

Independent Auditors' Report

To the Members of

ARC INSULATION AND INSULATORS PRIVATE LIMITED

1 Report on the Financial Statements

OPINION

- a) We have audited the accompanying Financial Statements of **ARC INSULATION AND INSULATORS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
- b) 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 Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Profit and its Cash Flows for the year ended on that date.

2 Basis of Opinion

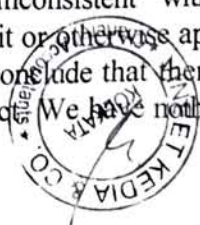
We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our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

3 Other Information - Board of Directors' Report

- a) The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

- b) In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this Board Report, we are required to report that fact. We have nothing to report in this regard.



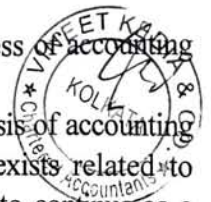
4 Management's Responsibility for the Financial Statements

- a) 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, and cash flows of the Company in accordance with the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- b) 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.

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

5 Auditor's Responsibility for the Financial Statements

- a) 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.
- b) As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control systems.
 - III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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



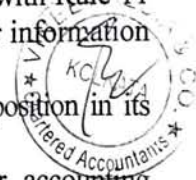
going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up 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
- e) As 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.
- d) 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.
- e) 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and statement of cash flow dealt by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and statement of cash flow comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2020, 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. In our opinion, the provisions of Section 143(3)(i) with regard to opinion on internal financial controls with reference to financial statements and operating effectiveness of such controls is not applicable to the company.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts



- iii. There has been no delay in transferring amounts, 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Vineet Kedia & Co.
Chartered Accountants
FRN: 325806E



Vineet Kedia

Vineet Kumar Kedia
(Proprietor)
Membership No. : 063294
Place: Kolkata
Date : 01.12.2020

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

- 1) (i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(ii) these fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification .


(iii) The Title deeds of immovable properties are held in the name of the company.
- 2) (i) Records of purchase, operations and outwards of the Inventory has been properly maintained
(ii) The physical verification of inventory has been conducted at reasonable intervals by the management and NO material discrepancies were noticed.
- 3) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other under section 189 of the Companies Act, 2013. So, Clause 3(i),(ii) and (iii) is Not Applicable.
- 4) The Company has no loans, investments, guarantees, and security provisions as per section 185 and 186 of the Companies Act, 2013. So, Clause 4 is Not Applicable.
- 5) On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and therefore the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.
- 7) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other statutory dues applicable to it. There are no undisputed amount payable in respect of Income tax and other applicable Statutory dues which were in arrears as at 31.03.2020 for a period of more than six months from the date they became payable.
- 8) Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks. The Company has not issued any debentures.
- 9) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans. So, the Clause 9 is Not Applicable.
- 10) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations



given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

- 11) The Company has not provided any Managerial Remuneration as per Section 197 of The Companies Act, 2013. So, this Clause 11 is Not Applicable.
- 12) The Company is Not a Nidhi Company.
- 13) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year 31.03.2020 under review. So, the Clause 14 is Not Applicable.
- 15) The Company has not entered into any non-cash transactions with directors or persons connected with him during the year 31.03.2020 under review as per Section 192 of The Companies Act, 2013. So, this Clause 15 is Not Applicable.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Vineet Kedia & Co.
Chartered Accountants
FRN: 325806E


Vineet Kumar Kedia
(Proprietor)
Membership No. : 063294
Place: Kolkata
Date : 01.12.2020



ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 743384
BALANCE SHEET AS AT 31.03.2020

PARTICULARS	NOTE	31.03.2020	31.03.2019
		Rs	Rs
<u>SOURCES OF FUNDS</u>			
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDER'S FUNDS</u>			
Share Capital	1	1,71,30,200.00	1,71,30,200.00
Reserve & Surplus	2	1,12,63,600.00	1,12,63,600.00
Profit & Loss Account	3	52,47,932.19	40,85,993.57
<u>NON CURRENT LIABILITIES</u>			
Deferred Tax Liability		(7,05,375.00)	(8,15,712.00)
<u>Long Term Borrowing</u>			
Secured	4	1,74,59,289.16	38,68,479.40
Unsecured		1,23,07,779.19	1,44,00,274.11
<u>CURRENT LIABILITIES</u>			
Short Term Borrowing	5	1,43,40,885.30	2,27,62,052.04
Trade Payable	6	2,17,53,976.06	2,30,96,269.49
Other Current Liabilities	7	46,01,637.09	30,29,411.62
Short Term Provisions	8	33,80,835.04	27,45,835.04
TOTAL		10,67,80,759.03	10,15,66,403.27

APPLICATIONS OF FUNDS

NON CURRENT ASSETS

FIXED ASSETS

Tangible Assets	9	4,11,91,038.45	4,26,28,701.42
Non Current Investmetns	10	30,90,632.00	18,09,763.00

CURRENT ASSETS

Current Investments		-	-
Inventories	11	1,90,67,666.07	2,18,94,033.78
Trade Receivable	12	2,53,66,979.13	2,17,18,362.51
Cash & Bank Balance	13	4,59,329.18	6,35,085.31
Short Term Loans & Advances	14	1,65,04,210.62	1,24,32,041.27
Other Current Assets	15	11,00,903.58	4,48,415.98
TOTAL		10,67,80,759.03	10,15,66,403.27

As per our report of even date annexed
For VINEET KEDIA & COMPANY

Chartered Accountants

Vineet Kumar Kedia

Vineet Kumar Kedia, Proprietor
Membership No.063294

Dated : 01.12.2020

UDIN : 20063294AAAACY3441

TAR UDIN : 20063294AAAACZ1406



Manish Bajoria
Manish Bajoria
(Director)
DIN -02203237

Neelam Bajoria
Neelam Bajoria
(Director)
DIN -02250051

Neelam

ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 743384
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2020

PARTICULARS	NOTE	31.03.2020	31.03.2019
		Rs	Rs
<u>INCOME</u>			
I <u>REVENUE FROM OPERATION</u>			
<u>Sale</u>			
Export oriented		28,88,163.80	69,18,910.20
Domestic		10,08,88,510.92	6,69,36,289.16
Sales Return			
II <u>OTHER INCOME</u>	16	28,86,752.81	5,10,805.80
III TOTL REVENUE (I+II)		10,66,63,427.53	7,43,66,005.16
IV <u>EXPENSES</u>			
Cost of Material Consumed	17	6,29,30,565.42	4,12,13,108.07
<u>Other Direct Expenses</u>	18	93,18,714.97	77,86,676.16
<u>Employees Benefit Expenses</u>	19	1,03,47,351.36	81,23,747.72
<u>Finance Cost</u>	20	40,52,719.90	31,46,600.70
<u>Depreciation & Amortisation</u>			
Depreciation		61,78,193.00	66,89,583.00
<u>Other Selling & Administrative Expenses</u>	21	1,19,28,607.26	59,12,120.31
		10,47,56,151.91	7,28,71,835.96

As per our report of even date annexed

For VINEET KEDIA & COMPANY

Chartered Accountants



Vineet Kumar Kedia, Proprietor

Membership No.063294

Dated : 01.12.2020



Manish Bajoria

(Director)

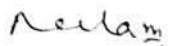
DIN -02203237

Neelam Bajoria

(Director)

DIN -02250051





ARC INSULATION AND INSULATORS PRIVATE LIMITED

P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 743384

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2020

PARTICULARS	NOTE	31.03.2020	31.03.2019
		Rs	Rs
V Profit/ (Loss) Before Exceptional and extraordinary items and Tax (III-IV)		19,07,275.62	14,94,169.20
VI Exceptional Items		-	-
VII Profit/ (Loss) Before extraordinary items and Tax (V-VI)		19,07,275.62	14,94,169.20
VIII Extra Ordinary Items		-	-
IX Profit/ (Loss) Before Tax (VII-VIII)		19,07,275.62	14,94,169.20
X <u>Tax Expense</u>			
Provision for Taxation-Current		6,35,000.00	
Deferred Tax		1,10,337.00	
XI Profit/ (Loss) From Continuing Operations		11,61,938.62	14,94,169.20
XII Profit/ (Loss) From Discontinuing Operations		-	-
XIII Total Expenses of Discontinuing Operation		-	-
XIV Profit/ (Loss) From Discontinuing Operations (after tax) (XII-XIII)		-	-
XV Profit/ (Loss) for the period (XI+XIV)		11,61,938.62	14,94,169.20
XVI <u>Earnings Per Share</u>			
Basic		0.68	0.87
Diluted		0.68	0.87

As per our report of even date annexed

For VINEET KEDIA & COMPANY

Chartered Accountants



Vineet Kumar Kedia, Proprietor

Membership No.063294

Dated : 01.12.2020

UDIN : 20063294AAAACY3441

ARC INSULATION AND INSULATORS PVT. LTD.



Manish Bajoria

(Director)

DIN -02203237



Neelam Bajoria

(Director)

DIN -02250051



RC INSULATION AND INSULATORS PRIVATE LIMITED
Statement of Cash Flows for the year ended 31.03.2020

	2020	2019
Cash flows from operating activities		
Profit before taxation	19,07,275.62	14,94,169.20
Adjustments for:		
Depreciation	61,78,193.00	66,89,583.00
Prel Exp w/off	-	-
Investment income	(2,22,843.70)	(1,50,747.00)
Loss/ (Profit on sale of Inv)	-	-
Interest expense	40,52,719.90	31,46,600.70
Operating Profit before working capital change	1,19,15,344.82	1,11,79,605.90
Profit / (Loss) on the sale of property, plant & equipment	-	-
Working capital changes:		
(Increase) / Decrease in trade and other receivables	(36,48,616.62)	42,43,373.06
(Increase) / (Decrease) in Loans & Advances	(40,72,169.35)	3,48,351.47
(Increase) / (Decrease) in Other Assets	(6,52,487.60)	-
(Increase) / (Decrease) in inventories	28,26,367.71	(68,89,242.01)
Increase / (Decrease) in trade payables	(13,42,293.43)	17,54,757.45
Increase / (Decrease) in Deferred Tax Asset	1,10,337.00	-
Increase / (Decrease) in Other Liabilities	15,72,225.47	(10,73,650.64)
Increase / (Decrease) in Provisions	6,35,000.00	-
Cash generated from operations	<u>73,43,708.00</u>	<u>95,63,195.23</u>
Interest paid	-	-
Income taxes paid	(7,45,337.00)	-
Dividends paid	-	-
Net cash from operating activities	<u><u>65,98,371.00</u></u>	<u><u>95,63,195.23</u></u>
Cash flows from investing activities		
Business acquisitions, net of cash acquired	-	-
Purchase of property, plant and equipment	(47,40,530.03)	(73,90,853.18)
Proceeds from sale of equipment	-	-
Acquisition of portfolio investments	(12,80,869.00)	(2,68,646.00)
Investment income	2,22,843.70	1,50,747.00
Net cash used in investing activities	<u><u>(57,98,555.33)</u></u>	<u><u>(75,08,752.18)</u></u>
Cash flows from financing activities		
Proceeds from issue of share capital Including Premium	-	-
Proceeds from long-term borrowings	-	-
Payment of long-term borrowings	1,14,98,314.84	5,07,091.62
Short-term borrowings Received / (Paid) (Net)	(84,21,166.74)	9,91,446.45
Interest Paid	(40,52,719.90)	(31,46,600.70)
Net cash used in financing activities	<u><u>(9,75,571.80)</u></u>	<u><u>(16,48,062.63)</u></u>
Net increase in cash and cash equivalents	(1,75,756.13)	4,06,380.42
Cash and cash equivalents at beginning of period	6,35,085.31	2,28,704.89
Cash and cash equivalents at end of period	4,59,329.18	6,35,085.31
Cash Balance Control Total	-	(0.00)
	-	(0.00)



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ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 7.
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2020

31.03.2020
Amount
Rs.

31.03.2019
Amount
Rs.

NOTE NO :- 1.

SHARE CAPITAL

Authorised

19,00,000 Equity Shares of Rs.10/- each.

1,90,00,000.00

1,90,00,000.00

Addition during the year

NIL Equity Shares of Rs.10/- each.

19,00,000 Equity Shares of Rs.10/- each.

1,90,00,000.00

1,90,00,000.00

Issued, Subscribed & Paid - up

1713020 Equity Shares of Rs.10/- each.

1,71,30,200.00

1,71,30,200.00

Opening Capital

-

-

Addition During the year

-

-

1,71,30,200.00

1,71,30,200.00

Reconciliation of Equity Shares of the Company

Particulars

Equity Shares outstanding at the beginning of the year

Add: Shares issued during the year

Equity Shares outstanding at the end of the year

As at 31st March, 2020		As at 31st March, 2019	
No. of Shares	Value (₹)	No. of Shares	Value (₹)
1713020	1,71,30,200.00	1713020	1,71,30,200.00
1713020	1,71,30,200.00	1713020	1,71,30,200.00

Terms and Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ` 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distributions of all preferential amount, in proportion to the shareholding.

Name of the Shareholders holding more than 5% of shares

NAME OF THE SHAREHOLDER	No. of Shares	Percentage	No. of Shares	Percentage
	31.03.2020	31.03.2020	31.03.2019	31.03.2019
Manish Bajoria	924020	53.94%	924020	53.94%
Neelam Bajoria	109000	6.36%	109000	6.36%
Vinod Agarwal	220000	12.84%	220000	12.84%
Swabhumi Distributors Private Limited	425000	24.81%	425000	24.81%
Manish Bajoria (HUF)	35000	2.04%	35000	2.04%
	1713020	100.00%	1713020	100.00%

NOTE NO :- 2.

RESERVES & SURPLUS

Share Premium

Opening Balance

1,12,63,600.00

1,12,63,600.00

Addition During the year

-

-

1,12,63,600.00

1,12,63,600.00

NOTE NO :- 3.

PROFIT & LOSS ACCOUNT

Opening Balance

40,85,993.57

25,91,824.37

Add : Profit/ (Loss) for the period

11,61,938.62

14,94,169.20

52,47,932.19

40,85,993.57



(Signature)

(Signature)

ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 7.
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2020

	<u>31.03.2020</u>	<u>31.03.2019</u>
	<u>Amount</u>	<u>Amount</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>NON CURRENT LIABILITIES</u>		
<u>NOTE NO :- 4</u>		
<u>Long Term Borrowings</u>		
<u>Secured Loans</u>		
Term Loan (Against Hypothecation of Land, Factory Shed & Machineries)	-	-
Car Loan from ICICI Bank	4,65,111.50	24,10,313.40
Machinery Finance (No. 6196)	1,42,96,893.00	-
Machinery Finance (No 8863)	20,18,204.00	14,58,166.00
Loan from HDFC Bank	1,77,658.66	-
Loan from ICICI Bank	5,01,422.00	-
	<u>1,74,59,289.16</u>	<u>38,68,479.40</u>
<u>Unsecured Loans</u>		
From Related Parties	1,05,57,779.19	1,27,67,779.19
From Banks	-	16,32,494.92
From Others	17,50,000.00	-
	<u>1,23,07,779.19</u>	<u>1,44,00,274.11</u>
	<u>2,97,67,068.35</u>	<u>1,82,68,753.51</u>
<u>CURRENT LIABILITIES</u>		
<u>NOTE NO :- 5</u>		
<u>Short Term Borrowings</u>		
<u>Secured Loans</u>		
Cash Credit (Against Hypothecation of Stock & Book Debts)	1,43,40,885.30	2,27,62,052.04
	<u>1,43,40,885.30</u>	<u>2,27,62,052.04</u>
<u>NOTE NO :- 6</u>		
<u>Trade Payables</u>		
<u>Sundry Creditors</u>		
For Goods	2,17,53,976.06	2,30,96,269.49
	<u>2,17,53,976.06</u>	<u>2,30,96,269.49</u>
<u>NOTE NO :- 7</u>		
<u>Other Current Liabilities</u>		
Liabilities for expenses	19,20,552.00	6,29,678.87
TDS Payable	6,58,722.00	2,84,250.00
Security Deposit	3,700.00	3,700.00
ESIC Payable	3,300.00	6,484.00
Excise & Service Tax Payable (Net)	-	1,14,251.65
Provident Fund Payable	15,737.00	19,514.00
GST Payable	7,02,607.10	13,71,533.10
Advance from Parties	12,97,018.99	6,00,000.00
	<u>46,01,637.09</u>	<u>30,29,411.62</u>



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ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 7.
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2020

	<u>31.03.2020</u>	<u>31.03.2019</u>
	Amount	Amount
	Rs.	Rs.
NOTE NO :- 8		
Short Term Provision		
Provision for Tax for earlier years	27,45,835.04	27,45,835.04
Provision for Tax for Current year	6,35,000.00	-
	<u>33,80,835.04</u>	<u>27,45,835.04</u>
NOTE NO :- 10		
Non Current Investmetns		
Long Term Investment (At Cost)		
Fixed Deposit with IOB	2,75,864.00	2,57,136.00
Fixed Deposit with SBI	26,89,515.00	13,22,593.00
Gold Coins	89,753.00	89,753.00
Margin Money for BG	-	1,04,781.00
Others	35,500.00	35,500.00
	<u>30,90,632.00</u>	<u>18,09,763.00</u>
NOTE NO :- 11		
INVENTORIES		
Raw Materials	87,60,082.12	34,02,068.93
Semi Finished Goods	1,03,07,583.95	1,84,91,964.85
(Valued at lower of cost or market price)		
(As taken, valued and certified by the management)		
	<u>1,90,67,666.07</u>	<u>2,18,94,033.78</u>
NOTE NO :- 12		
TRADE RECEIVABLES		
Sundry Debtors (Unsecured Considered good)		
More Than 6 Months	1,07,49,137.00	
Other Debts	1,46,17,842.13	2,17,18,362.51
	<u>2,53,66,979.13</u>	<u>2,17,18,362.51</u>
NOTE NO :- 13		
CASH & BANK BALANCES		
Cash in hand. (As certified by the management)	4,08,174.83	5,67,798.06
Cash at Bank (with Scheduled Bank in Current Account)	51,154.35	67,287.25
	<u>4,59,329.18</u>	<u>6,35,085.31</u>



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ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 743384
NOTE 9, FIXED ASSETS & DEPRECIATION AS PER CO ACT AS ON 31.03.2020


Fixed Assets	WDV AS ON 31/03/19	Addition	Deduction	Gross	Dep as per CO Act	WDV AS ON 31/03/20
AIR CONDITIONER	18,432.09	-	-	18,432.09	4,902.00	13,530.09
COMPUTER	15,856.17	-	-	15,856.17	-	15,856.17
Factory Shed	1,22,27,141.62	-	-	1,22,27,141.62	11,55,947.00	1,10,71,194.62
FURNITURE	62,812.70	2,13,597.91	-	2,76,410.61	27,857.00	2,48,553.61
Fax Machine	1,000.43	-	-	1,000.43	-	1,000.43
MACHINERY	1,77,25,176.75	73,050.00	-	1,77,98,226.75	32,79,098.00	1,45,19,128.75
MOTOR CAR	27,71,736.24	-	-	27,71,736.24	8,43,078.00	19,28,658.24
Mould & Die	29,92,282.37	13,67,760.00	-	43,60,042.37	6,70,593.00	36,89,449.37
Electric Installation	7,14,391.17	1,60,943.00	-	8,75,334.17	1,44,136.00	7,31,198.17
Tools & Implements	1,64,281.33	-	-	1,64,281.33	30,199.00	1,34,082.33
CCTV	3,126.00	-	-	3,126.00	-	3,126.00
Scooty	2,918.00	-	-	2,918.00	-	2,918.00
Testing Instruments	65,111.90	53,463.62	-	1,18,575.52	16,885.00	1,01,690.52
WATER PURIFIER	-	19,990.00	-	19,990.00	5,498.00	14,492.00
Capital WIP						
Factory Shed	-	27,01,725.50	-	27,01,725.50	-	27,01,725.50
Plant & Machinery	1,58,328.00	-	-	1,58,328.00	-	1,58,328.00
Capital Goods	-	-	-	-	-	-
Non Depreciable Assets						
Land	57,06,106.65	1,50,000.00	-	58,56,106.65	-	58,56,106.65
TOTAL	4,26,28,701.42	47,40,530.03	-	4,73,69,231.45	61,78,193.00	4,11,91,038.45

As per our report of even date annexed
For VINEET KEDIA & CO.
CHARTERED ACCOUNTANTS


Proprietor
[Vineet Kumar Kedia]
Membership No. - 063294
Place : Kolkata
Dated : 01.12.2020







ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 7.
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2020

	31.03.2020	31.03.2019
	Amount	Amount
	Rs.	Rs.
NOTE NO :- 14		
LOANS & ADVANCES		
SHORT TERM LOANS & ADVANCES		
Balance with Revenue Authorities		
Cenvat and Service Tax	3,07,230.35	
Duty Drawback /MEIS Receivable	2,69,605.30	1,02,209.00
Subsidy Receivable	-	8,06,974.25
Advance Income Tax & TDS	41,85,232.53	35,34,453.86
Entry Tax	-	910.00
Swachh Bharat Cess	-	3,744.44
Value Added Tax (Bihar)	5,27,949.51	5,27,949.51
GST	3,50,324.26	2,84,951.34
VAT AND CST	-	6,177.68
Advance to Other Parties		
Others	88,54,139.85	39,09,146.40
Security Deposit	20,09,728.82	32,55,524.79
	1,65,04,210.62	1,24,32,041.27
NOTE NO :- 15		
Other Current Assets		
Other Current Assets	6,46,823.20	-
Stores & Spares	4,54,080.38	4,48,415.98
	11,00,903.58	4,48,415.98
NOTE NO :- 16		
OTHER INCOME		
Duty Drawback / Subsidy	16,42,240.75	1,97,477.00
Interest	2,22,843.70	1,50,747.00
Forex Gain	30,914.20	76,298.80
Excise Duty Adjustment	2,11,061.50	84,083.00
Freight & Forwarding	47,878.00	2,200.00
Sundry Dr. / Cr. Write Off	4,62,209.36	
Merchant Export Incentives	2,69,605.30	-
	28,86,752.81	5,10,805.80
NOTE NO :- 17		
Cost of Material Consumed		
Opening Stock of Raw Materials	34,02,068.93	59,21,248.75
Opening Stock of Finished Goods	1,84,91,964.85	90,83,543.02
	2,18,94,033.78	1,50,04,791.77
Add : Purchases	6,01,04,197.71	4,81,02,350.08
	8,19,98,231.49	6,31,07,141.85
Closing Stock of Raw Materials	87,60,082.12	34,02,068.93
Closing Stock of Finished Goods	1,03,07,583.95	1,84,91,964.85
	1,90,67,666.07	2,18,94,033.78
	6,29,30,565.42	4,12,13,108.07



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ARC INSULATION AND INSULATORS PRIVATE LIMITED
P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 7
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2020

31.03.2020	31.03.2019
Amount	Amount
Rs.	Rs.

NOTE NO :- 18

Other Direct Expenses

Consumable Stores	17,45,001.54	16,79,061.59
Labour Charges For Mfg	19,54,480.68	14,57,184.00
Freight & Courier & Forwarding Charges	19,82,906.78	18,89,252.10
Electric Charges A/C	21,36,558.00	16,45,579.71
Insurance	39,912.00	79,516.00
Packing Materials	2,47,071.31	6,10,350.76
Installation & Lying Charges	6,22,916.66	2,40,500.00
Power & Fuel	3,93,500.00	1,85,232.00
Washing Allowance	1,96,368.00	1,85,232.00
	<u>93,18,714.97</u>	<u>77,86,676.16</u>

NOTE NO :- 19

Employees Benefit Expenses

Wages, Salary & Bonus A/C	10,63,720.00	10,38,027.54
Salary & Bonus	24,39,122.36	11,11,199.18
House Accomodation for Staff	6,88,672.00	7,72,654.00
Directors Remuneration	60,00,000.00	50,40,000.00
Provident Fund	1,15,137.00	1,11,494.00
ESIC	40,700.00	50,373.00
	<u>1,03,47,351.36</u>	<u>81,23,747.72</u>

NOTE NO :- 20

Finance Cost

Interest On TDS	43,205.00	67,108.00
Interest On Car Loan	1,53,478.10	4,69,984.70
Interest On Bank CC	15,01,285.00	22,86,093.00
Interest On Other Loan	23,54,751.80	2,46,801.00
Interest On Excise & Service Tax	-	76,614.00
	<u>40,52,719.90</u>	<u>31,46,600.70</u>

NOTE NO :- 21

Other Selling & Administrative Expenses

Audit Fees	70,000.00	70,000.00
Bank Charges	3,87,924.76	4,44,115.58
Calibration Charges	39,934.50	17,475.00
Insurance	2,08,599.00	3,18,526.00
Car Running & Maintenance	2,73,811.54	5,06,379.16
Company Professional Tax	2,500.00	2,500.00
Comission	15,43,586.28	4,09,959.00
Consultancy & Professional Fees	83,329.00	-
Courier & Postage	-	9,450.00
GST Audit Fees	15,000.00	-
Filing Fees	10,750.00	10,000.00
Foreign exchange loss	15,466.00	-
General Charges	1,01,771.65	86,301.00
Internet Charges	22,733.00	10,000.00
Printing & Stationery	19,603.75	43,540.00



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ARC INSULATION AND INSULATORS PRIVATE LIMITED

P.O.- BAWALI, VILL.- RAMDEVPUR, DIST. - 24 PARGANAS (S) - 7

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2020

	31.03.2020	31.03.2019
	Amount	Amount
	Rs.	Rs.
Repair & Maintenance		
Factory Shed	3,99,576.00	3,67,162.06
Other Repairs	5,38,776.39	4,27,246.00
Plant & Machinery	5,35,264.19	4,62,224.54
Sales Promotion	28,41,352.64	11,55,492.62
Travelling Expenses	4,30,264.20	3,68,450.00
Foreign Travel	7,05,069.00	
Security Guard Expenses	5,17,842.36	23,666.66
Tea & Tiffin	31,540.00	1,45,760.00
Round Off	14.45	2.44
Shipping & Clearing Charges	-	47,603.00
Sudry Dr./Cr. Write Off	-	2,72,403.67
Tender Doc Fee	21,000.00	60,025.00
Other Expenses	2,12,895.66	13,895.00
Expenses for Exports	2,48,139.14	81,679.58
Sales Tax (SOD)	5,60,960.00	4,04,164.00
Development Account	-	97,800.00
Late Fee	21,900.00	56,300.00
Carriage Outward	22,583.00	-
Advertisement	3,45,150.00	-
Bad Debts	4,23,344.86	-
Design Charges	59,000.00	-
Discount Allowed	2,46,521.09	-
Inspection Charges	43,396.08	-
Invocation Of Bank Guarantee Of Bescom	5,77,610.00	-
Loan Processing and service Charges	3,32,224.00	-
Nsic Fees For Inspection	10,624.72	-
Subscription / Donation A/C	8,550.00	-
	1,19,28,607.26	59,12,120.31

As per our report of even date annexed
For VINEET KEDIA & COMPANY
Chartered Accountants



Vineet Kumar Kedia

Vineet Kumar Kedia, Proprietor

Membership No.063294

Dated : 01.12.2020

Manish Bajoria
(Director)
DIN -02203237

Neelam Bajoria
(Director)
DIN -02250051

Manish Bajoria

Neelam Bajoria

ARC INSULATION AND INSULATORS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

Note No. : 212

A. Significant Accounting Policies

1. Basis of accounting:-

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared under the historical cost convention on accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition:-

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

4. Property, Plant & Equipment :-

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.



5. Depreciation :-

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) Method/SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price 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 risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Foreign currency Transactions: -

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year-end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

7. Investments :-

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments or Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. Inventories :-

Inventories are valued as under:-

1. Inventories:
2. Scrap:

Lower of cost (FIFO) or net realizable value
At net realizable value.

9. Borrowing cost:-

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended uses or sale. All other borrowing costs are charged to revenue in the year of incurrence.

10. Retirement Benefits:-

The retirement benefits are accounted for as and when liability becomes due for payment.

11. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

12. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or



(ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

(B) Notes on Financial Statements

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Salaries includes directors remuneration on account of salary Rs. 6000000 (Previous Year 5040000. /-)
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

4. Payments to Auditors:

Auditors Remuneration	2019-20	2020-21
Audit Fees	60000	60000
Tax Audit Fees	10000	10000
Company Law Matters	0	0
GST	10000	10000
Total	80000	80000

5. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
6. No provision for retirement benefits has been made, in view of accounting policy No. 11. The impact of the same on Profit & Loss is not determined.
7. Advance to others includes advances to concerns in which directors are interested: NIL

Name of Concern	Current Year Closing Balance	Previous Year Closing Balance



8. Related Party disclosure as identified by the company and relied upon by the auditors:

(A) Related Parties and their Relationship

(I) Key Management Personnel

1. MANISH BAJORIA
2. NEELAM BAJORIA

(II) Relative of Key Management Personnel

1. VINOD AGARWAL
2. PREMLATA BAJORIA

(III) Enterprises owned or significantly influenced by Key Management personnel or their relatives

1. SWABHUMI DISTRIBUTORS PRIVATE LIMITED

Transactions with Related parties

(Figure in Lacs)

Particulars	Transactions during the year			
	Current Year		Previous year	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Advance Paid	0	0	0	0
Received Back	0	0	0	0
Deposit Received	1946993	900000	0	0
Deposit Repaid	3133833	1200000	0	0
Interest Received	0	0	0	0
Interest Paid	0	0	0	0
Remuneration Paid	6000000	0	5040000	0
Purchase	0	0	0	0
Rent Paid	0	0	0	0
Other Payment	0	0	0	0
Job Charges	0	0	0	0

Outstanding Balances

Particulars	Current Year		Previous year	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Loans Taken	6195920	4361858	7380761	4427859
Loans Given	0	0	0	0
Directors Remuneration Payable		0		0



9. % of imported & indigenous raw material & consumables

Particulars	31.03.2020		31.03.2019	
	%	Amount	%	Amount
Imported	0	0	0	0
Indigenous	0	0	0	0

10. Value of Imports

Raw Material	Nil	Nil
Finished Goods	Nil	Nil

11. Expenditure in Foreign Currency

12. Earning in Foreign Exchange	2888164	6918910
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13. Previous year figures have been regrouped/rearranged wherever necessary.

In terms of Our Separate Audit Report of Even Date Attached.

As per our report of even date annexed
For Vineet Kedia & Co.

Chartered Accountants
FRN : 0325806E



Vineet Kedia
Vineet Kumar Kedia
Proprietor
Membership No.063294
Dated : 01/12/2020