Equity and Liabilities		57,42,39,576	46,99,74,692

See accompanying notes to the financial statements

As per our report attached of even date

For B.B.NAIDU & CO.

Chartered Accountants

ICAI Firm Reg.No. 0022915

For and on behalf of the Board of Directors

A.SEKAR

Partner

Membership No: 018784

Sukumar Srinivas

Director

DIN: 01668064

C.Ravikumar

Director

DIN: 01247347

Place: Bangalore

Date: 6th May 2019

(All amount are stated in Indian Rupees, unless stated otherwise)

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

Particulars	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
I Revenue from operations	23	2,08,78,19,754	1,82,26,50,829
II Other Income	24	10,79,644	2,38,622
III Total Income (I+II)		2,08,88,99,398	1,82,28,89,451
IV Expenses			
Cost of Raw Materials Consumed	25	1,96,36,58,381	1,66,19,64,268
Changes in inventories of finished goods	26	(1,60,87,336)	7,11,852
Employee benefits expense	27	2,13,26,116	2,10,62,409
Finance costs	28	2,99,39,312	1,94,94,226
Depreciation and amortization expenses	4	45,73,546	33,83,403
Other expenses	29	3,76,12,739	3,91,76,536
Total expenses (IV)		2,04,10,22,758	1,74,57,92,694
V Profit before tax (III-IV)		4,78,76,640	7,70,96,757
VI Tax expense:	17		
Current tax		1,14,24,245	2,48,30,000
for earlier years		(3,84,006)	20,18,918
Deferred tax		14,66,828	8,10,376
		1,25,07,067	2,76,59,294
VII Profit for the period		3,53,69,573	4,94,37,463
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or loss		(72,260)	5,94,393
(ii) Income tax relating to items will not be reclassified to Profit or loss		34,245	(15,920)
Total A		(38,015)	5,78,473
B (i) Items that will be reclassified to Profit or loss			
(ii) Income tax relating to items will be reclassified to Profit or loss			
Total B		-	-
Total Other Comprehensive Income/(loss) (A+B)		(38,015)	5,78,473
IX Total Comprehensive Income/(loss)		3,53,31,558	5,00,15,936
X Earning per equity share:	30		
Basic & Diluted		176.92	247.29

See accompanying notes to the financial statements

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Place: Bangalore
 Date: 6th May 2019

(All amount are stated in Indian Rupees, unless stated otherwise)

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital (Refer Note 13)

As at 01-04-2017	Movement during the year	As at 31-03-2018	Movement during the year	As at 31-03-2019
1,99,92,000	-	1,99,92,000	-	1,99,92,000

B. Other Equity (Refer Note 14)

Particulars	Reserves & Surplus	Items of other comprehensive income		Total
	Retained Earnings	Remeasurements of the net defined benefit plans	Fair Valuation of Guarantee to Holding Company	
Opening Balance as at April 01, 2017	9,83,62,876	(9,155)	(9,30,533)	9,74,23,188
Profit for the year	4,94,37,463	-	-	4,94,37,463
Other comprehensive income for the year, net of income tax	-	30,080	5,48,393	5,78,473
Closing balance as at March 31, 2018	14,78,00,339	20,925	(3,82,140)	14,74,39,124
Opening Balance as at April 01, 2018	14,78,00,339	20,925	(3,82,140)	14,74,39,124
Profit for the year	3,53,69,573	-	-	3,53,69,573
Other comprehensive income for the year, net of income tax		(63,755)	25,740	(38,015)
Closing balance as at March 31, 2019	18,31,69,912	(42,830)	(3,56,400)	18,27,70,682
Closing balance as at March 31, 2018	14,78,00,339	20,925	(3,82,140)	14,74,39,124

See accompanying notes to the financial statements

As per our report attached of even date

For B.B.NAIDU & CO.
 Chartered Accountants
 ICAI Firm Reg.No. 002291S

For and on behalf of the Board of Directors

A.SEKAR
 Partner
 Membership No: 018784

Sukumar Srinivas
 Director
 DIN: 01668064

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 Director
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Place: Bangalore
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CENTURYWELLS ROOFING INDIA PRIVATE LIMITED
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Statement of Cash Flows for the year ended 31st March 2019

Particulars	For the Year ended March 31,2019	For the Year ended March 31,2018
Cash flow from operating activities		
Profit before tax	4,78,76,640	7,70,96,757
Adjustments for :		
Depreciation and amortization expenses	45,73,546	33,83,403
Interest expense	2,89,87,496	1,94,94,226
Interest Income	(9,60,194)	-
Loss on sale of assets	(15,673)	-
Bad Debts written off	6,935	4,806
Loss Allowance for doubtful trade receivables	(20,59,843)	2,51,027
Operating profit before working capital changes	7,84,08,906	10,02,30,220
Adjustments for :		
(Increase) / Decrease in inventories	1,73,19,886	(10,40,78,356)
(Increase) / Decrease in trade receivable	(4,44,69,379)	9,10,11,870
Decrease/ (Increase) in Other Assets	(3,93,74,888)	(6,13,62,467)
(Decrease)/ Increase in trade payables	16,33,46,502	4,03,41,693
(Decrease)/ Increase in other liabilities	(8,34,67,173)	7,10,81,085
(Decrease)/Increase in provisions	3,34,458	1,83,164
Cash flow from operations	9,20,98,313	13,74,07,209
Income taxes paid	(1,92,82,749)	(3,63,37,322)
Net cash generated from/(used in) operating activities (A)	7,28,15,564	10,10,69,887
Cash flow from investing activities		
Payment for Property, Plant & Equipment, Investment property, Intangible assets including capital Advances	(1,62,66,244)	(1,16,62,325)
Proceeds from sale of Property, plant & equipment	99,143	-
Interest received	9,60,194	-
Bank deposits not considered as cash and cash equivalents (net)	(2,36,14,332)	(78,45,200)
Net cash generated from/(used in) investing activities (B)	(3,88,21,239)	(1,95,07,525)
Cash flow from financing activities		
Proceeds from/ (Repayment of) Current borrowings (net)	(45,42,799)	(6,24,89,013)
Interest paid	(2,89,87,496)	(1,94,94,226)
Net cash used in financing activities (C)	(3,35,30,295)	(8,19,83,239)
Net increase in cash and cash equivalents(A+B+C)	4,64,031	(4,20,877)
Cash and cash equivalents - opening balances	6,19,240	10,40,117
Cash and cash equivalents - closing balances	10,83,270	6,19,240

See accompanying notes to the financial statements

As per our report attached of even date

For **B.B.NAIDU & CO.**

Chartered Accountants

ICAI Firm Reg.No. 0022915

For and on behalf of the Board of Directors

A.SEKAR

Partner

Membership No: 018784

Sukumar Srinivas

Director

DIN: 01668064

C.Ravikumar

Director

DIN: 01247347

Place: Bangalore

Date: 6th May 2019

Centurywells Roofing India Private Limited
Notes to the Financial Statements

1 GENERAL INFORMATION

M/s. Centurywells Roofing India (Pvt) Ltd was registered in the 2002, under the Companies 1956. The Company is engaged in the business of manufacturing and trading of steel roofing sheet profiling to suit the Customer's requirements like different thickness, colour, size and coating specifications.

2 SIGNIFICANT ACCOUNTING POLICIES

A STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 6th May 2019. These financial statements are prepared and presented in Indian Rupees and rounded-off to the nearest rupees, except when otherwise stated.

B BASIS OF PREPARATION AND PRESENTATION

These financial statements have been prepared and presented on the accrual basis of accounting under historical cost convention or fair values as per the requirements of Ind AS prescribed under section 133 of the Companies Act, 2013.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for sharebased payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

C REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, rebates, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for sale, which is when the control of goods are transferred to the customer.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest income is recognised on time proportion basis

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

D PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

An item of property, plant and equipment is derecognised upon disposal or on retirement of an item of property, plant and equipment 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 net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Centurywells Roofing India Private Limited

Notes to the Financial Statements

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives used by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than Rs.5,000/- are depreciated fully during the year of purchase.

The Company reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

E IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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). Where 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. Where 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an 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 immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

F LEASES

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.

Where the company is lessee

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset. 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.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

G INVENTORIES

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which does not meet the definition of Property, plant and equipment are accounted as inventories

All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

H EMPLOYEE BENEFITS

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, Employee state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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 are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

I TAXATION

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

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961.

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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual 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 assets and liabilities 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

J FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

Centurywells Roofing India Private Limited

Notes to the Financial Statements

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

K PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

L EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

M BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

N GOVERNMENT GRANTS AND SUBSIDIES

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to Property, plant and equipment are treated as deferred income and released to the Statement of profit and loss over the expected useful lives of the assets concerned. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

O FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair 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 and loss are recognised immediately in Statement of Profit and Loss.

a) Financial Assets

(i) Initial recognition and measurement

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

(ii) Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Centurywells Roofing India Private Limited

Notes to the Financial Statements

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables:

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances (under trade payables).

Other 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. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

Centurywells Roofing India Private Limited

Notes to the Financial Statements

Derecognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting

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

d) Impairment of Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

P Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Q CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

R STANDARDS/AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 - Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

Centurywells Roofing India Private Limited
Notes to the Financial Statements

On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The company is currently evaluating the impact of this new standard on the financial statements.

Amendments:

Amendment to Ind AS 19 - plan amendment, curtailment or settlement - On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

3 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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 recognized 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 period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

(ii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

(v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Centurywells Roofing India Private Limited

Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total Tangible asset
Gross carrying amount as at April 01, 2018	18,00,466	4,51,00,035	9,72,676	2,10,345	4,75,172	1,43,607	4,87,02,301
Additions	36,000	89,42,478	-	-	1,65,324	83,323	92,27,125
Disposals	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2018	18,36,466	5,40,42,513	9,72,676	2,10,345	6,40,496	2,26,930	5,79,29,426
Additions	-	1,85,49,228	52,028	-	2,300	97,888	1,87,01,444
Disposals	-	1,20,000	-	-	-	-	1,20,000
Gross carrying amount as at March 31, 2019	18,36,466	7,24,71,741	10,24,704	2,10,345	6,42,796	3,24,818	7,65,10,870
Accumulated depreciation / amortisation and impairment							
Balance as at April 01, 2017	58,118	28,49,220	1,23,788	26,377	1,40,638	66,351	32,64,492
Depreciation for the year	58,487	32,35,683	1,05,739	26,327	1,67,685	43,947	36,37,868
Depreciation reversed for the year	1,250		8,086		9,120	2,36,009	2,54,465
Depreciation on disposals		-	-	-	-	-	-
Balance as at March 31, 2018	1,15,355	60,84,903	2,21,441	52,704	2,99,203	(1,25,711)	66,47,895
Depreciation for the year	58,552	42,22,292	1,09,154	26,327	86,686	70,535	45,73,546
Depreciation reversed for the year							-
Depreciation on disposals	-	36,530	-	-	-	-	36,530
Balance as at March 31, 2019	1,73,907	1,02,70,665	3,30,595	79,031	3,85,889	(55,176)	1,11,84,911
Net Carrying amount							
As at March 31, 2019	16,62,559	6,22,01,076	6,94,109	1,31,314	2,56,907	3,79,994	6,53,25,959
As at March 31, 2018	17,21,111	4,79,57,610	7,51,235	1,57,641	3,41,293	3,52,641	5,12,81,531
Useful Life of the asset (In Years)	Refer note (b)	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	Straight Line Method						

Note

- a) Property, plant & equipment have been pledged as security against certain borrowings of the company as at 31st March 2019
- b) 30 years for Factory buildings and 60 years for other buildings

Centurywells Roofing India Private Limited
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

5 LOANS (NON-CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured considered good:		
Security Deposit	45,23,230	39,60,357
Dealers deposit	85,000	85,000
Total	46,08,230	40,45,357

6 TRADE RECEIVABLES (NON CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Long-term trade receivables		
Considered Good	-	-
Credit impaired	12,68,361	7,26,891
	12,68,361	7,26,891
Less: Allowance for doubtful debts (Expected credit loss allowance)	6,34,181	3,63,445
Total	6,34,180	3,63,446

7 OTHER NON CURRENT ASSETS

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, Considered good:		
Capital advances	-	24,35,200
Total	-	24,35,200

8 INVENTORIES

Particulars	As at 31-03-2019	As at 31-03-2018
Inventories:(at lower of cost and Net realisable value)		
Raw Materials	16,67,30,768	20,08,16,818
Finished Goods	3,30,90,851	1,70,03,515
Stores and spares	81,72,696	74,93,867
Total	20,79,94,315	22,53,14,200

Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2019

Details of Goods in Transit

Particulars	As at 31-03-2019	As at 31-03-2018
Stock-in-trade	9,93,815	-
Total	9,93,815	-

9 TRADE RECEIVABLES (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured:		
Trade receivables Considered Good	15,24,34,401	10,24,52,496
Less: Allowance for doubtful debts (Expected credit loss allowance)	(13,330)	(42,561)
Total A	15,24,21,071	10,24,09,935
Trade receivables with significant increase in credit risk	60,22,641	1,25,05,479
Less: Allowance for doubtful debts (Expected credit loss allowance)	(12,31,188)	(39,54,444)
Total B	47,91,453	85,51,036
Total (A+B)	15,72,12,523	11,09,60,970

Centurywells Roofing India Private Limited
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The credit period on sales of goods ranges from 30 to 45 days without security. No interest is charged on trade receivables

In determining the allowances for doubtful trade receivables, 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 receivables that are due and rates used in the provision matrix. There has been significant change in the credit quality of receivables past due for more than 180 days.

Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

10 CASH AND CASH EQUIVALENT

Particulars	As at 31-03-2019	As at 31-03-2018
Balances with banks :		
In current account	6,10,880	1,50,101
Cash on hand	4,72,390	4,69,139
Total	10,83,270	6,19,240

11 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2019	As at 31-03-2018
Fixed Deposit	3,12,37,734	78,45,200
Margin Money	2,21,798	-
Total	3,14,59,532	78,45,200

12 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Staff Advance	64,232	1,14,961
Total	64,232	1,14,961

13 OTHER CURRENT ASSETS

Particulars	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Advances other than capital advances:		
Advances for purchases	10,21,29,108	5,86,91,560
Prepayments and others	5,58,860	9,35,224
Balances with government authorities	31,69,367	73,67,803
Total	10,58,57,335	6,69,94,587

Centurywells Roofing India Private Limited
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

14 EQUITY SHARE CAPITAL

Particulars	As at 31-03-2019		As at 31-03-2018	
	No.of Shares	Rs.	No.of Shares	Rs.
Authorised Share Capital:				
Equity shares of Rs.100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000
Issued, subscribed and paid up capital:				
Equity shares of Rs.100/- each, fully paid	1,99,920	1,99,92,000	1,99,920	1,99,92,000

a) Reconciliation of number of equity shares and equity share capital

Particulars	As at 31-03-2019		As at 31-03-2018	
	Number	Amount (Rs)	Number	Amount (Rs)
Balance as at the beginning of the year	1,99,920	1,99,92,000	1,99,920	1,99,92,000
Add: Shares issued	-	-	-	-
Balance as at the end of the year	1,99,920	1,99,92,000	1,99,920	1,99,92,000

b) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.

The company has one class of equity shares having par value of Rs.100 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shares held by holding Company:

Name of Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Steel Network (Holdings) pte ltd	1,99,920	100.00%	1,99,920	100.00%

d) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Steel Network (Holdings) pte ltd	1,99,920	100.00%	1,99,920	100.00%

e) For the period of five years immediately preceding the date of Balance Sheet,

Aggregate number & class of shares allotted by the company as fully paid up pursuance to contracts without receipt of cash Nil

Aggregate number & class of shares bought back by the company Nil

Aggregate number & class of shares allotted by the company as fully paid up by way of bonus shares Nil

Centurywells Roofing India Private Limited
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

15 OTHER EQUITY

Particulars	As at 31-03-2019	As at 31-03-2018
Retained earnings	18,31,69,912	14,78,00,339
OTHER COMPREHENSIVE INCOME:		
Remeasurements of the net defined benefit plans	(42,830)	20,925
Fair Valuation of Guarantee to Holding Company	(3,56,400)	(3,82,140)
Total	18,27,70,682	14,74,39,124

16 PROVISIONS (NON-CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for Employee benefits		
Provision for Gratuity	14,86,000	10,61,000
Provision for financial guarantee liability	3,56,400	3,82,140
	18,42,400	14,43,140

17 INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess.

a) Income tax expenses

Particulars	For the year ended	
	31-03-2019	31-03-2018
Current tax:		
Current tax	1,14,24,245	2,48,30,000
Tax pertaining to earlier years	(3,84,006)	20,18,918
Deferred tax	14,66,828	8,10,376
Total	1,25,07,067	2,76,59,294

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	For the year ended	
	31-03-2019	31-03-2018
Profit before tax	4,78,76,640	7,70,96,757
Enacted tax rate in India	27.820%	33.060%
Expected income tax expense at statutory tax rate	1,33,19,281	2,54,88,188
Tax impact on account of		
Depreciation under Income-tax Act		
Provision for doubtful debts disallowed		
Expenses allowed only on payment basis		
Expenses not deductible in determining taxable profits	2,56,542	1,52,188
Deductions allowable under tax laws	(6,84,750)	
Others		
Total	1,28,91,073	2,56,40,376
Effective income tax rate	26.926%	33.257%
Tax expenses:		
- Current tax	1,14,24,245	2,48,30,000
- Deferred tax	14,66,828	8,10,376
Total tax	1,28,91,073	2,56,40,376
Add: Tax for earlier years	(3,84,006)	20,18,918
Total tax expenses reported for the year	1,25,07,067	2,76,59,294

b) Current Tax Liabilities / (Asset)

Particulars	As at 31-03-2019	As at 31-03-2018
Current tax liabilities(Net)	10,07,031	92,83,786

c) Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2019	As at 31-03-2018
Deferred Tax Liability:		
On account of depreciation	58,66,182	51,93,425
Deferred Tax Asset:		
Expenses allowed on payment basis	(4,22,962)	(3,76,498)
Allowance for doubtful receivables and advances	(5,15,237)	(13,53,824)
Others	(13,531)	(15,479)
Deferred Tax Asset/Liabilities (Net)	49,14,452	34,47,624

Deferred tax balance (Asset)/Liability in relation to	As at 31-03-2019	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	As at 31-03-2018
Depreciation under income tax act	58,66,182	(6,72,757)		51,93,425
Provision for employee benefit	(4,22,962)	46,464	-	(3,76,498)
Allowance for doubtful receivables and advances	(5,15,237)	(8,38,587)		(13,53,824)
Others	(13,531)	(1,948)		(15,479)
Total	49,14,452	(14,66,828)	-	34,47,623

Deferred tax balance (Asset)/Liability in relation to	As at 31.03.18	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	As at 31.03.17
Depreciation under income tax act	51,93,425	(12,90,690)		39,02,735
Provision for employee benefit	(3,76,498)	3,60,578	15,920	-
Allowance for doubtful receivables and advances	(13,53,824)	86,875		(12,66,949)
Others	(15,479)	1,021		(14,458)
Total	34,47,624	(8,42,216)	15,920	26,21,327

18 BORROWINGS (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
SECURED LOAN		
Working Capital Loans repayable on demand from Banks	10,67,70,031	11,13,12,830
Total Borrowings	10,67,70,031	11,13,12,830

Working capital loans are repayable on demand and carries interest @ 9.65% to 12.10% p.a. and secured by:

- First pari passu floating charge on the existing and future current assets & moveable fixed assets of the company and immoveable properties belonging to the holding company
- Guarantee by Managing Director

19 TRADE PAYABLES

Particulars	As at 31-03-2019	As at 31-03-2018
Due to Micro and Small Enterprises	-	-
Due to Others		
- Acceptances	11,38,19,633	2,22,35,895
- Other than acceptances	13,76,55,749	6,58,92,985
Total Trade Payables	25,14,75,382	8,81,28,880

Acceptances include credit availed by the Company from banks for payment to suppliers for goods purchased by the Company. The arrangements are interest-bearing and are payable within 90 days.

Payables Other than acceptances are normally settled within 30 days.

20 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Interest payable	-	-
Advances from holding company	-	8,35,18,426
Employee Benefits payable	13,53,885	16,60,957
Other expense payable	27,31,934	15,99,273
Total Other Financial Liabilities	40,85,819	8,67,78,656

21 PROVISIONS (CURRENT)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for Employee benefits		
Provision for compensated absences	34,351	26,893
Total Provisions	34,351	26,893

22 OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2019	As at 31-03-2018
Advances from customer	10,11,353	18,02,059
Statutory liabilities	3,36,073	3,19,702
Total Other Current liabilities	13,47,426	21,21,761

Centurywells Roofing India Private Limited
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

23 REVENUE FROM OPERATIONS

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Sale of Steel Roofing Sheets	2,08,54,12,403	1,82,07,88,651
Sale of Scrap	24,07,351	18,62,178
Total	2,08,78,19,754	1,82,26,50,829

24 OTHER INCOME

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Interest Income	9,60,194	-
Unwinding of interest income on rental deposits	1,00,849	1,88,816
Miscellaneous income	18,601	49,806
Total	10,79,644	2,38,622

25 COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Opening stock of Raw Materials	20,08,16,818	9,86,33,203
Add: Purchases of Raw Materials	1,92,95,72,331	1,76,41,47,883
Less: Closing Stock of Raw Materials	(16,67,30,768)	(20,08,16,818)
Total	1,96,36,58,381	1,66,19,64,268

26 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Closing stock of Finished Goods	(3,30,90,851)	(1,70,03,515)
Opening stock of Finished Goods	1,70,03,515	1,77,15,367
Total	(1,60,87,336)	7,11,852

27 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Salaries and Wages	1,92,53,174	1,93,47,043
Contribution for:		
Provident fund	7,81,181	6,17,494
Employee state insurance	2,64,010	2,46,116
Gratuity-Employees	3,81,389	2,03,000
Staff Welfare Expenses	6,46,362	6,48,756
Total	2,13,26,116	2,10,62,409

28 FINANCE COST

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Interest Expense	2,72,37,496	1,94,94,226
Other borrowing costs	17,50,000	-
Interest on Income Tax	9,51,816	-
Total	2,99,39,312	1,94,94,226

Centurywells Roofing India Private Limited
Notes to the Financial Statements

29 OTHER EXPENSES

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Power & Fuel	24,10,213	24,77,828
Consumption of Stores and Spares	1,70,68,097	1,68,57,937
Rent	1,02,54,626	94,23,805
Repairs and Maintenance		
- Others	6,75,064	7,86,224
Insurance	2,65,251	2,26,601
Rates & Taxes	9,12,244	7,33,291
Travelling Expenses	7,89,093	9,10,335
Payment to Auditors (Refer note below)	1,50,000	1,50,000
Professional fees	7,11,158	5,66,228
Directors sitting fees	1,00,000	1,20,000
Communication Expenses	4,89,404	5,49,753
Advertisement & Publicity Expenses	4,600	4,571
Loss Allowance for doubtful trade receivables	(20,59,843)	2,51,027
Coolie Charges	4,689	4,17,923
Freight Charges	17,95,934	21,63,723
Commission Charges	1,80,415	28,276
Bad Debts written off	6,935	4,806
Miscellaneous Expenses	38,54,859	35,04,208
Total	3,76,12,739	3,91,76,536

Note : Breakup for Payment to Auditors is as under: (Excluding Service tax / GST)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
a) For Statutory Audit	1,00,000	1,00,000
b) For Tax Audit	50,000	50,000
c) For Other Services	-	-
d) Out of Pocket Expenses	-	-
Total	1,50,000	1,50,000

Centurywells Roofing India Private Limited
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

30 Earnings Per Share

Particulars	For the year ended 31-03-2019	For the year ended 31- 03-2018
Basic & Diluted		
A. Profit attributable to equity shareholders (in Rs.)	3,53,69,573	4,94,37,463
B. Weighted average number of equity shares (in Nos.)	1,99,920	1,99,920
C. Basic and Diluted EPS (Rs.) [A/B]	176.92	247.29
Face value per share (Rs.)	100	100

31 Contingent liabilities:

Particulars	As at 31-03-2019	As at 31-03-2018
Corporate Guarantee given for Holding Company	55,00,00,000	55,00,00,000
Letter of Credit from Bank to suppliers	11,38,19,633	2,22,35,895
	66,38,19,633	57,22,35,895

32 Commitments

Particulars	As at 31-03-2019	As at 31-03-2018
Estimated value of capital commitments (Net of advances)	-	-
	-	-

33 Operating lease

As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 24 months for office premises and residential accommodation of employees, which are renewable on a periodic basis by mutual consent of both parties. All the operating leases are cancellable by either parties for any reason by giving a prior notice before 1 to 3 months. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Lease payments recognized under rent expenses is as follows:

Particulars	For the year ended 31-03-2019	For the year ended 31- 03-2018
Minimum lease payment made on operating lease	1,02,54,626	94,23,805

34 Additional Information

- CIF Value of imports - 77,05,637 (PY - Nil)
- Foreign currency earnings - Nil (PY - Nil)
- Details of Foreign currency expenditure - Nil (PY - Nil)
- Disclosure pertaining to micro and small enterprises as required under MSMED Act, 2006 (as per information available with the Company):

Particulars	As at 31-03-2019	As at 31-03-2018
Principal amount due outstanding as at end of year	-	-
Interest due on above and unpaid as at end of year	-	-
Balances pertaining to Micro and Small Enterprises	-	-

35 Employee benefits

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Employer's Contribution to Provident Fund (includes pension fund)	7,81,181	6,17,494
Employer's Contribution to Employee State Insurance	2,64,010	2,46,116

b) Defined benefit plans

The Company has ascertained the gratuity liability on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of Rs. 20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

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

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019 by M/S Ankolekar & Co., Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity (Unfunded)

Particulars	31-03-2019	31-03-2018
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	10,61,000	9,04,000
Current Service Cost	2,47,000	1,88,000
Past Service Cost	-	-
Interest Cost	80,000	63,000
Actuarial Loss/(Gain) on obligation	98,000	(46,000)
Benefits paid	-	(48,000)
Closing Balance	14,86,000	10,61,000
Less: Fair Value of Plan Assets		
Opening Balance	-	-
Expected Return on Plan assets less loss on investments	-	-
Actuarial (Loss)/Gain on Plan Assets	-	-
Employers' Contribution	-	48,000
Benefits paid	-	(48,000)
Closing Balance	-	-
Amount recognized in Balance Sheet	14,86,000	10,61,000
Expenses during the year		
Current Service cost	2,47,000	1,88,000
Past Service cost	-	-
Interest cost	80,000	63,000
Expected Return on Plan assets	-	-
Component of defined benefit cost recognized in statement of profit & loss	3,27,000	2,51,000
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	98,000	(46,000)
- Actuarial Loss/(Gain) on Plan Assets	-	-
Component of defined benefit cost recognized in other comprehensive income	98,000	(46,000)
Total		

Centurywells Roofing India Private Limited
Notes to the Financial Statements

Principal actuarial assumptions

Particulars	31-03-2019	31-03-2018
Discount Rate	7.20%	7.50%
Expected rate(s) of salary increase	7.00%	7.00%
Expected return on plan assets	7.00%	7.00%
Attrition rate	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2006-2008 Ult.	

Experience adjustments

Particulars	31-03-2019	31-03-2018	31-03-2017	31-03-2016	31-03-2015
Defined Benefit Obligation	14,86,000	10,61,000	9,04,000	6,63,000	7,80,000
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(14,86,000)	(10,61,000)	(9,04,000)	(6,63,000)	(7,80,000)
Experience Adjustments on Plan Liabilities - (Loss)/Gain	(66,000)	6,000	26,000	1,82,000	1,63,000
Experience Adjustments on Plan Assets - (Loss)/Gain	-	-	-	-	-

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

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

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Effective March 29, 2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to Rs 20 lacs from Rs 10 lacs. Accordingly the amended and improved benefits, if any, are recognised as current year's expense as provided under paragraph 103, Ind AS 19.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	31-03-2019	31-03-2018
Defined Benefit Obligation	14,86,000	10,61,000
Plan Assets	-	-
Net (liability) / asset arising from defined benefit obligation	(14,86,000)	(10,61,000)

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit obligation			
	31-03-2019		31-03-2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	74,000	1,18,000	85,000	74,000
Future salary growth (1% movement)	84,000	1,04,000	84,000	75,000
Attrition rate (1% movement)	2,000	4,000	1,000	2,000

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 7 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

Centurywells Roofing India Private Limited
Notes to the Financial Statements

(All amount are stated in Indian Rupees, unless stated otherwise)

36 Related party disclosures

A. Names of Related parties and nature of relationship:

Holding Company	Steel Networks Holdings Pte Limited
Ultimate Holding Company	Shankara Building Products ltd
Fellow subsidiary Companies	Vishal Precision Steel Tubes and Strips Private Limited Taurus Value Steel & Pipes Private Limited
Companies over which Key Managerial Personnel can exercise significant influence	Shankara Meta-Steel India Private Limited Shankara Holdings Private Limited
Key Managerial Personnel	Mr. Sukumar Srinivas (Director) Mr. C.Ravikumar (Director) Mr. V.Devanathan (Director) upto 7th November 2018

B. Transactions with Related Parties	For the year ended 31-03-2019	For the year ended 31-03-2018
Purchase of Goods (Refer note 1 below)		
Shankara Building Products Limited	3,19,54,930	1,18,90,794
Taurus Value Steel & Pipes Private Limited	6,27,525	-
Sale of Goods (Refer note 2 below)		
Shankara Building Products Limited	1,39,69,21,623	1,12,82,58,244
Taurus Value Steel & Pipes Private Limited	4,10,800	1,44,68,675
Vishal Precision Steel Tubes and Strips Pvt Ltd	-	-
Rent Paid		
Shankara Building Products Limited	12,00,000	15,34,500
Taurus Value Steel & Pipes Private Limited	18,37,500	18,00,000
Purchase of Fixed Assets		
Vishal Precision Steel Tubes and Strips Pvt Ltd	3,87,900	10,00,000
Remuneration paid to KMP (Refer note 3 below)		
Guarantees given to Holding Company:		
Shankara Building Products Limited	55,00,00,000	55,00,00,000

Notes

- 1 The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.
- 2 The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. The Company has not recorded any loss allowances for trade receivables from related parties.
- 3 As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

C. Amount due to/ from related parties	As at 31-03-2019	As at 31-03-2018
Trade Receivables		
Shankara Building Products Limited	9,38,04,259	-
Advance received from customers		
Shankara Building Products Limited	-	8,35,18,426
Rent Payable		
Shankara Building Products Limited	1,08,000	1,08,000
Taurus Value Steel & Pipes Private Limited	1,70,100	1,62,000
Guarantees & Collaterals given		
Shankara Building Products Limited	55,00,00,000	55,00,00,000

Guarantees to subsidiaries:

Guarantees provided to the lenders of the subsidiaries are for availing working capital facilities from the lender banks.

Financial Instruments

A. Capital risk management

The Company's capital requirements are mainly to fund its expansion, working capital and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowing from bank and the financial support from holding company on need basis. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	As at 31-03-2019	As at 31-03-2018
Short term borrowings	10,67,70,031	11,13,12,830
Less: Cash and cash equivalents	(10,83,270)	(6,19,240)
Less: Bank balances other than cash and cash equivalents	(3,14,59,532)	(78,45,200)
Net Debt	7,42,27,229	10,28,48,390
Total Equity	20,27,62,682	16,74,31,124
Gearing Ratio	0.37	0.61

Equity includes all capital and reserves of the Company that are managed as capital.

Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 17

Categories of financial instruments

Particulars	31-03-2019		31-03-2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	46,08,230	46,08,230	40,45,357	40,45,357
Other financial assets	64,232	64,232	1,14,961	1,14,961
Trade receivables	15,78,46,703	15,78,46,703	11,13,24,416	11,13,24,416
Cash and cash equivalents	10,83,270	10,83,270	6,19,240	6,19,240
Bank balances other than cash and cash equivalents	3,14,59,532	3,14,59,532	78,45,200	78,45,200
Total financial assets at amortised cost (A)	19,50,61,968	19,50,61,968	12,39,49,175	12,39,49,175
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	-	-	-	-
Total financial assets (A+B+C)	19,50,61,968	19,50,61,968	12,39,49,175	12,39,49,175

Centurywells Roofing India Private Limited**Notes to the Financial Statements**

Financial liabilities				
Measured at amortised cost				
Short term Borrowings	10,67,70,031	10,67,70,031	11,13,12,830	11,13,12,830
Trade payables	25,14,75,382	25,14,75,382	8,81,28,880	8,81,28,880
Other financial liabilities	40,85,819	40,85,819	8,67,78,656	8,67,78,656
Total financial liabilities carried at amortised cost	36,23,31,232	36,23,31,232	28,62,20,366	28,62,20,366

* including current maturities of long term debt

Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company purchases the steel and other building products in the open market from third parties as well as from subsidiaries in prevailing market price. The Company is therefore subject to fluctuations in the prices of Steel coil, Steel pipes, zinc, Sanitary wares etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Centurywells Roofing India Private Limited**Notes to the Financial Statements**

Particulars	As at 31-03-2019	As at 31-03-2018
Fixed rate borrowings	-	-
Floating rate borrowings	10,67,70,031	11,13,12,830
Total borrowings	10,67,70,031	11,13,12,830

Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances

Trade receivables:

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for strategic acquisitions. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Centurywells Roofing India Private Limited

Notes to the Financial Statements

Liquidity exposure as at 31 March 2019

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans			46,08,230	46,08,230
Other financial assets	64,232			64,232
Trade receivables	15,78,46,703			15,78,46,703
Cash and cash equivalents	10,83,270			10,83,270
Bank balances other than cash and cash equivalents	3,14,59,532			3,14,59,532
Non-current Investments				-
Total financial assets	19,04,53,737	-	46,08,230	19,50,61,968
Financial liabilities				
Short term Borrowings	10,67,70,031			10,67,70,031
Trade payables	25,14,75,382			25,14,75,382
Other financial liabilities	40,85,819			40,85,819
Total financial liabilities	36,23,31,232	-	-	36,23,31,232

Liquidity exposure as at 31 March 2018

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans			40,45,357	40,45,357
Other financial assets	1,14,961			1,14,961
Trade receivables	11,13,24,416			11,13,24,416
Cash and cash equivalents	6,19,240			6,19,240
Bank balances other than cash and cash equivalents	78,45,200			78,45,200
Non-current Investments				-
Total financial assets	11,99,03,817	-	40,45,357	12,39,49,175
Financial liabilities				
Short term Borrowings	11,13,12,830			11,13,12,830
Trade payables	8,81,28,880			8,81,28,880
Other financial liabilities	8,67,78,656			8,67,78,656
Total financial liabilities	28,62,20,366	-	-	28,62,20,366

The amount of guarantees given on behalf of subsidiaries included in Note No. 15 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is an obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 17)

Centurywells Roofing India Private Limited
Notes to the Financial Statements
Level wise disclosure of financial instruments

Particulars	As at 31-03-2019	As at 31-03-2018	Level	Valuation techniques and key inputs
Security Deposit	45,23,230	39,60,357	2	Discounted cash flow -observable future cash flows are based on terms discounted at a rate that reflects market risks.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.

See accompanying notes to the financial statements

As per our report attached of even date

For B.B.NAIDU & CO.

Chartered Accountants

ICAI Firm Reg.No. 002291S

A.SEKAR

Partner

Membership No: 018784

For and on behalf of the Board of Directors

Sukumar Srinivas

Director

DIN: 01668064

C.Ravikumar

Director

DIN: 01247347

Place: Bangalore

Date: 6th May 2019