

# **Interarch Building Products Private Limited**

**Financial Statements  
For the year ended March 31, 2021  
Together with Auditor's Report**

***S. R. BATLIBOI & CO. LLP***

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Interarch Building Products Private Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Interarch Building Products Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit, its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

**Emphasis of Matter**

We draw attention to Note 39 to the financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and performance as assessed by the management. Our opinion is not modified in respect of this matter.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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



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

## **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows in accordance with the 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 of 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 the 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.

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- 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.

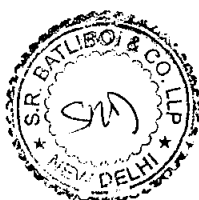
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



# **S.R. BATLIBOI & CO. LLP**

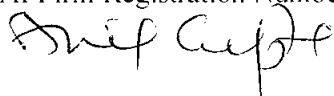
Chartered Accountants

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Anil Gupta**

Partner

Membership Number: 87921

UDIN: 21087921AAAADI7711

Place of Signature: New Delhi

Date: September 24, 2021



**Annexure 1 referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date**

Re: Interarch Building Products Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for description and quantitative details of fixed assets in some cases.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investment, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of accounts 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 Companies Act, 2013 and are of opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made the detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, Goods and Service tax (GST), duty of custom, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.



# S.R. BATLIBOI & Co. LLP

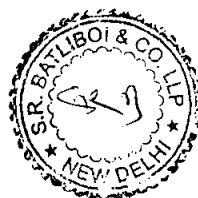
Chartered Accountants

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, service tax, Goods and Service Tax (GST), sales-tax, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, Goods and Service tax (GST), customs duty, value added tax and cess on account of any dispute, are as follows:

S No.	Name of the Statute	Nature of dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
1	Finance Act, 1994	Non-payment of interest on Service Tax demand on import of design charges under reverse charge	1,25,37,248	FY 2008-09 and FY 2009-10	Commissioner Customs, Central Excise & Service Tax, Noida
2	West Bengal Value Added Tax Act, 2003	Non production of documents in support of the VAT return.	3,12,06,422	2007-2008 to 2009-2010	Senior Joint Commissioner, Commercial Tax, Kolkata
3	Goa, Daman and Diu (Sales Tax) Act, 1964	Higher duty demand on account of wrong classification of goods	44,03,944	2001-2002	Bombay High Court at Goa
4	Karnataka, Value Added Tax, 2003	Higher duty demand on account of wrong classification of goods	7,26,93,203	2012-13	Karnataka High Court
5	Income Tax Act, 1961	Disallowance under Section 80-IB	1,29,34,135	A.Y.2006-2007	Income Tax Appellate Tribunal (ITAT), New Delhi
6	Central Sales Tax Act, 1956	Non Submission of Form F	1,38,414	AY 2010-11	Additional Commissioner (DVAT), Delhi
7	Finance Act, 1994	Service tax on service provided to be categorized under Works contract service (including penalty)	3,20,73,13,410	June 2007 to March 2014	Supreme Court

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks and financial institutions. As per the information and explanations given to us, the Company did not have any outstanding debentures and loan from Government during the year.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money way of initial public offer / further public offer including debt instruments during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

*Anil Gupta*

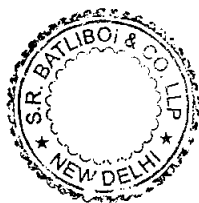
**per Anil Gupta**

Partner

Membership Number: 87921

Place: New Delhi

Date: September 24, 2021





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**

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

To the Members of Interarch Building Products Private Limited

We have audited the internal financial controls over financial reporting of Interarch Building Products Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



## **Meaning of Internal Financial Controls Over Financial Reporting**

Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Anil Gupta**

Partner

Membership Number: 87921

Place of Signature: New Delhi

Date: September 24, 2021



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Balance Sheet as at March 31, 2021

Particulars	Notes	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>Equity and liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	3	150,006,000	150,006,000
Reserves and surplus	4	2,304,870,530	2,166,332,514
		<b>2,454,876,530</b>	<b>2,316,338,514</b>
<b>Non-current liabilities</b>			
Long term borrowings	5	1,260,158	7,027,706
Other long term liabilities	6	879,014	1,025,516
Long term provisions	7	192,849,089	188,926,285
		<b>194,988,261</b>	<b>196,979,507</b>
<b>Current liabilities</b>			
Short term borrowings	8	12,661,325	32,336,550
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		67,654,867	98,324,647
- total outstanding dues of creditors other than micro enterprises and small enterprises		616,855,988	789,501,946
Other current liabilities	9	635,946,287	673,066,855
Short term provisions	7	43,295,049	37,306,316
		<b>1,376,413,516</b>	<b>1,630,536,314</b>
<b>TOTAL</b>		<b>4,026,278,307</b>	<b>4,143,854,335</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, plant and equipment	10	801,153,413	710,859,367
Capital work in progress		-	92,452,899
Intangible assets	11	1,775,504	2,000,187
Non current investments	12	57,043,324	57,778,963
Deferred tax asset (Net)	12.1	65,555,956	68,049,973
Long term trade receivables	14.1	345,901,779	432,879,383
Long term loans and advances	13	89,077,985	63,123,577
Other non-current assets	14.2	25,333	103,695,972
		<b>1,360,533,294</b>	<b>1,530,840,321</b>
<b>Current assets</b>			
Inventories	15	979,178,403	1,142,116,615
Trade receivables	14.1	725,468,124	958,650,382
Cash and bank balances	16	669,715,223	229,230,056
Short term loans and advances	13	119,370,108	190,969,981
Other current assets	14.2	172,013,155	92,046,980
		<b>2,665,745,013</b>	<b>2,613,014,014</b>
<b>TOTAL</b>		<b>4,026,278,307</b>	<b>4,143,854,335</b>
Summary of significant accounting policies	2.1		
Notes to accounts	25-45		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the board of directors of  
**Interarch Building Products Private Limited**

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 3010031E300005

*Anil Gupta*

per Anil Gupta  
Partner

Membership no. 87921

Place : New Delhi

Date : September 24, 2021

*Arvind Nanda*

Arvind Nanda  
(Managing Director)  
DIN: 00149426

*Manish Kumar Garg*

Manish Kumar Garg  
(Chief Executive Officer)

*Gautam Suri*

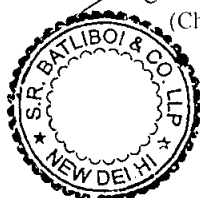
Gautam Suri  
(Director)  
DIN: 00149474

*Anil Kumar Chandani*

Anil Kumar Chandani  
(Chief Financial Officer)

*Nidhi Goel*

Nidhi Goel  
(Company Secretary)  
Membership no. A19279



Place: Noida

Date : September 24, 2021

**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
**Statement of profit and loss for the year ended March 31, 2021**

Particulars	Notes	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>Income</b>			
Revenue from operations	17	5,759,601,665	7,193,713,542
Other income	17.1	42,495,135	20,697,055
<b>Total revenue (I)</b>		<b>5,802,096,800</b>	<b>7,214,410,597</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	18	3,554,126,669	4,249,437,667
Decrease / (increase) in inventories	18	71,890,122	(137,462,650)
Employee benefits expenses	19	791,078,900	932,908,181
Other expenses	20	1,174,119,498	1,640,369,063
<b>Total (II)</b>		<b>5,591,215,189</b>	<b>6,685,252,261</b>
<b>Earnings before interest, tax, depreciation, amortization and prior period expenses (net) (EBITDA) (I)-(II)</b>		<b>210,881,611</b>	<b>529,158,336</b>
Depreciation and amortization expense	21	51,989,599	53,677,167
Interest income	17.2	(32,294,265)	(19,976,787)
Finance costs	22	15,262,518	46,136,366
<b>Profit before prior period expenses (net) and tax</b>		<b>175,923,759</b>	<b>449,321,590</b>
Prior period expense/(income) (net)	23	(3,796,528)	(4,243,976)
<b>Profit before tax</b>		<b>179,720,287</b>	<b>453,565,566</b>
<b>Tax expense:</b>			
Current tax		41,514,727	122,146,997
Deferred tax charge / (credit) (net of credit of Rs 281,014 (previous year including (Rs. 83,330,056/-) in respect of earlier years)		2,494,017	(68,049,973)
Income tax adjustments for earlier years (net)		(2,826,473)	9,241,296
Less: MAT credit entitlement for earlier years, not recognized		-	(6,133,807)
		<b>41,182,271</b>	<b>57,204,513</b>
<b>Profit for the year</b>		<b>138,538,016</b>	<b>396,361,053</b>
Earnings per equity share (Nominal value of share Rs.10 (previous year Rs.10))			
Basic and diluted (in Rs.)	24	9.24	26.42
Summary of significant accounting policies	2.1		
Notes to accounts	25-45		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

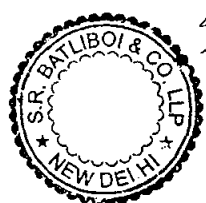
**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

For and on behalf of the board of directors of  
**Interarch Building Products Private Limited**

*Anil Gupta*

per Anil Gupta  
Partner  
Membership no. 87921

Place : New Delhi  
Date : September 24, 2021



*Arvind Nanda*

Arvind Nanda  
(Managing Director)  
DIN: 00149126

*Marish Kumar Garg*

Marish Kumar Garg  
(Chief Executive Officer)

*Gautam Suri*

Gautam Suri  
- (Director)  
DIN: 00149374

*Anil Kumar Chandani*

Anil Kumar Chandani  
(Chief Financial Officer)

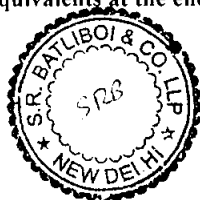
*Nidhi Goel*

Nidhi Goel  
(Company Secretary)  
Membership no. A19279

Place : Noida  
Date : September 24, 2021

**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
**Cash flow statement for the year ended March 31, 2021**

Particulars	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>A. Cash flow from operating activities</b>		
Net profit before tax	179,720,287	453,565,566
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation/amortization	51,989,599	53,677,167
Unclaimed balances/ liabilities no longer required written back	(2,329,790)	-
(Profit) on disposal of property, plant and equipment (net)	(752,242)	(69,829)
Bad debts/advances written off	-	81,460,907
Bad debts recovered	(25,570,439)	(2,550,416)
Provision for doubtful debts/ advances (net)	888,504	70,648,775
Interest expense	(230,616)	32,189,086
Interest (income)	(32,294,265)	(19,976,787)
<b>Operating profit before working capital changes</b>	<b>171,421,038</b>	<b>668,944,469</b>
Movements in working capital:		
(Decrease) / Increase in trade payables	(199,433,238)	278,844
Increase in provisions	14,476,416	22,994,021
(Decrease) / Increase in other liabilities	(9,092,722)	150,805,697
Decrease/ (Increase) in trade receivables	340,192,345	(102,299,244)
Decrease / (Increase) in inventories	162,938,212	(180,945,137)
Decrease in loans and advances	1,878,817	15,807,072
(Increase)/Decrease in other assets	(82,289,899)	181,147,724
<b>Cash generated from operations</b>	<b>400,090,969</b>	<b>756,733,445</b>
Direct taxes (paid)	(14,727,015)	(122,868,791)
<b>Net cash flow from operating activities (A)</b>	<b>385,363,954</b>	<b>633,864,654</b>
<b>B. Cash flow from investing activities</b>		
Purchase of PPE and investment property, including capital advances	(52,028,202)	(142,692,944)
Proceeds from sale of PPE	2,339,442	3,083,342
Proceeds of non-current investments	10,000	-
Investment of bank deposits (having original maturity of more than three	(333,138,423)	(187,485,848)
Interest received	34,617,989	14,046,198
<b>Net cash flow (used in) investing activities (B)</b>	<b>(348,199,194)</b>	<b>(313,049,252)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	-	12,986,606
(Repayment) of long term borrowings	(7,916,130)	(9,943,722)
Proceeds from short term borrowings	1,500,000	21,000,000
(Repayment) of short term borrowings	(21,175,225)	(386,515,496)
Interest paid	(5,897,300)	(32,730,546)
<b>Net cash (used in) financing activities ( C)</b>	<b>(33,488,655)</b>	<b>(395,203,158)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>3,676,105</b>	<b>(74,387,756)</b>
Cash and cash equivalents at the beginning of the year	46,186,315	120,574,071
<b>Cash and cash equivalents at the end of the year</b>	<b>49,862,420</b>	<b>46,186,315</b>



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
**Cash flow statement for the year ended March 31, 2021**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
<b>Components of cash and cash equivalents:</b>		
Cash on hand	557.354	891.187
Balances with banks :		
-On current accounts	18,852.614	4,789.181
-On cash credit accounts	14,451.236	7,005,947
-Deposits with original maturity of less than 3 months	16,001.216	33,500,000
<b>Total cash and cash equivalents (note 16)</b>	<b>49,862,420</b>	<b>46,186,315</b>
Summary of significant accounting policies	2.1	
Notes to accounts	25-45	

Notes:

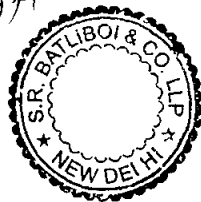
- 1) The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 "Cash Flow Statement" specified by Section 133 of the Companies Act, 2013.
- 2) Cash flow from operating activities for the year ended March 31, 2021 is after considering Corporate Social Responsibility expenditure of Rs. 4,047,000 (Previous year Nil).

**As per our report of even date**

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

per Anil Gupta  
Partner  
Membership no. 87921

Place : New Delhi  
Date : September 24, 2021



For and on behalf of the Board of Directors of  
**Interarch Building Products Private Limited**

Arvind Nanda  
(Managing Director)  
DIN: 00149426

Gautam Suri  
(Director)  
DIN: 00149374

Munish Kumar Garg  
(Chief Executive Officer)

Anil Kumar Chandani  
(Chief Financial Officer)

Nidhi Goel  
(Company Secretary)  
Membership no. A19279

Place : Noida  
Date : September 24, 2021

**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

**1. Corporate information**

Interarch Building Products Private Limited ('the Company') is a private Company domiciled in India. The Company is engaged in the manufacturing, supply, erection and installation of Pre-engineered steel construction solutions, metal roofing & cladding systems, metal false ceilings and light gauge framing system.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 Summary of significant accounting policies**

**(a) 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.

**(b) Property, plant and equipment**

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**(c) Depreciation on property, plant and equipment**

(i) Land taken on lease are amortized over the useful life or the period of primary lease of 90/99 years, whichever is lower.

(ii) The Company has in the previous years, re-assessed the remaining useful life of Buildings- Freehold and Buildings- Leasehold having gross block of Rs. 290,836,928 and Rs. 340,135,800 respectively based on technical evaluation, which are depreciated over the estimated useful life of 40 years, which is higher than the useful life prescribed in Schedule II to the Companies Act, 2013.

(iii) Machinery spares are depreciated over the remaining useful life of related plant and equipment or useful life of spare part, whichever is lower.

(iv) Second hand vehicle of Rs. 6,190,732 is depreciated over the remaining useful life of asset i.e. seven years, which is lower than the life prescribed in Schedule II to the Companies Act, 2013.

(v) Depreciation on all other property, plant and equipment is provided on a straight line basis using the rates arrived at based on the useful lives estimated by the management, which are equal to the corresponding rates prescribed in Schedule II to the Companies Act, 2013.

(vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.



The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with *AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Computer software**

Costs relating to software and software licenses, which are acquired, are capitalized and amortized on a straight-line basis over their estimated useful lives of three years or actual period of license, whichever is lower.

**(e) Leases**

**Where the Company is the lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in investment property. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(f) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(g) Impairment of property, plant and equipment and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

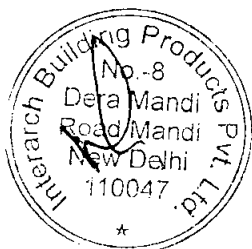
**(h) Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.





**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

**(i) 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 long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of 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.

**Investment property**

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on electrical fittings & furniture and fixtures components of investment property is calculated on a straight line basis using the rates arrived at based on the useful life estimated by the management, which are equal to the corresponding life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on factory buildings component of investment property having gross block of Rs. 33,647,638 is calculated on a straight line basis over the estimated useful life of 40 years (as re-assessed by the management in an earlier year), which is higher than the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on residential property component of investment property having gross block of Rs. 20,510,353 is calculated on a straight line basis over the estimated useful life of 60 years, which is equal to the corresponding life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on residential property component of investment property of Rs.8,699,876, yet to be put to use, will be calculated once the said property is put to use.

Depreciation on Leasehold land component of investment property taken on lease is calculated over the useful life or the period of primary lease of 90 years, whichever is lower.

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.

**(j) Inventories**

Inventories are valued as follows:

**Raw materials and components, packing materials and stores and spares**

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components, packing materials and stores and spares is determined on a moving weighted average method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

**Work-in-progress, Semi-finished goods and Finished goods**

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a moving weighted average basis.

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(k) Revenue recognition**

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. The following specific recognition criteria must also be met before revenue is recognized:

*Revenue from construction contracts, erection and installation services*

The Company executes 'Supply, erection and installation' contracts with its customers for the pre-engineered building.

Contract revenue associated with contracts are recognized as revenue by reference to the stage of completion of the project at the reporting date. The stage of completion of project is determined by the proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

If it is expected that a contract will make loss; the estimated loss is provided for in the books of accounts. Such losses are based on technical assessments. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the financial statements.

As the outcome of the contracts cannot be measured reliably at the early stages of the project, contract revenue is recognized only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of total estimated cost of the project.

Liquidated damages/penalties, interest, warranties and contingencies are provided for, based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

*Sale of goods*

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Goods and Service Tax (GST) and other taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

*Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is shown separately in the statement of profit and loss.

*Export incentives*

Export incentives are accounted in the year of export of goods considering certainty in the collection thereof.

**(l) Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**(m) Taxes**

**-Income Tax**

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**- Goods and Service Tax (GST) / Sales/value added taxes paid on acquisition of assets or on incurring expenses**

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(n) Segment reporting**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

**(o) Earnings Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year 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 events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(p) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(q) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(r) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(s) Foreign currency translation**

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**(iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**(t) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from operations. In its measurement, the Company does not include depreciation and amortization expense, interest income, finance costs, prior period expenses and tax expense.



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

**3. Share capital**

	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>Authorized share capital</b>		
20,000,000 equity shares of Rs. 10 each (previous year 20,000,000 equity shares of Rs. 10 each)	200,000,000	200,000,000
<b>Issued, subscribed and fully paid up shares</b>		
15,000,600 equity shares of Rs. 10 each (previous year 15,000,600 equity shares of Rs. 10 each)	150,006,000	150,006,000
<b>Total issued, subscribed and fully paid up shares</b>	<b>150,006,000</b>	<b>150,006,000</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	March 31, 2021		March 31, 2020	
	Number	Rs.	Number	Rs.
Equity shares				
<b>At the beginning of the year</b>	15,000,600	150,006,000	15,000,600	150,006,000
<b>Outstanding at the end of the year</b>	<b>15,000,600</b>	<b>150,006,000</b>	<b>15,000,600</b>	<b>150,006,000</b>

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share (previous year value of Rs. 10). Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to receive dividends as declared from time to time.

In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

One of the shareholder of the Company viz. M/s Indivision India Partners has the following additional rights as per the Share Subscription Agreement and Shareholders Agreement namely:-

- Participate in any contract which involves an amount in excess of Rs.10,000,000 which is outside the ordinary course of business;
- Commencement or settlement of litigation where the amount involved is above Rs.10,000,000 in a single claim in any particular financial year.
- Vote in meetings on decisions where decision regarding divestment of or sale of assets, investments, lease, license or exchange or pledge in any other way proposing to dispose off any assets or undertaking of the Company except for those transactions which are in the ordinary course of business and those which have specifically been contemplated under the Transaction documents;
- Participate in decision regarding commencement of business unit division outside India;
- Participate in decisions regarding revision in the salaries/compensation paid to the directors of the Company, including the Promoters;
- Participate in the appointment or removal of the Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer of the Company.
- Participate in decision regarding Initial Public Offering (IPO) by the Company and appointment of merchant bankers for an IPO.

**(c) Terms of Exit of M/s Indivision India Partners (Investor)**

As per the Shareholder's Agreement entered on December 4, 2007 between M/s Indivision India Partners, Mauritius, a public company limited by shares with limited life, Interarch Building Products Private Limited ('Company') and Promoters (namely Mr. Arvind Nanda, Mr. Gautam Suri, M/s Taipan Associates Private Limited and M/s IGS Holdings Private Limited and their respective successors and permitted assigns) (collectively referred as "Parties"); and Share Subscription Agreement entered on even date, the Company had issued 100,000 equity shares of Rs. 100 each @ premium of Rs.9.900 each. As on date, Indivision India Partners holds 2,000,000 equity share of Rs. 10 each after split and bonus shares.

The Investor shall have the exit rights as below:

During the exit period (6 months commencing from the expiry of the IPO Period), Investor shall have the right to sell the entire shares to a third party mutually agreed upon by the Parties. The Parties hereby agree and acknowledge that they shall take all reasonable steps to ensure that a mutually acceptable third party purchaser acquires the Investor Shares on terms and conditions acceptable to the Investor.

The right of the Investor, during the Exit period shall also include the right to cause the Company to take all necessary steps and co-operate to facilitate the Investor exit by way of an Offer for Sale (OFS) of the shares and seeking a listing of the Company on the exchange(s). The Investor shall have the right in priority to offer all the Investor Shares for sale in the OFS of the Company.



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
**Notes to financial statements as at and for the year ended March 31, 2021**

For the avoidance of doubt, it is clarified, that during the Exit period, the promoters right of first offer stand suspended.

Where the Investor requires prior legal, governmental or regulatory consent, for disposing the Investor Shares then, not withstanding any other provision of this Agreement, that party shall only be obliged to acquire the shares once such consent or approval is obtained and the parties shall use their reasonable endeavors to obtain any such required approvals.

Any period within which the transfer of the Investor Shares has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.

In the event that upon the completion of the Exit period, the parties have not been successful in finding a third party purchaser or concluding the OFS, then for the period extending from after the completion of the Exit period to the next 6 months (Phase II), the Investor will have the right to sell only to the Promoter or cause the Company to buy back and the Promoter or the Company, as the case may be, will have an obligation to purchase or buy back all the Investor Shares at the fair market value determined in accordance with the procedure as mutually agreed and set out in the Shareholder's Agreement.

The purchase of the Investor Shares by the Promoters and/or the Company will be completed in Phase II.

Notwithstanding, the other provisions of the Shareholder's Agreement, in the event that the Company and/or the Promoters fail to purchase the Investor Shares during Phase II, as contemplated under the Shareholder's Agreement, the Investor shall have the right to sell the Investor Shares to any third party.

**(d) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	March 31, 2021		March 31, 2020	
	Number	% holding in the class	Number	% holding in the class
Mr. Gautam Suri	4,775,300	31.83%	4,775,300	31.83%
Mr. Arvind Nanda	5,920,200	39.47%	5,920,200	39.47%
M/s Indivision India Partners	2,000,000	13.33%	2,000,000	13.33%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, above shareholding represents both legal and beneficial ownership of shares.

**(e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.**

	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid bonus shares	-	-	7,500,300	-	-

**4. Reserves and surplus**

	March 31, 2021	March 31, 2020
	Rs.	Rs.
<b>Capital reserve</b>		
Balance as per the last financial statements	6,000,000	6,000,000
<b>Closing balance (A)</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Securities premium account</b>		
Balance as per the last financial statements	914,997,000	914,997,000
<b>Closing balance (B)</b>	<b>914,997,000</b>	<b>914,997,000</b>
<b>General reserve</b>		
Balance as per the last financial statements	565,912,011	565,912,011
<b>Closing balance (C)</b>	<b>565,912,011</b>	<b>565,912,011</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements	679,423,503	283,062,450
Profit for the year	138,538,016	396,361,053
<b>Net surplus in the statement of profit and loss (D)</b>	<b>817,961,519</b>	<b>679,423,503</b>
<b>Total reserves and surplus (A+B+C+D)</b>	<b>2,304,870,530</b>	<b>2,166,332,514</b>



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

	Non-current portion		Current maturities	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
5. Long term borrowings				
Vehicle loans	1,260,158	7,027,706	5,621,560	7,770,142
	<b>1,260,158</b>	<b>7,027,706</b>	<b>5,621,560</b>	<b>7,770,142</b>
<b>The above amount includes:</b>				
Secured borrowings	1,260,158	7,027,706	5,621,560	7,770,142
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(5,621,560)	(7,770,142)
<b>Net Amount</b>	<b>1,260,158</b>	<b>7,027,706</b>	<b>-</b>	<b>-</b>

Vehicles loans amounting to Rs.6,881,718 (previous year Rs.14,797,848) are secured by hypothecation of underlying vehicles. The rate of interest on the above loans varies from 6.99% to 10.95% per annum. The loans are repayable as per the loan repayment schedule.

	March 31, 2021	March 31, 2020
	Rs.	Rs.
6. Other long term liabilities		
Government grants (net of amortization)	879,014	1,025,516
	<b>879,014</b>	<b>1,025,516</b>

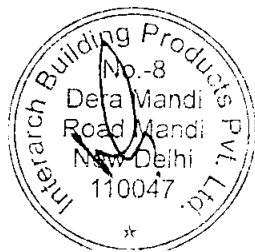
	Long-Term		Short-Term	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
7. Provisions				
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 27)	192,849,089	188,926,285	18,292,938	22,693,409
Provision for compensated absences	-	-	10,051,173	9,409,109
<b>Other provisions:</b>				
Provision for anticipated loss on contracts	-	-	14,950,938	638,919
Provision for income tax	-	-	-	4,564,879
	<b>192,849,089</b>	<b>188,926,285</b>	<b>43,295,049</b>	<b>37,306,316</b>

**Provision for anticipated loss on contracts**

Loss order is provided for the contracts where the Company expects to incur a loss. The table below gives information about movement in provision for anticipated loss on contracts.

	March 31, 2021	March 31, 2020
	Rs.	Rs.
At the beginning of the year	638,919	4,490,766
Arising during the year	14,950,938	638,919
Utilized during the year	(638,919)	(4,490,766)
<b>At the end of the year</b>	<b>14,950,938</b>	<b>638,919</b>

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Current portion	14,950,938	638,919
8. Short term borrowings		
Cash credit from banks (secured)	3,661,325	3,836,429
Working capital loan from non banking finance companies (NBFC's) (unsecured)	-	17,500,121
Loans from related parties repayable on demand (unsecured) (refer note 30)	9,000,000	11,000,000
	<b>12,661,325</b>	<b>32,336,550</b>
<b>The above amount includes:</b>		
Secured borrowings	3,661,325	3,836,429
Unsecured borrowings	9,000,000	28,500,121



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
**Notes to financial statements as at and for the year ended March 31, 2021**

(i) Cash credit facilities from banks are secured by:

1. First pari-passu charge by way of hypothecation of entire current assets including book debts and inventory of the Company, both present and future.

2. These facilities, are further collaterally secured by first pari-passu charge over the entire movable fixed assets including plant & machinery (except vehicles charged exclusively to the financier), both present and future, of the Company.

3. Cash credit facilities from all banks are secured / to be secured by charge by way of equitable mortgage on immovable properties situated at: (a) Plot No. B-30, Sector-57, Noida, Uttar Pradesh (owned by the Company); (b) Plot No. B-33, Sector-57, Noida, Uttar Pradesh (owned by M/s Intertec (Partnership Firm)); (c) Plot No. 28A, Udyog Vihar, Greater Noida, Uttar Pradesh, being immovable properties (owned by M/s Intertec (Partnership Firm)) and (d) Plot No. D-1/1, SIPCOT, Industrial area, Sriperumbudur, Chennai, Tamil Nadu, (owned by the Company); (e) Khasra no.-276-A, Village Kisanpur, Pargana Rudrapur, Tehsil Kichha, Jila Udhm Singh Nagar, Uttarakhand (owned by the Company); (f) Plot No. 29, Udyog Vihar, Greater Noida, Uttar Pradesh (owned by the Company); and (g) Plot no. 14, Sector-2, Pant Nagar, Udham Singh Nagar, Uttarakhand (owned by the Company).

4. Further, secured by (a) personal guarantee of two directors of the Company to all Banks and (b) corporate guarantee of M/s Intertec (Partnership Firm).

The cash credit facilities are repayable on demand and carry interest @ 10.05% to 11.50%.

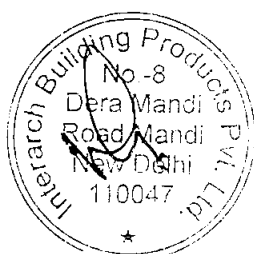
(ii) The unsecured working capital loan of Rs. NIL (previous year Rs. 17,500,121) from a NBFC carried interest @ 9.90 % p.a. The aforesaid loan was secured by way of pledge of personal investments in securities held by directors of the Company, their relatives and a company in which one of the Director of the Company is a Director. The loan was repaid during the year.

(iii) Unsecured loan taken from related parties carrying interest @ 6% p.a.

**9. Trade payables and Other current liabilities**

	March 31, 2021 Rs.	March 31, 2020 Rs.
Trade payables (including acceptances)		
- total outstanding dues of micro enterprises and small enterprises (refer note 31 for details of dues to micro and small enterprises)	67,654,867	98,324,647
- total outstanding dues of creditors other than micro enterprises and small enterprises	616,855,988	789,501,946
	<b>684,510,855</b>	<b>887,826,593</b>
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (refer note 5)	5,621,560	7,770,142
Interest accrued but not due on borrowings	184,339	700,215
Advance from customers	387,573,500	423,741,215
Billing in excess of revenue	72,248,921	78,998,837
Payable towards capital goods*	3,714,260	7,112,637
Book overdraft	-	10,763,488
Government grants (net of amortization)	146,502	146,502
Others:		
- Interest free deposit from customers / others	3,841,500	3,641,500
- Accrued employee liabilities	93,219,580	96,053,958
- Statutory dues payable	55,908,877	24,939,073
- Interest payable on income tax	-	5,612,040
- Interest payable on other statutory dues	12,537,248	12,537,248
- Advance against Sale of Flats appearing under Investment Properties	950,000	-
- Other payables	-	1,050,000
	<b>635,946,287</b>	<b>673,066,855</b>

\* Includes dues of micro enterprises and small enterprises amounting Rs. NIL (Previous year Rs. 253,419/-) (refer note 31 for details of dues to micro and small enterprises)



INTERARCH BUILDING PRODUCTS PRIVATE LIMITED  
Notes to financial statements as at and for the year ended March 31, 2021

(Amount in Rs.)												
10. Property, plant and equipment												
	Land-Freehold	Land-Leasehold	Buildings-Freehold	Buildings-Leasehold	Electrical Fittings	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Temporary structures	Total
<b>Cost</b>												
As at April 1, 2019	39,829,693	54,658,147	204,474,782	338,968,790	50,935,358	394,154,160	21,227,294	25,205,943	27,860,903	63,529,115	2,576,874	1,223,421,059
Additions	-	-	-	1,167,009	299,891	34,455,940	1,605,611	-	1,945,726	15,738,960	717,320	55,930,457
Disposals	-	-	-	-	(72,087)	(1,877,745)	(1,688,449)	-	(856,509)	(10,532,173)	-	(15,026,963)
<b>As at March 31, 2020</b>	<b>39,829,693</b>	<b>54,658,147</b>	<b>204,474,782</b>	<b>340,135,799</b>	<b>51,163,162</b>	<b>426,732,355</b>	<b>21,144,456</b>	<b>25,205,943</b>	<b>28,950,120</b>	<b>68,735,902</b>	<b>3,294,194</b>	<b>1,264,324,553</b>
Additions	-	-	86,268,723	-	11,078,751	41,267,082	711,887	221,840	1,434,091	149,867	-	141,132,241
Disposals	-	-	-	-	-	(144,383)	-	-	-	(9,773,676)	-	(9,918,059)
<b>As at March 31, 2021</b>	<b>39,829,693</b>	<b>54,658,147</b>	<b>290,743,505</b>	<b>340,135,799</b>	<b>62,241,913</b>	<b>467,855,054</b>	<b>21,856,343</b>	<b>25,427,783</b>	<b>30,384,211</b>	<b>59,112,093</b>	<b>3,294,194</b>	<b>1,395,538,735</b>
<b>Depreciation</b>												
As at April 1, 2019	-	7,278,595	54,828,960	96,534,906	41,654,222	220,054,155	16,701,809	17,431,878	24,409,019	32,634,076	2,576,874	514,104,494
Charge for the year	-	597,576	4,564,374	7,480,648	2,446,830	23,080,940	1,394,179	1,786,289	1,629,896	7,676,090	717,320	51,374,142
Disposals	-	-	-	-	(68,483)	(1,378,851)	(1,629,103)	-	(778,221)	(8,158,792)	-	(12,013,450)
<b>As at March 31, 2020</b>	<b>-</b>	<b>7,876,171</b>	<b>59,393,334</b>	<b>104,015,554</b>	<b>44,032,569</b>	<b>241,756,244</b>	<b>16,466,885</b>	<b>19,218,167</b>	<b>25,260,694</b>	<b>32,151,374</b>	<b>3,294,194</b>	<b>553,465,186</b>
Charge for the year	-	597,575	6,107,854	7,508,323	2,669,380	22,467,480	1,443,350	1,747,918	1,324,246	6,334,869	-	50,200,995
Disposals	-	-	-	-	-	(98,353)	-	-	-	(9,182,506)	-	(9,280,859)
<b>As at March 31, 2021</b>	<b>-</b>	<b>8,473,746</b>	<b>65,501,188</b>	<b>111,523,877</b>	<b>46,701,949</b>	<b>264,125,371</b>	<b>17,910,235</b>	<b>20,966,085</b>	<b>26,584,940</b>	<b>29,303,737</b>	<b>3,294,194</b>	<b>594,385,322</b>
<b>Net block</b>												
As at March 31, 2020	39,829,693	46,781,976	145,081,448	236,120,245	7,130,593	184,976,111	4,677,571	5,987,776	3,689,426	36,584,528	-	710,859,367
As at March 31, 2021	39,829,693	46,184,401	225,242,317	228,611,922	15,539,964	203,729,683	3,946,108	4,461,698	3,799,271	29,808,356	-	801,153,413





**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
**Notes to financial statements as at and for the year ended March 31, 2021**

11. Intangible assets		(Amount in Rs.)	
Particulars	Computer Software	Total	
<b>Gross block</b>			
As at April 1, 2019	56,863,681	56,863,681	
Additions	1,680,104	1,680,104	
Deletions	-	-	
<b>As at March 31, 2020</b>	<b>58,543,785</b>	<b>58,543,785</b>	
Additions	838,282	838,282	
Deletions	(4,140,233)	(4,140,233)	
<b>As at March 31, 2021</b>	<b>55,241,834</b>	<b>55,241,834</b>	
<b>Amortization</b>			
As at April 1, 2019	55,386,913	55,386,913	
Charge for the year	1,156,685	1,156,685	
Deletions	-	-	
<b>As at March 31, 2020</b>	<b>56,543,598</b>	<b>56,543,598</b>	
Charge for the year	1,062,965	1,062,965	
Deletions	(4,140,233)	(4,140,233)	
<b>As at March 31, 2021</b>	<b>53,466,330</b>	<b>53,466,330</b>	
<b>Net block</b>			
As at March 31, 2020	2,000,187	2,000,187	
As at March 31, 2021	1,775,504	1,775,504	





**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

\* Security deposit of Rs. NIL (Previous year Rs 7,500,000) was lying with a lender against working capital loan taken from them which was repaid during the previous year.

**Loan and advances includes:-**

	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
Dues from partnership firm (Intertec) in which the Company's director is a partner	1,800,000	1,800,000	-	-
Dues from directors	-	-	3,282	137,722

**14. Trade receivables & Other assets**

**14.1 Trade receivables**

**Outstanding for a period exceeding six months from the date they are due for payment**

	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good	-	-	105,638,054	241,895,737
Unsecured, considered doubtful	-	-	70,998,020	76,761,193
Provision for doubtful receivables	-	-	176,636,074	318,656,930
	-	-	70,998,020	76,761,193
	-	-	105,638,054	241,895,737

**Other receivables**

Unsecured, considered good	345,901,779	432,879,383	619,830,070	716,754,645
Unsecured, considered doubtful	14,081,810	7,390,597	10,132,741	11,392,421
	359,983,589	440,269,980	629,962,811	728,147,066
Provision for doubtful receivables	14,081,810	7,390,597	10,132,741	11,392,421
	345,901,779	432,879,383	619,830,070	716,754,645
	345,901,779	432,879,383	725,468,124	958,650,382

**14.2 Other assets**

**Unsecured, considered good**

	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
Unbilled revenue	-	-	166,090,946	83,801,047
Interest accrued on fixed deposits and others	-	-	5,922,209	8,245,933
Non current bank deposits (note 16)	25,333	103,695,972	-	-
	25,333	103,695,972	172,013,155	92,046,980

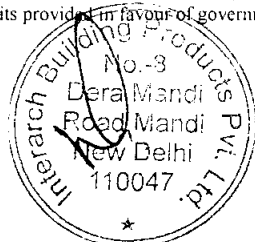
**15. Inventories (valued at lower of cost and net realizable value)**

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Raw materials and components (including stock in transit Rs. 2,69,33,692 (previous year Rs. 2,041,448))	656,497,055	746,119,714
Work in progress (refer note 18)	164,636,321	131,499,577
Semi finished goods (refer note 18)	128,870,101	220,838,845
Finished goods (refer note 18) (including stock in transit Rs. Nil (previous year Rs. 621,572))	2,444,338	15,442,737
Packing materials	3,776,478	4,925,206
Stores and spares	21,389,258	21,665,961
Scrap	1,564,852	1,624,575
	979,178,403	1,142,116,615

**16. Cash and bank balances**

	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
<b>Cash and cash equivalents</b>				
Balances with banks :				
-On current accounts	-	-	18,852,614	4,789,181
-On cash credit accounts	-	-	14,451,236	7,005,947
-Deposits with original maturity of less than 3 months*	-	-	16,001,216	33,500,000
Cash on hand	-	-	557,354	891,187
	-	-	49,862,420	46,186,315
<b>Other bank balances</b>				
-Deposits with remaining maturity for less than 12 months (pledged with sales tax authorities, entry tax and customer NIL, previous year Rs. Rs. 81,103)*	-	-	619,852,803	183,043,741
-Deposits with remaining maturity for more than 12 months (pledged with sales tax authorities, entry tax and customer Rs. 25,333, previous year Rs. 224,318)*	25,333	103,695,972	-	-
	25,333	103,695,972	619,852,803	183,043,741
Amount disclosed under other non current assets ( refer note 14.2)	25,333	103,695,972	-	-
	-	-	669,715,223	229,230,056

\* Fixed deposits / margin money deposit of Rs. 155,973,569 (previous year Rs. 244,035,192) has been held as margin money against issuance of bank guarantee and letter of credits provided in favour of government authorities, customers and



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

**17. Revenue from operations**

**Revenue from operations**

Sale of products:

-Finished goods

-Pre-engineered building

Sale of services (erection and installation services)

Other operating revenue:

-Scrap sales

-Other services

**Revenue from operations (net)**

March 31, 2021	March 31, 2020
Rs.	Rs.
4,099,545,898	5,758,339,798
970,928,296	575,125,853
547,896,584	777,898,616
86,243,012	78,910,431
54,987,875	3,438,844
<b>5,759,601,665</b>	<b>7,193,713,542</b>

**Details of products sold**

Pre-engineered building

Finished goods:

Metal ceilings and corrugated roofing

Steel structure

Light gauge framing systems

Bought out items

March 31, 2021	March 31, 2020
Rs.	Rs.
970,928,296	575,125,853
729,776,765	620,734,915
3,043,846,299	4,977,109,741
6,710,986	3,818,201
<b>3,780,334,050</b>	<b>5,601,662,857</b>
319,211,848	156,676,940
<b>4,099,545,898</b>	<b>5,758,339,797</b>

**17.1 Other income**

Rental income on:

-Investment properties

-Others

Profit on disposal of property, plant and equipments (net)

Bad debts recovered

Unclaimed balances/ liabilities no longer required written back (net)

Government grants

Miscellaneous income

March 31, 2021	March 31, 2020
Rs.	Rs.
12,554,500	13,006,500
1,141,662	1,128,456
752,242	69,829
25,570,439	2,550,416
2,329,790	-
146,502	146,502
-	3,795,352
<b>42,495,135</b>	<b>20,697,055</b>

**17.2 Interest income**

Interest income on:

-Bank deposits

-Income tax refund

-Others

March 31, 2021	March 31, 2020
Rs.	Rs.
31,585,790	14,256,968
42,163	4,280,807
666,312	1,439,012
<b>32,294,265</b>	<b>19,976,787</b>

**18. Cost of raw materials and components consumed**

Opening stock

Add: Purchases during the year

Add: (Reversal) of provision for anticipated loss on contracts

Less: Captive consumption

Less: Closing stock

**Cost of raw materials and components consumed**

March 31, 2021	March 31, 2020
Rs.	Rs.
746,119,714	707,607,370
3,460,782,218	4,313,643,604
14,312,019	(3,851,847)
<b>4,221,213,951</b>	<b>5,017,399,127</b>
10,590,227	21,841,746
656,497,055	746,119,714
<b>3,554,126,669</b>	<b>4,249,437,667</b>



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
**Notes to financial statements as at and for the year ended March 31, 2021**

**Details of raw materials and components consumed**

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Steel	2,981,311,677	3,651,653,152
Aluminum	6,882,904	4,910,617
Bought out items	428,440,287	413,561,151
Others	137,491,801	179,312,747
	<b>3,554,126,669</b>	<b>4,249,437,667</b>

**Details of inventory**

**Raw materials and components**

Steel	570,894,384	639,941,563
Aluminum	5,393,106	7,360,624
Bought out items	63,502,782	76,408,472
Others	16,706,783	22,409,055
	<b>656,497,055</b>	<b>746,119,714</b>

**Decrease/ (increase) in inventories:**

**Inventories at the end of the year**

	March 31, 2021	March 31, 2020	Decrease/ (increase)
	Rs.	Rs.	Rs.
Finished goods	2,444,338	15,442,737	12,998,399
Semi finished goods	128,870,101	220,838,845	91,968,744
Work in progress	164,636,321	131,499,577	(33,136,744)
Scrap	1,564,852	1,624,575	59,723
	<b>297,515,612</b>	<b>369,405,734</b>	<b>71,890,122</b>

**Inventories at the beginning of the year**

Finished goods	15,442,737	4,026,695	(11,416,042)
Semi finished goods	220,838,845	109,371,241	(111,467,604)
Work in progress	131,499,577	118,236,081	(13,263,496)
Scrap	1,624,575	309,067	(1,315,508)
	<b>369,405,734</b>	<b>231,943,084</b>	<b>(137,462,650)</b>
	<b>71,890,122</b>	<b>(137,462,650)</b>	

**Details of inventory**

**Work in progress**

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Steel	164,636,321	131,499,577
	<b>164,636,321</b>	<b>131,499,577</b>

**Semi finished goods**

Metal ceilings and corrugated roofing	22,660,928	26,608,072
Steel structure	106,011,819	193,535,874
Light gauge framing systems	197,354	694,899
	<b>128,870,101</b>	<b>220,838,845</b>

**Finished goods**

Steel structure	2,444,338	15,442,737
	<b>2,444,338</b>	<b>15,442,737</b>

**19. Employee benefits expenses**

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Salaries, wages and bonus	679,232,195	794,257,251
Contribution to provident and other funds	55,704,448	61,490,738
Compensated absences	7,628,497	7,528,568
Gratuity expense (refer note 27)	26,432,664	41,461,542
Staff welfare expenses	22,081,096	28,170,082
	<b>791,078,900</b>	<b>932,908,181</b>



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statements as at and for the year ended March 31, 2021

	March 31, 2021	March 31, 2020
	Rs.	Rs.
<b>20. Other expenses</b>		
Job work and installation charges	679,746,042	840,638,061
Equipment hire and site charges (including insurance of sites amounting to Rs. 1,539,946 (previous year Rs. 1,077,950))	53,627,107	57,855,794
Power and fuel	44,394,715	53,270,416
Freight and forwarding charges (net of recovery of Rs. 1,074,031, previous year Rs. 4,124,063)	124,869,730	200,016,299
Consumption of stores, spares and packing materials	139,353,136	158,439,210
Rent	10,586,381	10,379,469
Rates and taxes	2,974,838	2,467,261
Insurance	3,900,193	2,807,431
Repairs and maintenance:		
- Plant and machinery	4,790,104	5,166,548
- Buildings	3,470,802	1,171,340
- Others	14,462,035	14,690,424
Advertising and sales promotion	1,620,392	3,299,485
Donation	-	203,000
Commission to agents (other than sole selling agents)	2,146,035	23,741,528
Travelling and conveyance	14,688,787	37,971,668
Communication costs	3,919,227	4,266,520
Printing and stationery	5,073,074	6,678,160
Legal and professional fees	21,475,388	12,664,818
Security service expenses	6,714,012	6,664,152
Payment to statutory auditors (refer details below)	3,637,703	4,194,210
Corporate social responsibility expense (Refer Note 43)	4,047,000	-
Testing expenses	993,495	837,471
Provision for doubtful debts/ advances	888,504	70,648,775
Bad debts/ advances written off	1,677,563	-
Less: Provision for doubtful debts/ advances adjusted out of above	<u>1,677,563</u>	81,460,907
Bank charges	22,560,275	36,940,253
Foreign exchange loss (net)	56,815	205,211
Miscellaneous expenses	4,123,708	3,690,652
	<b>1,174,119,498</b>	<b>1,640,369,063</b>
<b>Payment to statutory auditors</b>		
As auditor		
-Audit fees	3,600,000	3,800,000
-Out of pocket expenses	37,703	344,210
In Other Capacity		
-Other Services (Certification Fee)	-	50,000
	<b>3,637,703</b>	<b>4,194,210</b>
<b>21. Depreciation and amortization expense</b>		
	March 31, 2021	March 31, 2020
	Rs.	Rs.
Depreciation on property, plant and equipment	50,200,995	51,374,142
Amortization of intangible assets	1,062,965	1,156,685
Depreciation on investment property	725,639	1,146,340
	<b>51,989,599</b>	<b>53,677,167</b>
<b>22. Finance costs</b>		
	March 31, 2021	March 31, 2020
	Rs.	Rs.
Interest expense (net of credit of interest on income tax (Rs. 5,559,368), previous year including Rs. 1,735,019)	(230,616)	32,189,086
Other finance costs	15,493,134	13,947,280
	<b>15,262,518</b>	<b>46,136,366</b>
<b>23. Prior period expenses/ income (net)</b>		
	March 31, 2021	March 31, 2020
	Rs.	Rs.
Job work and installation charges	780,000	-
Discount on purchase of raw materials and components	(3,656,084)	(4,243,976)
Other operating revenue (Duty Drawback)	(305,519)	-
Commission to agents (other than sole selling agents)	500,000	-
Rental income on movable property	(1,314,925)	-
Legal and professional fees	200,000	-
	<b>(3,796,528)</b>	<b>(4,243,976)</b>
<b>24. Earning per share (EPS)</b>		
	March 31, 2021	March 31, 2020
	Rs.	Rs.
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Net profit as per statement of profit and loss	138,538,016	396,361,053
<b>Net profit for calculation of basic EPS</b>	<b>138,538,016</b>	<b>396,361,053</b>
Number of equity shares outstanding during the year	15,000,600	15,000,600
<b>Basic earning per share (in Rs.)</b>	<b>9.24</b>	<b>26.42</b>
<b>Diluted earning per share (in Rs.)</b>	<b>9.24</b>	<b>26.42</b>



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**

Notes to financial statement as at and for the year ended March 31, 2021

**25. Segment information**

The Company's activities during the year were involved in manufacturing, supply, erection and installation of pre-engineered buildings, metal roofing & cladding systems and metal false ceilings. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard- 17 'Segment Reporting' notified under Section 133 of Companies Act, 2013 and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

**26. Leases**

Operating Lease

(i) In respect of assets taken on lease:

The Company has entered into various lease agreements for offices, residences, lands, godowns and equipment/machinery. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements. There are no sub-leases (except factory situated at Greater Noida). The Company has recognized lease rent expense of Rs. 39,284,134 (previous year Rs. 37,830,666) included in note 20 to the financial statements.

(ii) In respect of assets given on lease:

(a) The Company has entered into operating lease agreement for leasing a part of the factory at Greater Noida (Uttar Pradesh) (sub-lease agreement), set up on leasehold land and residential apartments at Rudrapur (Uttarakhand) as an investment property. The lease term for factory at Greater Noida is for 9 years, with an escalation clause of 15% after completion of every 3 years along with non-cancellable lease period of first 3 years. The lease terms for residential apartments at Rudrapur (Uttarakhand) is for 11 months and are further renewable at the option of the Company and there is no escalation clause. There are no restrictions imposed by such lease arrangements. The rental income in respect of such leases recognized in the statement of profit and loss is Rs. 12,554,500 (Previous year 13,006,500 ).

The lease term of non-cancellable sub- lease is for 9 years. Future minimum rentals receivable under this lease are as follows:

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Within 1 year	Nil	Nil
After 1 year but not more than 5 years	Nil	Nil
More than 5 years	Nil	Nil

(b) The Company has also entered into operating lease agreement for leasing of its movable fixed assets viz. plant and machineries. These leases are not non- cancellable. There are no restrictions imposed by such lease arrangements. The rental income in respect of such leases recognized in the statement of profit and loss is Rs. 2,456,587 (previous year Rs. 1,128,456) (including Rs. 1,314,925 (previous year Nil) recognised as prior period income.

**27. Gratuity plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of 6 months.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan. The gratuity plan is unfunded.

**Statement of profit and loss**

Net employee benefit expense recognized in employee cost:

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
	Rs.	Rs.
Current service cost	16,332,762	16,986,908
Interest cost on benefit obligation	14,368,977	14,242,566
Curtailement cost/ (credit)	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	(4,269,075)	10,232,068
<b>Net benefit expense</b>	<b>26,432,664</b>	<b>41,461,542</b>
Actual return on plan assets	Nil	Nil



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**

Notes to financial statement as at and for the year ended March 31, 2021

**Balance sheet**

Amount recognized in the Balance sheet

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Defined benefit obligation	211,142,027	211,619,694
Fair value of plan assets	-	-
	<b>211,142,027</b>	<b>211,619,694</b>
Less: Unrecognized past service cost	-	-
<b>Plan (asset) / liability</b>	<b>211,142,027</b>	<b>211,619,694</b>

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
	Rs.	Rs.
Opening defined benefit obligation	211,619,694	186,177,332
Interest cost	14,368,977	14,242,566
Current service cost	16,332,762	16,986,908
Benefits paid	(26,910,331)	(16,019,180)
Actuarial (gains)/ loss on obligation	(4,269,075)	10,232,068
Curtailement cost/ (credit)	-	-
<b>Closing defined benefit obligation</b>	<b>211,142,027</b>	<b>211,619,694</b>

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

Particulars	March 31, 2021	March 31, 2020
	%	%
Discount rate	6.80	6.79
Expected rate of return on assets	-	-
Salary escalation rate	6.00	6.00
Employee turnover	1-3	1-3

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

Disclosure of the amount required by paragraph 120(n) of Accounting Standard-15 (Revised) are as follows:

Particulars	Gratuity				
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.	Rs.
Defined benefit obligation	211,142,027	211,619,694	186,177,332	170,463,888	157,632,847
Plan assets	-	-	-	-	-
Surplus / (deficit)	(211,142,027)	(211,619,694)	186,177,332	(170,463,888)	(157,632,847)
Experience adjustments on plan liabilities (loss)/ gain	10,450,302	2,558,767	4,509,397	(9,603,046)	(3,504,000)
Experience adjustments on plan assets (loss)/ gain	-	-	-	-	-

**Defined Contribution Plan**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Provident Fund	47,690,004	52,682,392

**28. Capital and other commitments**

Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) : Rs. 915,600 (previous year Rs. 628,437 ).





Interarch Building Products Private Limited  
Statutory Audit for the year ended March 2021

29. Contingent liabilities (not provided for) in respect of:		
Particulars	March 31, 2021 Rs.	March 31, 2020 Rs.
(i) Demands received from Sales tax authorities*	109,183,436	109,073,988
(ii) Demands raised by Income tax authorities being disputed by the Company for AY's 2006-07	16,211,729	16,211,729
(iii) Service tax demand**	3,207,313,410	3,209,234,645
(iv) Outstanding bank guarantees given by the Company	566,571,007	667,394,040
(v) Demand raised by the Director of Town & Country Planning, Chennai, towards Infrastructure and Amenities charges with respect to Industrial Building approval (including interest)	2,249,142	2,146,261
(vi) Recovery suit filed by a vendor (including interest)	13,608,204	12,256,927
(vii) Pending labour cases	Liability not ascertainable	Liability not ascertainable
(viii) Demand raised by Pondur Panchayat towards non payment of House Tax for the period 2009-10 to 2018-19	866,505	866,505
(ix) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject."		

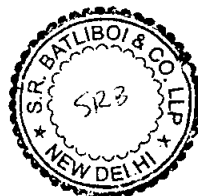
\*Brief description of liabilities for (i) above.

Particulars	March 31, 2021 Rs.	March 31, 2020 Rs.
(a) Demand received from Goa Sales Tax authorities towards higher duty on account of wrong classification of goods for FY 2001-02 (including penalty and interest). The Company has filed appeal with Mumbai High Court at Goa	4,403,944	4,403,944
(b) Demand received from West Bengal Sales Tax authorities towards non production of documents in support of VAT return for FY 2007-08 to FY 2009-10	31,206,422	31,206,422
(c) Demand received from Delhi VAT Authorities on non submission of Form F regards to inter-state sales for the AY 2010-11 (including interest).	138,414	138,414
(d) Demand received from Commercial Tax Department, Jamshedpur towards short payment of VAT for the FY 2009-10 on the amount of labour charges disallowed (including interest). The Company has deposited Rs. 39,627 (previous year Rs. 39,627) against the demand which is included in the 'Security deposits' under note 12 to the financial statements	39,627	39,627
(e) Demand of penalty raised by the sales tax authority towards detention of vehicle. The Company has deposited Rs. 345,728 (previous year Rs. 345,728) against the demand which is included in the 'Security deposits' under note 12 to the financial statements	345,728	345,728
(f) Demand received from Deputy commissioner of Commercial Taxes, Government of Karnataka for the FY 2012-13 on account of taxability @ 14.5% instead of 5% on Work contract tax amounting to Rs. 70,742,348. The Company filed writ petition in High Court which allowed and asked Deputy Commissioner to verify the documents. However, Deputy Commissioner again passed the order raising demand amounting to Rs. 72,693,203. The Company again filed the writ petition against the order passed by Deputy Commissioner. Matter is pending with High court	72,693,203	72,693,203
(g) Demand on account of Vehicle Detention at Uttarakhand. The matter is pending with statutory authorities. The Company has deposited Rs. 246,650 (previous year 246,650) against the demand which is included in the 'Security deposits' under note 12 to the financial statements.	246,650	246,650
(h) Demand received from Uttarakhand GST on account of E-way bill not attached with invoice copy at time vehicle checking. The Company has deposited Rs. 109,448 (previous year Rs. NIL) against the demand which is included in the 'Security deposits' under note 12 to the financial statements	109,448	-
<b>Total</b>	<b>109,183,436</b>	<b>109,073,988</b>

\*\*Brief description of liabilities for (iii) above:

Particulars	March 31, 2021 Rs.	March 31, 2020 Rs.
(a) The Company during the earlier years received a demand, wherein the service tax authorities alleged that the services provided by the Company are not classifiable under the service category of 'Commercial and industrial construction service' after the introduction of new entry of 'Works contract service' in Finance Act 1994 on June 1 2007 and alleged that the Company is required to pay Service Tax under the service category of 'Works contract service' since June 1 2007 and the cenvat credit availed by it on inputs used should not be admissible. The demand notice issued by the authorities required the Company to opt for composite WCT category of 2% and 4%, whereas Company had already paid full service tax @ 12.36% without prejudice to Company's rights. The Company had filed an appeal before the Hon'ble Customs, Central Excise and Service tax Appellate Tribunal (CESTAT). CESTAT had during the earlier year, remanded back the matter to the adjudicating authority for re-determining the tax liability. During the earlier year, the Company received a readjudicated demand order from the service tax authorities, upholding the basis of demand earlier raised. The Company had filed an appeal before the CESTAT, Allahabad Bench. In earlier year, the Company won the appeal. However, in earlier year the Department went into appeal and the same is pending at Supreme Court.		
The details of demand amount is as under:		
(i) Wrong availment of CENVAT on inputs.	1,117,394,814	1,117,394,814
(ii) Short payment of Service tax under WCT scheme vis-a-vis Industrial Construction service (including penalty of Rs. 201,318,981).	402,637,962	402,637,962
(iii) Excess duty collected and passed on to the clients and is demanded (including penalty of Rs. 800,782,907).	1,687,280,634	1,687,280,634
(b) During the earlier year, the Company had received a demand from the service tax authorities alleging that the service tax is chargeable on one premise of the Company which had been taken on rent by the Company from M/s Intertec. M/s Intertec had duly paid the Service Tax on Rent for the period 2012-13 (from Feb 2013) and onwards up to 2016-17 and issued proper invoice to the Company on the strength of which the Company had availed Cenvat credit. Department had objected that the said premises address had not been added in Company's centralized registration hence cenvat is disallowed by the department against the same. During the current year, The Company has received favourable order from The Appellate Authority and Rs. 144,093 deposited against the demand received subsequent to the year end.	-	1,921,235
<b>Total</b>	<b>3,207,313,410</b>	<b>3,209,234,645</b>

Based on favorable decision in similar cases and legal opinion obtained by the Company in discussions with the solicitors the Company believes that there is a fair chance of decisions in its favour in respect of all the items listed in (i) to (iii) & (v) to (viii) above and hence no provision is considered necessary against the same.



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**

Notes to financial statement as at and for the year ended March 31, 2021

**30. Related party disclosures**

The Company has the following related parties in accordance with Accounting Standard- 18 specified under Section 133 of the Companies Act, 2013.

**A. Names of related parties and related party relationship**

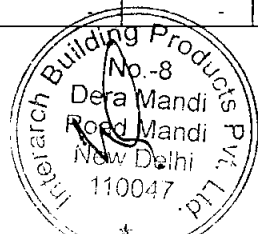
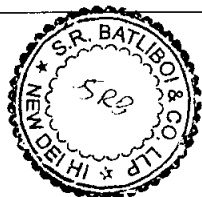
Nature of relationship	Names of the related parties
<b>Related parties where control exists</b>	
i) Key Management personnel	a) Mr. Arvind Nanda (Director) b) Mr. Gautam Suri (Director) c) Mr. Ishaan Suri (Director) d) Mr. Viraj Nanda (Director)
ii) Relatives of Key Managerial Personnel	Mrs. Shobhna Suri
iii) Enterprises owned or significantly influenced by key managerial personnel or their relatives	(a) M/s Intertec (b) M/s Signu Real Estates LLP (c) M/s Aries Developers (P) Limited (d) M/s. Libra Buildwell LLP (e) M/s Taipan Associates (P) Limited (f) M/s IGS Holdings Pvt Ltd (g) M/s Interarch Foundation (h) M/s Artfoto Studios

**B. Related party transactions**

The following table provides the total amount of transactions those have been entered into with related parties for the relevant financial year:

(Amount in Rs.)

Particulars	Key Management personnel (KMP)			Enterprises owned or significantly influenced by key managerial personnel or their relatives						Total
	Mr. Arvind Nanda	Mr. Gautam Suri	Mr. Viraj Nanda	M/s Artfoto Studios	M/s Intertec	M/s Aries Developers (P) Limited	M/s Signu Real Estates LLP	M/s Taipan Associates Pvt Ltd	M/s. Interarch Foundation	
(I) Sale of goods	-	-	-	-	331,345	-	-	88,486	-	419,831
	-	-	-	-	-	-	(1,375,243)	-	-	(1,375,243)
(II) Purchase of goods	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(2,582)	-	-	-	-	(2,582)
(III) Rent paid	-	-	-	-	3,900,000	2,400,000	600,000	-	-	6,900,000
	-	-	-	-	(3,900,000)	(2,400,000)	(600,000)	-	-	(6,900,000)
(IV) Reimbursement of expenses received	-	-	-	-	481,864	-	-	-	-	481,864
	-	-	-	-	(531,000)	-	-	-	-	(531,000)
(V) Remuneration (refer note (ii), (iii) and (iv) below)	2,463,996	3,004,800	-	-	-	-	-	-	-	5,468,796
	(3,032,358)	(4,516,800)	-	-	-	-	-	-	-	(7,549,158)
(VI) Finance cost	153,288	420,000	-	-	-	-	-	-	-	573,288
	(744,918)	(1,877,787)	(654,197)	-	-	-	-	-	-	(3,276,902)
(VII) Loan taken/ adjusted	1,500,000	-	-	-	-	-	-	-	-	1,500,000
	-	-	-	-	-	-	-	-	-	-
(VIII) Loan repaid/ adjusted	3,500,000	-	-	-	-	-	-	-	-	3,500,000
	(10,000,000)	(30,500,000)	(13,000,000)	-	-	-	-	-	-	(53,500,000)
(IX) Corporate social responsibility payment	-	-	-	-	-	-	-	-	577,000	577,000
	-	-	-	-	-	-	-	-	-	-
(IX) Advertisement Expenses	-	-	-	590,000	-	-	-	-	-	590,000
	-	-	-	-	-	-	-	-	-	-



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**

Notes to financial statement as at and for the year ended March 31, 2021

**C. Related party balances**

(a) The following table provides the total amount of balance outstanding as on March 31, 2021 payable /receivable to/from related parties.

(Amount in Rs.)

Particulars	Key Management personnel			Enterprises owned or significantly influenced by key managerial personnel or their relatives	Total
	Mr. Arvind Nanda	Mr. Gautam Suri	Mr. Viraj Nanda	M/s Intertec	
<b>Balances as at March 31, 2021</b>					
(I) Remuneration payable	211.203 (300.072)	222.667 (386.000)	- -	- -	<b>433,870</b> (686.072)
(II) Amount payable	- -	- -	- -	- (534,047)	- (534,047)
(III) Unsecured borrowings	2,000.000 (4,000.000)	7,000.000 (7,000.000)	- -	- -	9,000.000 (11,000.000)
(IV) Interest payable	27.370 (102.393)	95.795 (214.967)	- (61,318)	- -	<b>123,165</b> (378.678)
(V) Security deposit given	- -	- -	- -	1,800.000 (1,800.000)	<b>1,800,000</b> (1,800,000)
(VI) Amount receivable	3,282 (3,282)	- (134,440)	- -	- -	<b>3,282</b> (137,722)

(b) Personal guarantee given to banks for cash credit loans by two promoter directors of the Company viz Mr. Arvind Nanda and Mr. Gautam Suri.

(c) Corporate guarantee given by M/s Intertec to banks for cash credit loans.

(d) Working capital loan from a NBFC was secured by way of pledge of personal investment in securitites held by two directors of the Company viz Mr. Arvind Nanda and Mr Gautam Suri and Mrs. Shobhna Suri wife of Mr Gautam Suri and investment held by Taipan Assocites (P) Ltd. The loan was repaid during the year.

(e) Short term borrowings from all banks are secured/to be secured by way of equitable mortgage on immovable properties situated at: (a) Plot No. B-33, Sector-57, Noida, Uttar Pradesh (owned by M/s Intertec (Partnership Firm)) and (b) Plot No. 28A, Udyog Vihar, Greater Noida, Uttar Pradesh, being immovable properties (owned by M/s Intertec (Partnership Firm))

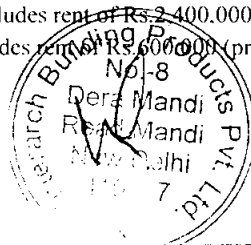
**Notes:**

i) Previous year figures are given in brackets.

ii) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole; and includes value of perquisites (excluding rent) based on actual payment or evaluated as per Income Tax Rules, 1962.

iii) The remuneration paid to Mr. Arvind Nanda excludes rent of Rs.2,400,000 (previous year Rs.2,400,000) paid to M/s. Aries Developers (P) Ltd. for his residence.

iv) The remuneration paid to Mr. Gautam Suri excludes rent of Rs.600,000 (previous year Rs.600,000) paid to M/s Signu Real Estates LLP



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**

Notes to financial statement as at and for the year ended March 31, 2021

**31. Details of dues to Micro and Small enterprises as defined under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006.**

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures in respect to MSMED Act, 2006 is as follows:

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (includes capital creditors of Rs. NIL, Previous year Rs. 253,419)		
Principal amount due to micro and small enterprises	67,654,867	98,578,066
Interest due on above	NIL	NIL
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	NIL	NIL

**Note:** The above disclosure has been prepared on the basis of yearly updation of vendor records maintained by the Company.

**32. Value of imports calculated on CIF basis**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Raw materials and components	11,954,010	23,876,113
Capital goods	5,388,733	9,315,670
Stores, spares and packing materials	-	110,877
<b>Total</b>	<b>17,342,743</b>	<b>33,302,661</b>

**33. Expenditure in foreign currency (accrual basis)**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Travelling and conveyance	31,125	237,014
Others	2,573,262	1,950,640
<b>Total</b>	<b>2,604,387</b>	<b>2,187,654</b>

**34. Earnings in foreign currency**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Exports at F.O.B. value	-	14,897,691

**35. Imported and indigenous raw materials and components, stores, spares and packing materials consumed**

Particulars	% of total consumption		% of total consumption	
	Value		Value	
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Raw materials and components				
Imported	0.56%	20,051,306	0.43%	18,115,952
Indigenously obtained	99.44%	3,534,075,363	99.57%	4,231,321,715
	<b>100.00%</b>	<b>3,554,126,669</b>	<b>100.00%</b>	<b>4,249,437,667</b>
Stores, spares and packing materials				
Imported	0.00%	-	0.03%	55,439
Indigenously obtained	100.00%	139,353,136	99.97%	158,383,771
	<b>100.00%</b>	<b>139,353,136</b>	<b>100.00%</b>	<b>158,439,210</b>



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**

Notes to financial statement as at and for the year ended March 31, 2021

**36. Salary and wages debited to other heads of expenses**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
In addition to expenses charged to respective heads, salary and wages have been debited to other heads of expenses	6,072,627	7,622,542

**37. Construction contracts**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Contract revenue recognized as revenue in the period	3,954,153,095	5,046,440,940
Amount of cost incurred up to the reporting date on contract under progress	6,037,713,733	5,873,353,519
Profit recognized up to the reporting date on contract under progress	1,024,166,034	1,202,782,827
Amount of advance received on contract under progress and outstanding at year end	281,653,114	149,667,025
Amount of retentions on contract under progress	336,000,803	392,449,829
Gross amount due from customers for contract work as an asset (bookings)	166,090,946	83,801,047
Gross amount due to customers for contract work as a liability (reversals)	72,248,921	78,998,837

38. The Company had filed / in the process of filing legal suits / notices for recovery and disputed balances of Rs. 171,022,077 (previous year Rs. 119,603,917) against which provision has been created for Rs. 67,292,930 (previous year Rs. 61,059,089). The Company is currently in the process of seeking confirmations / reconciliations for such trade receivables. In the opinion of the management, the provision currently made is adequate and consequential adjustments on confirmations / reconciliations of the balances receivable from respective customers or settlement of legal suits / notices will not be material in relation to the financial statements of the Company and accordingly, no further provision has been made in respect of these balances.

39. The Company has taken into account all the possible impacts of COVID-19 (including second wave of COVID-19) in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

40. The Company follows Accounting Standard (AS-22) "Accounting for taxes on income", specified under Section 133 of the Companies Act, 2013. Till the year ended March 31, 2019, the Company had not recognised deferred tax assets in absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax can be realised. However, during the previous year based on profit, the Company has reasonable certainty that future taxable income will be available against which such deferred tax can be realised.

41. Under the Direct Tax Vivad se Vishwas (DTVSV) Scheme 2020, announced by the Government of India, the Company has paid Rs. 4,564,879 towards settlement of income tax demand for Assessment Year 2007-08. As a result, interest liability of Rs 5,612,040 provided thereon in earlier years has been reversed during the year.

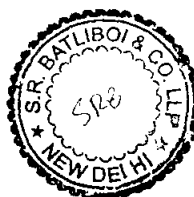
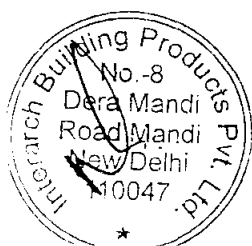
42. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**43. Derivative instruments and unhedged foreign currency exposure**

(a) The Company does not use derivative instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations.

**(b) Particulars of unhedged foreign currency exposure as at the reporting date**

Particulars	March 31, 2021	March 31, 2020
	Rs. 4,079,373 (USD 55,755)	Rs. 2,726,277 (USD 36,172)
Trade Payables		



**INTERARCH BUILDING PRODUCTS PRIVATE LIMITED**  
Notes to financial statement as at and for the year ended March 31, 2021

**44. Details of Corporate Social Responsibility (CSR) expenditure**

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
a) Gross Amount required to be spent by the Company during the year	3,649,654	1,727,805
b) Amount spent during the year on the following in cash:	4,047,000	Nil
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than on (i) above	4,047,000	-

**45. Previous year comparatives**

Previous year's figures have been regrouped and/or re-arranged wherever necessary to conform to this year's classifications.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E/E300005

*Anil Gupta*

per Anil Gupta  
Partner  
Membership No. 87921

Place : New Delhi  
Date : September 24, 2021



For and on behalf of the Board of Directors of  
~~Interarch Building Products Private Limited~~

*Arvind Nanda*      *Gautam Suri*

Arvind Nanda  
(Managing Director)  
DIN: 00149426

Gautam Suri  
Director  
DIN: 00149374

*Marush Kumar Garg*      *Anil Kumar Chandani*

Marush Kumar Garg  
(Chief Executive Officer)

Anil Kumar  
Chandani  
(Chief Financial  
Officer)

*Nidhi Goel*

Nidhi Goel  
Company Secretary  
Membership no. A19279

Place : Noida  
Date : September 24, 2021