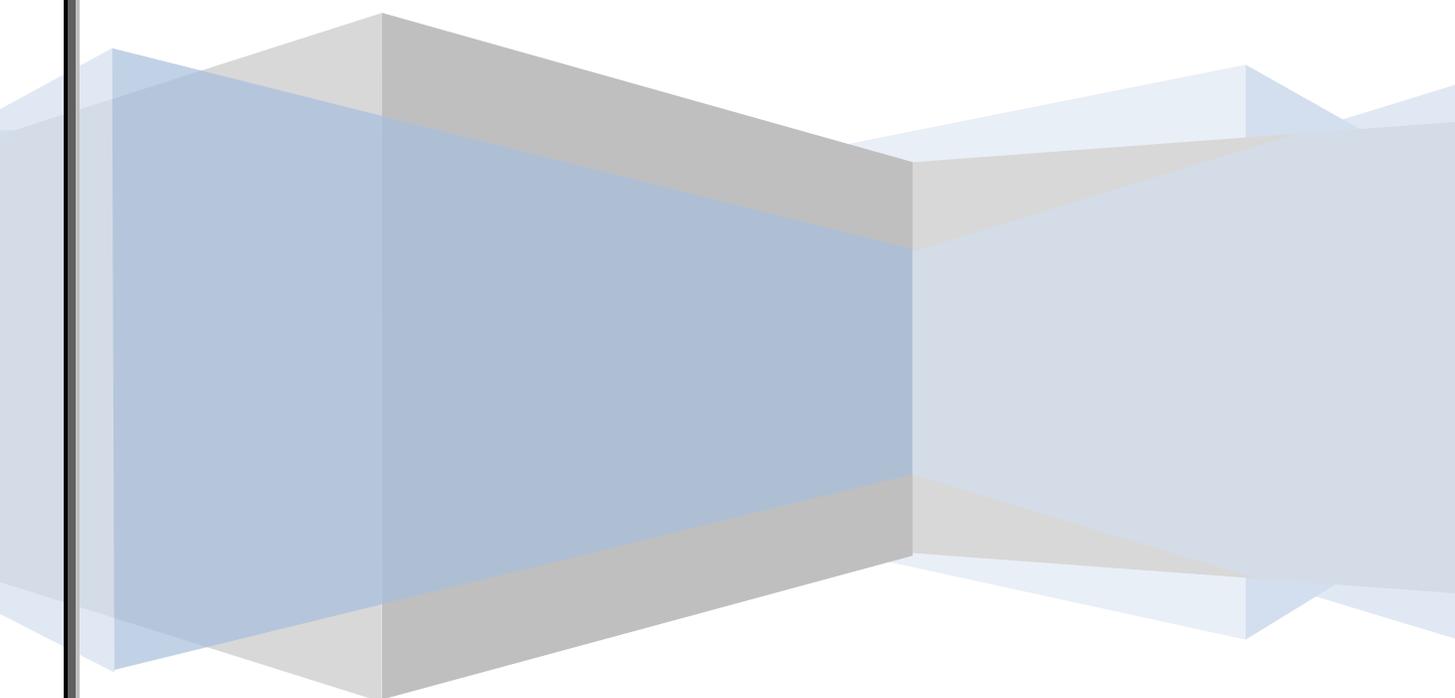


INTERARCH BUILDING PRODUCTS (P) LIMITED



ANNUAL REPORT 2020-21



INTERARCH BUILDING PRODUCTS (P) LIMITED

CIN No :- U45201DL1983PTC017029

38th Annual General Meeting

Date : 29th September, 2021
Day : Wednesday
Time : 9.30 AM
Place: Farm No. 8 Khasara no.
56/23/2, Dera Mandi Road,
Mandi Village,
Tehsil Mehrauli, New Delhi-
110047

BOARD OF DIRECTORS

Mr. Arvind Nanda-Managing Director
Mr. Gautam Suri-Director
Mr. Ishaan Suri--Director
Mr. Viraj Nanda -Director
Mr. Vishal Sharma- Nominee Director
Mr. Dhanpal Arvind Jhaveri-Nominee
Director

CEO

Mr. Manish Garg

Vice President Operations

Mahesh Verma

COO

Mr. Vikas Kaushal

CFO

Mr. Anil Kumar Chandani

COMPANY SECRETARY

Ms. Nidhi Goel

BANKERS

The State Bank of India

B-4/7 Prince Road,
Model Town-1
New Delhi – 110 001

ICICI Bank Ltd

ICICI Bank Tower, NBCC Place
Bhishma Pitamah Marg
Pragati Vihar, New Delhi

Yes Bank Ltd

Third Floor Unit No. 3&4
TDI Center Plot No. 7
Jasola District Center
New Delhi-110025

RBL

Connaught Place
New Delhi

INTERARCH BUILDING PRODUCTS (P) LIMITED

CIN No :- U45201DL1983PTC017029

HDFC Ltd
New Delhi

IDFC Bank Ltd
25 Barakhamba Road, New Delhi

IndusInd Bank
5th Floor, Tower – B, Building
No. 10, DLF Cyber City,
Phase - II, Gurgaon – 122002

STATUTORY AUDITORS

S.R Batliboi & Co. LLP
Office No. 601, 6th Floor, Worldmark – 1,
IGI Airport Hospitality District,
Aerocity, New Delhi 110 037, India

REGISTERED OFFICE

Farm No-8, Khasara no. 56/23/2
Dera Mandi Road, Mandi Village
Tehsil Mehrauli, New Delhi-110047
Phone : 91-120-4170200/2581029
Fax : 91-120-2581017

www.interarchbuildings.com

FACTORY

- Plot No.14, Sector-2, IIE Pantnagar, U.S.Nagar (Uttarakhand - 263145)
- D – 1/ 1, Industrial Park, Mambakkam Tamil Nadu.
- Khasara No. 276 A, 2 km Kichha Rudrapur Road, Kichha U.S.Nagar (Uttarakhand - 263148)

NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Members of M/s Interarch Building Products Private Limited will be held on Wednesday the 29th September' 2021 at 9:30 a.m. at the Registered office of the company at Farm No-8, Khasara no. 56/23/2, Dera Mandi Road, Mandi Village, Tehsil Mehrauli, New Delhi-110047 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2021 and the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. Appointment of Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, S.R. Batliboi & Co. LLP, Chartered Accountants, having Firm Registration No. 301003E/E300005 from whom certificate pursuant to section 139 of the Companies Act, 2013 has been received be and hereby ratified to continue as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration to be mutually decided.

Special Business:

3. To approve the remuneration of the Cost Auditors for the financial year ending 31st March 2021 and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 148 and all other provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014 (including and statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By the order of the Board

Dated: 24th September 2021

Place: Noida

ARVIND NANDA

CHAIRMAN

DIN NO: 00149426

**ADD: Farm No. 8, Haveli Dera Mandi
Road, Mehrauli, New Delhi-110047**

Notes:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and the proxy need not be member of the company. Proxies, in order to be effective, must be received at the registered office of the company not less than forty-eight hours before the time fixed for the Meeting. A proxy form is enclosed.**
- 2. The explanatory statement pursuant to section 102(1) of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed hereto.**
- 3. Consent has been obtained from the shareholders for holding this meeting in shorter notice.**

By the order of the Board

Dated:24th September'2021

**Place: Noida
ARVIND NANDA
CHAIRMAN**

DIN NO: 00149426

**ADD: Farm No. 8, Haveli Dera Mandi
Road, Mehrauli, New Delhi-110047**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE
COMPANIES ACT, 2013**

The following statement set out all material facts relating to the Special Business mentioned in the accompanying business.

Item No.3

The Board has approved the appointment and remuneration of Rs. 65,000/- (Rupees Sixty Five Thousand Only) for the Cost Auditors to conduct the audit of the cost records of the company for the financial year ending March 31, 2021

In accordance with the provision of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor has to be ratified by the Shareholders of the company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution set out at item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Shareholders

By the order of the Board

Place: Noida

Dated: 24th September'2021

ARVIND NANDA

CHAIRMAN

DIN NO: 00149426

ADD: Farm No. 8, Haveli Dera Mandi
Road, Mehrauli, New Delhi-110047

DIRECTORS REPORT

TO THE MEMBERS:

Your Directors take pleasure in presenting the 38th Annual Report on the business and operations of the company together with the audited Financial Accounts for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

(In Rs.)

Particulars	2020-2021	2019-2020
Revenue from operations	5,759,601,665	7,193,713,542
Other Income	42,495,135	20,697,055
Total Revenue	5,802,096,800	7,214,410,597
Profit Before Interest and Depreciation, prior period expense and exceptional item	210,881,661	529,158,336
Finance Charges	15,262,518	46,136,366
Interest Income	(32,294,265)	(1,997,787)
Provision for Depreciation	51,989,599	53,677,168
Profit Before prior period, exceptional item and tax	175,923,759	449,321,590
Prior Period	(3,796,528)	(4,243,976)
Exceptional item	-	-
Provision for Tax	41,182,271	57,204,513
Net Profit After Tax	138,538,016	396,361,053

STATE OF COMPANY'S AFFAIRS:

The total Gross Turnover for the current year is Rs 576 crores, showing decrease of 19.89% as compared to the previous year. The Company has reported a profit after tax of Rs 13.85 Crores as compared to a profit of Rs 39.64 Crores in the previous year.

CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company during the year.

COVID-19

The Covid-19 pandemic brought economic activity to a near standstill. Due to strict restrictions imposed during the lockdown, barring few essential services, economic activity across the country remained suspended. However, economic activity gradually resumed after easing of restrictions and Q3 witnessed significant recovery due to pent up demand. To revive economic growth, a series of supportive policy actions were introduced by the central bank and the government to stimulate demand and aid economic recovery. Your Company continued to emphasize on scaling up operations and increase its portfolio of customers. Although the COVID-19 outbreak posed major hurdles in the production and project execution due to shortage of labor supply. However, your Company's operations were not affected significantly.

DIVIDEND:

No Dividend is declared for the current financial year.

CHANGES IN SHARE CAPITAL

During the year under review the company, there is no change in the Paid up Equity Share Capital of the company which as on March 31, 2021 was Rs. 150,006,000

WEB ADDRESS, WHERE ANNUAL RETURN TO BE PLACED

Presently, the Company doesn't maintain any web address for the Annual Return. The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed (Annexure: 1)

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

FUTURE OUTLOOK

Your company has finished another very adventurous year and we would just like to update you as to how Your Company is doing and what its plans are.

Last year was a totally roller coaster starting with the strictest lockdown anywhere. Everything was shut down and that caused havoc with our industry and in fact, took more than 4 months to slowly recover out of the lockdown effects, thereby losing sales and profitability. After an excellent 2019-2020 year, Your Company was hoping to do even better but all our plans went out of the window.

Your company still managed to end the year with a profit and a good order book too. Even today your company has an excellent Order book. It is noteworthy that your company has made a strong sequential recovery from second quarter of F.Y 2020-21. Unlike the earlier down cycles, this time your company had the comfort of sufficient liquidity which helped us tide over tough times.

Your company had added to its capacity by making the Kichha building ready, but in the last year we have got the machines also and the additional plant is in full production now. Hopefully it will add to your company growth and sales/profitability too in the coming years.

Chennai plant has also increased its capacity and has added to your company total sales in that region.

Your company has executed many orders from very prestigious clients like PEPSI, JSW, LOGOS, ESR, Indospace, HUL, Berger, etc and has got accolades and repeat orders from them. With many of your company customers embarking on their capacity expansions, your company is very well positioned to benefit from these expanding opportunities.

Besides your company regular repeat clients we are happy to say that your company has recently added new clients for their Greenfield projects. Clients like RENEW Power, Page Industries, Bluestar, etc

Your company marketing reach and efforts, alongwith excellent Engineering and Project management has helped us to establish a reputation as a TOP PEB player in India and in the preferred list for large Greenfield projects.

With the Government pulling out all stops to develop INDUSTRY with the PLI and other schemes, we see an excellent position for Your Company in the coming years.

Your company has set a target for ourselves to double our turnover in the next 3 years and gain market share in the PEB Industry and are confident of achieving it. Your company is planning to increase capacity all round to achieve this in the coming years. Your company is strengthening its Engineering and project management to be ready for the next level of business.

Your company has also added to its already very competent team to get us ready for the next level of business. Your company has got a new CFO, Mr. Anil Chandani who is a very experience and knowledgeable person with a background of having worked in large project and manufacturing

companies in India. He is also preparing your company for the next level its proposed IPO very shortly.

Mr Manish Garg has also joined your company as the new CEO. Manish was a part of your company from 1994-2007 and was responsible for establishing your company position with our clients as the Marketing and Sales Head in those years. He has worked as CEO of Everest and Safal (Africa) since then, having established PEB business for both these Companies

He has excellent knowledge of your company, the PEB business and how to run a Company. We are very sure he will take your company to the NEXT LEVEL as per your company plans

Your company is planning an IPO in the coming months to establish more production facilities, grow inorganically by doing business acquisitions and strengthen itself financially for the enormous increase in Business which your company is expecting in the coming years. We shall keep you informed about this as things progress.

Your company has also strengthened its Marketing and Exports in the past few months. We would like your company to start exporting in a serious way very soon. Your company is getting good enquiries from abroad and hopes to get orders soon also. Our marketing has been expanded to include Infrastructure projects, large Industrial projects and INTERARCH LIFEInterarch Life is about how to use Steel buildings for Schools, Colleges, Hospitals, Resorts, Villas, Housing, and other such uses. Your company feels that the Govt is giving Health and Education a big push and will need to establish thousands of schools and hospitals in the coming years, and there is no other way than to build in Steel. Your company has already done many of such buildings all over the Country.

Your company has recently got a breakthrough in OIL companies for their petrol pump retail outlets to be made in steel. Your company is hoping to do excellent business in this in the coming years from the OIL Sector which is expanding very fast.

Your company turnover has dropped in the year and so has profitability and due to the massive and sudden Steel price increase / lockdowns in the last 10 months, we have to advise that , while turnover may go up in the 2021-22 year , but margins will still be under great pressure . Your Company and management is trying its best to deal with multiple challenges like Steel price increases, lockdowns and labour shortages and hopes to overcome these and come out on top.F.Y 2022 brings much better visibility for future growth momentum than last year powered by a strong order book and a robust inquiry pipeline. Your Company is leveraging its engineering expertise to create tomorrow's PEB solutions for its clients.

Thank you for constant support of our investors, bankers, vendors, clients and most importantly the INTERARCH TEAM.

Your company will overcome all challenges as it has done in the last 18 months.

Your company looks forward to a glorious future for Interarch with all your support.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, the Company held seven (7) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S. No.	Date of Meeting	Board Strength	No. of Directors Present
01	17/06/2020	06	05
02	10/07/2020	06	04
03	19/09/2020	06	04
04	09/11/2020	06	05
05	24/11/2020	06	04
06	11/02/2021	06	04
07	15/03/2021	06	04

STATUTORY AUDITORS:

In 35th AGM, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, having Firm Registration No. 301003E/E300005 have been appointed as the Statutory Auditor of the company for the period of 5 years till the conclusion of 40th AGM subject to ratification of their appointment at every AGM.

In view of the forgoing, ratification of the appointment of Statutory Auditors is being sought from the members at the ensuing AGM for their appointment as the Statutory Auditors for the financial year 2021-2022.

INTERNAL AUDITORS:-

M/s MTV & Associates, Chartered Accountants have been conducting periodic internal audit of all operations of the Company at Plot No.14, Sector 2, IIE Pantnagar, Rudrapur, Uttarakhand and Khasra No.276A, 2 Kms. on Kichha-Rudrapur Road, Kichha-263148 (Uttarakhand) and M/s Purushothama Bhutani & Co. Chartered Accountants have been conducting periodic internal audit for Factory at Sipcot, Tamil Nadu.

COST AUDITORS:-

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules 2014, Your company has appointed M/s JSN & CO as the cost auditors of the company to conduct audit of cost accounting records maintained by the Company for various products manufactured by the Company for the year ending on 31st March'2022, at a remuneration of Rs 65,000/-, subject to the ratification of their remuneration by the shareholders in the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been constantly working towards promoting equality, including and empowering the under-represented and underserved communities. Your Company invests in the areas of education, inclusion and livelihood through non-profits and social enterprises. Your Company's constant endeavor has been to support initiatives in the chosen focus areas of CSR, including certain unique initiatives. Your Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of your Company. The Board of Directors has adopted a CSR policy which is in line with the provisions of the Act. The CSR Policy of your Company lays down the philosophy and approach of your Company towards its CSR commitment.

Annual Report on Corporate Social Responsibility Activities of your Company is enclosed as Annexure – 2 and forms a part of this report

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chief Ethics Counsellor and Designated Directors.

LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013, during the year under review and hence the said provision is not applicable.

LOAN FROM DIRECTORS

The company has taken loan from Directors during the year under review. Details of which has been given in **Note No. 30** in the financial statement.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and Approval of the Board of Directors & shareholders was obtained wherever required.

Further all the necessary details of transaction entered with the related parties in accordance with applicable accounting standard are provided at Note No. 30 of the Annual Account.

CONSERVATION OF ENERGY:

During the year ended March 31st, 2021 a number of measures have been introduced to reduce energy consumption to keep the maximum demand down to the minimum level.

TECHNOLOGY ABSORPTION:

During the year the Company continues to encourage the indigenous industries for import substitution. Wherever possible, imports are avoided and all possible steps are being taken for indigenization. The updating of technology has helped to make available to the customer products of high standard and quality.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of foreign exchange and outgo are as under:

	31.03.2021	31.03.2020
	(Rs)	(Rs)
a) Earning	-	14,897,691
b) Outgo:	(Rs)	(Rs)
i) Import of raw material	11,954,010	23,876,113
ii) Foreign Travel	31,125	237,014
iii) Others	25,73,262	19,50,640
iv) Capital goods	5,388,733	9,315,670
v) Software (considered as intangible assets)	NIL	NIL

RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

DIRECTORS

Your company had appointed Mr. Arvind Nanda as the Managing Director from 09/08/2021 till 08/08/2026 in the Extra-Ordinary General meeting held on 7th August'2021. Mr. Arvind Nanda is a Promoter Director of your Company and has been serving as a Director of the Company since 1983. . Mr. Arvind Nanda is a qualified Chartered Accountancy from UK, Graduate from Shri Ram College of Commerce. He has been actively involved in the operations of the Company. He has rich and varied experience in top-level management; expertise in systems and finance of over 45 years. It would be in the interest of your Company to designate him as Managing Director. . He has guided the Company through decades of diversification and growth.

Your company had appointed Mr. Manish Kumar Garg as the Chief Executive Officer of the company w.e.f from 9th August'2021. The Board opines he has requisite integrity, expertise and experience with capability to critically analyses each of the Business segments and bring in more valuable contribution towards the growth of the Company.

DEPOSITS

Your Company has not accepted any deposits from the public, during the year under review, within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, and no amount of principal or interest on Deposits from the public was outstanding as on the date of Balance sheet.

SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

The Company has not issued any Bonus Shares during the year under review.

d. RIGHT ISSUE SHARES

The Company has not issued any Right Shares during the year under review.

e. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material orders were passed by the any Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on Prevention Prohibition and Redressal of Sexual harassment of Women at Workplace pursuant to the requirements of the Sexual Harassment of Women at **Workplace (Prevention, Prohibition and Redressal) Act, 2013**. Company is committed to provide a safe and conducive work environment to its employees. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT U/S 217(2AA):

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD'S COMMENTS ON THE AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

DETAIL OF FRAUD AS PER AUDITORS REPORT

No fraud in the Company during the Financial Year ended 31st March, 2021 has been reported by auditors in their audit report for the Financial Year ended 31st March, 2021.

INTERNAL FINANCIAL CONTROLS

The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of Financial Statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

The report on the Internal Financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013, by the Auditor, is annexed to the Auditor report as “Annexure-2”

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on behalf of the Board

Place: Noida
Dated: 24/09/2021

ARVIND NANDA
MANAGING DIRECTOR
DIN NO: 00149426
Address: Farm No. 8, Haveli
Dera Mandi Road, Mehrauli,
New Delhi-110047

GAUTAM SURI
DIRECTOR
DIN NO: 00149374
Address: F-36 Radhe
Mohan Drive Gadaipur
Bandh, New Delhi-110030

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2021
Annexure-1

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U45201DL1983PTC017029
2	Registration Date	30 th November 1983
3	Name of the Company	INTERARCH BUILDING PRODUCTS PVT LTD
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON -GOVERNMENT COMPANY
5	Address of the Registered office & contact details	FARM NO-8, KHASARA NO. 56/23/2, DERA MANDI ROAD MANDI VILLAGE, TEHSIL MEHRAULI, NEW DELHI-110047
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Steel Products	7301 to 7326	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
		N.A.			

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March 2020]			No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Total	% of Total Shares	Demat	Demat	Total	% of Total Shares	
A. Promoters								
(1) Indian								
a) Individual/ HUF	1,18,95,500	1,18,95,500	79.30%	0	1,18,95,500	1,18,95,500	79.30%	0.00%
b) Central Govt	0	-	0.00%	0	0	-	0.00%	0.00%
c) State Govt(s)	0	-	0.00%	0	0	-	0.00%	0.00%
d) Bodies Corp.	11,05,000	11,05,000	7.37%	0	11,05,000	11,05,000	7.37%	0.00%
e) Banks / FI	0	-	0.00%	0	0	-	0.00%	0.00%
f) Any other	0	-	0.00%	0	0	-	0.00%	0.00%
Sub Total (A) (1)	1,30,00,500	1,30,00,500	86.67%	-	1,30,00,500	1,30,00,500	86.67%	0.00%
(2) Foreign								
a) NRI Individuals	0	0	0.00%	0	0	0	0	0.00%
b) Other Individuals	0	0	0.00%	0	0	0	0	0.00%
c) Bodies Corp.	0	0	0.00%	0	0	0	0	0.00%
d) Any other	0	0	0.00%	0	0	0	0	0.00%
Sub Total (A) (2)	0	0	0.00%	0	0	0	0	0.00%
TOTAL (A)	1,30,00,500	1,30,00,500	86.67%	0	1,30,00,500	1,30,00,500	86.67%	0.00%
B. Public								
<i>1. Institutions</i>								
a) Mutual Funds	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIs	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0.00%	0	5	5	0.00%	0.00%

Sub-total (B)(1):-	0	0	0.00%	0	5	5	0.00%	0.00%
2. Non-Institutions								
a) Bodies Corp.								
i) Indian	0	0	0.00%	0	0	0	0.00%	0.00%
ii) Overseas	20,00,000	20,00,000	13.33%	0	20,00,000	20,00,000	13.33%	0.00%
b) Individuals								
i) Individual shareholders holding nominal share capital upto	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0.00%	0	0	0	0.00%	
	0	0	0.00%	0	0	0	0.00%	
	0	0	0.00%	0	0	0	0.00%	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0	0.00%	0	0	0	0.00%	
	0	0	0.00%	0	0	0	0.00%	
	0	0	0.00%	0	0	0	0.00%	
c) Others (specify)	100	100	0.00%	0	100	100	0.00%	
Sub-total (B)(2):-	20,00,000	20,00,000	13.33%	0	20,00,000	20,00,000	13.33%	0.00%
Total Public (B)	20,00,100	20,00,100	13.33%	0	20,00,100	20,00,100	13.33%	0.00%
C. Shares held by Custodian for GDRs & ADRs								
	0	0	0.00%	0	0	0	0.00%	0.00%
	0	0		0	0	0		
	0	0		0	0	0		
Grand Total	1,50,00,600	1,50,00,600	100.00%	0	1,50,00,600	1,50,00,600	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to	
1	Gautam Suri	47,75,300	31.83%	0	47,75,300	0	0.00%	
2	M/s Taipan Associates Pvt. Ltd	5,80,000	3.87%	0	5,80,000	0	0.00%	
3	Arvind Nanda	59,20,200	39.47%	0	59,20,200	0	0.00%	
4	Ishaan Suri	5,99,900	3.92%	0	5,99,900	0	0.00%	
6	M/s IGS Holdings Pvt. Ltd	5,25,000	3.50%	0	5,25,000	0	0.00%	
7	Shobhna Suri	6,00,100	4.00%	0	6,00,100	0	0.00%	
	Total	1,30,00,500	86.67%	0	1,30,00,500	86.67%	0.00%	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

NO CHANGE

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of						0.00%
	Changes during the year				0.00%		0.00%
	At the end of the				0.00%		86.67%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

.....NA...

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of	Gautam Suri		47,75,300	31.83%		0.00%
	Changes during the			0	0.00%		0.00%
	At the end of the				0.00%	47,75,300	31.83%
2	Name						
	At the beginning of	Arvind Nanda		59,20,200	39.47%		0.00%
	Changes during the			0	0.00%		0.00%
	At the end of the				0.00%	59,20,200	39.47%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs)

Particulars	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,86,34,277	2,85,00,121	0	4,71,34,398
ii) Interest due but not	0	0	0	0
iii) Interest accrued but not due	0	0	0	0.00
Total (i+ii+iii)	1,86,34,277.00	-	-	4,71,34,398
Change in Indebtedness during the financial year				
* Addition				0
* Reduction	96,34,277	1,79,55,078		2,75,89,355
Net Change	96,34,277	1,79,55,078	0	2,75,89,355
Indebtedness at the end of the financial year				
i) Principal Amount	90,00,000	1,05,45,043	-	1,95,45,043
ii) Interest due but not paid	0	0	0	-
iii) Interest accrued but not	0	0	0	0.00
Total (i+ii+iii)	90,00,000	1,05,45,043.00	-	1,95,45,043.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

ager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Arvind Nanda		(Rs)
	Designation	CEO & Director		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax			48,63,996
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	-
	- as % of profit	-	-	-
4	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	0	-	48,63,996

ager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Gautam Suri		(Rs)
	Designation	CTO & Director		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax			38,32,800
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	-
	- as % of profit	-	-	-
4	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	0.00	-	38,32,800

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

....NA.....

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

ANNEXURE -II

1. Brief outline on CSR Policy of the Company.

For Interarch, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled. To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

CSR Objectives

1. Demonstrate commitment to the common good through responsible business practices and good governance
2. To directly or indirectly take up programmes that benefit the communities in & around its Work Centre and results, over a period of time, in Enhancing the quality of life & economic wellbeing of the local populace.
3. Engender a sense of empathy and equity among employees of Interarch to motivate them to give back to the society.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Arvind Nanda	Chairman/Managing Director	1	1
2	Mr. Gautam Suri	Member/Director	1	1
3	Mr. Vishal Sharma	Member/Nominee Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <https://www.interarchbuildings.com/key-policies.asp>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable for the financial year under review.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. Average net profit of the company as per section 135(5). **18,24,82,683**

7. (a) Two percent of average net profit of the company as per section 135(5) :**36,49,654**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable.**

(c) Amount required to be set off for the financial year,

if any: **Not Applicable**

(d) Total CSR obligation for the financial year (7a+7b- 7c). **36,49,654**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
40,47,000/-	Nil		Nil		

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **Not Applicable**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	(i)	Public Health	yes	Rudrapur, Uttranchal	Udham Singh Nagar	2,00,000	YES	RED CROSS SOCIETY	Not Available
2	(xii)	Disaster Management	yes	Rudrapur, Uttranchal	Udham Singh Nagar	2,20,000	YES	COVID RELIEF	Not Available
3	(xii)	Disaster Management	yes	Rudrapur, Uttranchal	Udham Singh Nagar	5,50,000	YES	KUMAUN GARHWAL CHAMBER OF COMMERCE AND INDUSTRY	Not Available
4	(iii)	Empowering Women	No	Nakodar Road, Jalandhar		10,00,000	NO	NARI NIKETAN TRUST	Not Available
5	(i)	Public Health	yes	Rudrapur, Uttranchal	Udham Singh Nagar	5,00,000	NO	SOUBHAGYA NIRMALAM FOUNDATION	CSR00013069
6	(i)	Public Health	yes	New Delhi		5,00,000	NO	CHIKITSA	Not Available

7	(ii)	Promoting Education	yes	New Delhi		5,00,000	NO	DELHI COUNCIL FOR CHILD WELFARE	Not Available
8	(i)	Public Health	yes	Rudrapur, Uttranchal	Udham Singh Nagar	5,77,000	NO	INTERARCH FOUNDATION	CSR00003235
	TOTAL					40,47,000			

(d) Amount spent in Administrative Overheads: **Not Applicable**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs 40,47,000/-**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	36,49,654
(ii)	Total amount spent for the Financial Year	40,47,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,97,346
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,97,346

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):
Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): **None**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

For and on behalf of the Board

Place: Noida
Dated: 24/09/2021

ARVIND NANDA
MANAGING DIRECTOR
DIN NO: 00149426
Address: Farm No. 8, Haveli
Dera Mandi Road, Mehrauli,
New Delhi-110047

GAUTAM SURI
DIRECTOR
DIN NO: 00149374
Address: F-36 Radhe
Mohan Drive Gadaipur
Bandh, New Delhi-110030

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;

- (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:
Place of Signature: New Delhi
Date:

Annexure I 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.

(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.

- (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

per Anil Gupta
Partner
Membership Number: 87921
Place: New Delhi
Date:

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:

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

Particulars	Notes	March 31, 2021	March 31, 2020
		Rs.	Rs.
Equity and liabilities			
Shareholder's funds			
Share capital	3	150,006,000	150,006,000
Reserves and surplus	4	2,304,870,530	2,166,332,514
		2,454,876,530	2,316,338,514
Non- current liabilities			
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
		194,988,261	196,979,507
Current liabilities			
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
		1,376,413,516	1,630,536,314
TOTAL		4,026,278,307	4,143,854,335
Assets			
Non-current assets			
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
		1,360,533,294	1,530,840,321
Current assets			
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
		2,665,745,013	2,613,014,014
TOTAL		4,026,278,307	4,143,854,335
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. 301003E/E300005

Arvind Nanda
(Managing Director)
DIN: 00149426

Gautam Suri
(Director)
DIN: 00149374

per Anil Gupta
Partner
Membership no. 87921

Place : New Delhi
Date :

Manish Kumar Garg
(Chief Executive Officer)

Anil Kumar Chandani
(Chief Financial Officer)

Nidhi Goel
(Company Secretary)
Membership no. A19279

Place: Noida
Date :

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.
Income			
Revenue from operations	17	5,759,601,665	7,193,713,542
Other income	17.1	42,495,135	20,697,055
Total revenue (I)		5,802,096,800	7,214,410,597
Expenses			
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
Total (II)		5,591,215,189	6,685,252,261
Earnings before interest, tax, depreciation, amortization and prior period expenses (net) (EBITDA) (I)-(II)		210,881,611	529,158,336
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
Profit before prior period expenses (net) and tax		175,923,759	449,321,590
Prior period expense/(income) (net)	23	(3,796,528)	(4,243,976)
Profit before tax		179,720,287	453,565,566
Tax expense:			
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)
		41,182,271	57,204,513
Profit for the year		138,538,016	396,361,053
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

per Anil Gupta
Partner
Membership no. 87921

Arvind Nanda
(Managing Director)
DIN: 00149426

Gautam Suri
(Director)
DIN: 00149374

Place : New Delhi
Date :

Manish Kumar Garg
(Chief Executive Officer)

Anil Kumar Chandani
(Chief Financial Officer)

Nidhi Goel
(Company Secretary)
Membership no. A19279

Place : Noida
Date :

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

Particulars	March 31, 2021 Rs.	March 31, 2020 Rs.
A. Cash flow from operating activities		
Net profit before tax	179,720,287	453,565,566
Non-cash adjustment to reconcile profit before tax to net cash flows:		
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)
Operating profit before working capital changes	171,421,038	668,944,469
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
Cash generated from operations	400,090,969	756,733,445
Direct taxes (paid)	(14,727,015)	(122,868,791)
Net cash flow from operating activities (A)	385,363,954	633,864,654
B. Cash flow from investing activities		
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
Net cash flow (used in) investing activities (B)	(348,199,194)	(313,049,252)
C. Cash flow from financing activities		
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)
Net cash (used in) financing activities (C)	(33,488,655)	(395,203,158)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	3,676,105	(74,387,756)
Cash and cash equivalents at the beginning of the year	46,186,315	120,574,071
Cash and cash equivalents at the end of the year	49,862,420	46,186,315

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

Particulars	March 31, 2021	March 31, 2020
	Rs.	Rs.
Components of cash and cash equivalents:		
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
Total cash and cash equivalents (note 16)	49,862,420	46,186,315
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

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

per Anil Gupta
Partner
Membership no. 87921

Arvind Nanda
(Managing Director)
DIN: 00149426

Gautam Suri
(Director)
DIN: 00149374

Place : New Delhi
Date :

Manish Kumar Garg
(Chief Executive Officer)

Anil Kumar Chandani
(Chief Financial Officer)

Nidhi Goel
(Company Secretary)
Membership no. A19279

Place : Noida
Date :

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 live 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 affect 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.

INTERARCH BUILDING PRODUCTS PRIVATE LIMITED

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

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, 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.
Authorized share capital		
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
Issued, subscribed and fully paid up shares		
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
Total issued, subscribed and fully paid up shares	150,006,000	150,006,000

(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				
At the beginning of the year	15,000,600	150,006,000	15,000,600	150,006,000
Outstanding at the end of the year	15,000,600	150,006,000	15,000,600	150,006,000

(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:-

- a. Participate in any contract which involves an amount in excess of Rs.10,000,000 which is outside the ordinary course of business;
- b. Commencement or settlement of litigation where the amount involved is above Rs.10,000,000 in a single claim in any particular financial year;
- c. 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;
- d. Participate in decision regarding commencement of business/unit/division outside India;
- e. Participate in decisions regarding revision in the salaries/compensation paid to the directors of the Company, including the Promoters;
- f. Participate in the appointment or removal of the Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer of the Company;
- g. 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, notwithstanding 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

Equity shares of Rs. 10 each fully paid

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, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
	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.
Capital reserve		
Balance as per the last financial statements	6,000,000	6,000,000
Closing balance (A)	6,000,000	6,000,000
Securities premium account		
Balance as per the last financial statements	914,997,000	914,997,000
Closing balance (B)	914,997,000	914,997,000
General reserve		
Balance as per the last financial statements	565,912,011	565,912,011
Closing balance (C)	565,912,011	565,912,011
Surplus in the statement of profit and loss		
Balance as per the last financial statements	679,423,503	283,062,450
Profit for the year	138,538,016	396,361,053
Net surplus in the statement of profit and loss (D)	817,961,519	679,423,503
Total reserves and surplus (A+B+C+D)	2,304,870,530	2,166,332,514

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

5. Long term borrowings	Non-current portion		Current maturities	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
Vehicle loans	1,260,158	7,027,706	5,621,560	7,770,142
	1,260,158	7,027,706	5,621,560	7,770,142
The above amount includes:				
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)
Net Amount	1,260,158	7,027,706	-	-

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.

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

7. Provisions	Long-Term		Short-Term	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
Provision for employee benefits				
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
Other provisions:				
Provision for anticipated loss on contracts	-	-	14,950,938	638,919
Provision for income tax	-	-	-	4,564,879
	192,849,089	188,926,285	43,295,049	37,306,316

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)
At the end of the year	14,950,938	638,919
Current portion	14,950,938	638,919

8. Short term borrowings	March 31, 2021	March 31, 2020
	Rs.	Rs.
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
	12,661,325	32,336,550
The above amount includes:		
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, Udhm 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
	684,510,855	887,826,593
Other current liabilities		
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
	635,946,287	673,066,855

* 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

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
(Amount in Rs.)												
Cost												
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)
As at March 31, 2020	39,829,693	54,658,147	204,474,782	340,135,799	51,163,162	426,732,355	21,144,456	25,205,943	28,950,120	68,735,902	3,294,194	1,264,324,553
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)
As at March 31, 2021	39,829,693	54,658,147	290,743,505	340,135,799	62,241,913	467,855,054	21,856,343	25,427,783	30,384,211	59,112,093	3,294,194	1,395,538,735
Depreciation												
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)
As at March 31, 2020	-	7,876,171	59,393,334	104,015,554	44,032,569	241,756,244	16,466,885	19,218,167	25,260,694	32,151,374	3,294,194	553,465,186
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)
As at March 31, 2021	-	8,473,746	65,501,188	111,523,877	46,701,949	264,125,371	17,910,235	20,966,085	26,584,940	29,303,737	3,294,194	594,385,322
Net block												
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 BRODUCTS 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	
Gross block			
As at April 1, 2019	56,863,681	56,863,681	
Additions	1,680,104	1,680,104	
Deletions	-	-	
As at March 31, 2020	58,543,785	58,543,785	
Additions	838,282	838,282	
Deletions	(4,140,233)	(4,140,233)	
As at March 31, 2021	55,241,834	55,241,834	
Amortization			
As at April 1, 2019	55,386,913	55,386,913	
Charge for the year	1,156,685	1,156,685	
Deletions	-	-	
As at March 31, 2020	56,543,598	56,543,598	
Charge for the year	1,062,965	1,062,965	
Deletions	(4,140,233)	(4,140,233)	
As at March 31, 2021	53,466,330	53,466,330	
Net block			
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

12. Non current investments
(i) Investment property (at cost less accumulated depreciation)

 Cost of tangible fixed assets given to be given on operating lease *
 (Refer note a below)

Gross block

Less: Accumulated depreciation

At the beginning of the year

Charge for the year

Accumulated depreciation
Net block
(ii) Investment in government securities
Non-Trade (unquoted)

National Savings certificate (given as security to sales tax and other government department)

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Cost of tangible fixed assets given to be given on operating lease *	90,448,832	90,448,832
Gross block	90,448,832	90,448,832
Less: Accumulated depreciation		
At the beginning of the year	32,737,869	31,591,529
Charge for the year	725,639	1,146,340
Accumulated depreciation	33,463,508	32,737,869
Net block	56,985,324	57,710,963
(ii) Investment in government securities		
Non-Trade (unquoted)		
National Savings certificate (given as security to sales tax and other government department)	58,000	68,000
	57,043,324	57,778,963

* includes land, buildings, electrical fittings & furniture and fixtures.

Note-

The Company as per circular resolution of the Board of Directors dated January 25, 2021 resolved to sell residential flats at Metropolis City, Plot A, IIE, SIDCUL Pant Nagar, Utrakhand (Gross Block Rs. 20,510,353, Net Block Rs. 17,063,825).

During the year, the Company has entered into an agreement to sell three such residential flats for which Rs. 950,000 has been received from prospective buyers, which is included under Other current liabilities (refer note-9). The agreed sales value is higher than the Net Block of these flats as on March 31, 2021 and as such no impairment is required.

	Balance Sheet		Statement of Profit & Loss	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Credit / (Charge)	Rs.
12.1. Deferred tax assets (Net)				
Deferred tax Liabilities				
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	55,270,721	50,465,627	4,805,094	50,394,896
Others	258,102	1,335,496	(1,077,394)	1,335,496
Total	55,528,823	51,801,123	3,727,700	51,730,392
Deferred tax assets				
Impact of expenditure charged to the statement of Profit and loss but allowable for tax purposes on payment basis	59,129,718	59,007,879	121,839	58,937,148
Provision for doubtful debts and advances	25,061,164	25,259,754	(198,590)	25,259,754
Impact of Section 145A	32,719,926	35,332,055	(2,612,129)	35,332,055
Others	4,173,971	251,408	3,922,563	251,408
Total	121,084,779	119,851,096	1,233,683	119,780,365
Net deferred tax Assets	65,555,956	68,049,973	(2,494,017)	68,049,973
13. Loans and advances				
			Non Current	Current
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.
Capital advances				
Unsecured, considered good	1,337,400	2,225,199	-	-
(A)	1,337,400	2,225,199	-	-
Security deposits*				
Unsecured, considered good				
- To related party (refer note 30)	1,800,000	1,800,000	-	-
- Others	11,341,226	12,705,514	3,210,582	11,514,999
(B)	13,141,226	14,505,514	3,210,582	11,514,999
Advances recoverable in cash or in kind				
Unsecured, considered good	-	-	22,931,842	18,357,270
Unsecured, considered doubtful	-	-	4,362,939	2,657,694
	-	-	27,294,781	21,014,964
Provision for doubtful advances	-	-	4,362,939	2,657,694
(C)	-	-	22,931,842	18,357,270
Other loans and advances				
Unsecured, considered good				
Advance income tax/ fringe benefit tax (net of provision for income tax)	72,799,229	45,791,204	-	55,534,143
Prepaid expenses	1,800,130	601,660	17,868,574	15,778,738
Loans and advances to employees	-	-	3,385,141	4,073,111
VAT/ Entry tax recoverable	-	-	19,701,764	20,311,203
Balances with statutory/government authorities				
Unsecured, considered good	-	-	52,272,205	65,400,517
Unsecured, considered doubtful	-	-	-	2,162,662
	74,599,359	46,392,864	93,227,684	163,260,374
Less: Provision for doubtful advances	-	-	-	2,162,662
(D)	74,599,359	46,392,864	93,227,684	161,097,712
Total (A+B+C+D)	89,077,985	63,123,577	119,370,108	190,969,981

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	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs.	Rs.	Rs.	Rs.

14.1 Trade receivables

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

Unsecured, considered good	-	-	98,635,409	241,895,737
Unsecured, considered doubtful	-	-	70,998,020	76,761,193
	-	-	169,633,429	318,656,930
Provision for doubtful receivables	-	-	70,998,020	76,761,193
	-	-	98,635,409	241,895,737

Other receivables

Unsecured, considered good	345,901,779	432,879,383	626,832,715	716,754,645
Unsecured, considered doubtful	14,081,810	7,390,597	10,132,741	11,392,421
	359,983,589	440,269,980	636,965,456	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	626,832,715	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	1,624,375
	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.
Cash and cash equivalents				
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
Other bank balances				
-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 suppliers.

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

17. Revenue from operations

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Revenue from operations		
Sale of products:		
-Finished goods	4,099,545,898	5,758,339,798
-Pre-engineered building	970,928,296	575,125,853
Sale of services (erection and installation services)	547,896,584	777,898,616
<u>Other operating revenue:</u>		
-Scrap sales	86,243,012	78,910,431
-Other services	54,987,875	3,438,844
Revenue from operations (net)	5,759,601,665	7,193,713,542

Details of products sold

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Pre-engineered building	970,928,296	575,125,853
<u>Finished goods:</u>		
Metal ceilings and corrugated roofing	729,776,765	620,734,916
Steel structure	3,043,846,299	4,977,109,741
Light gauge framing systems	6,710,986	3,818,201
	3,780,334,050	5,601,662,857
Bought out items	319,211,848	156,676,940
	4,099,545,898	5,758,339,798

17.1 Other income

	March 31, 2021	March 31, 2020
	Rs.	Rs.
<u>Rental income on:</u>		
-Investment properties	12,554,500	13,006,500
-Others	1,141,662	1,128,456
Profit on disposal of property, plant and equipments (net)	752,242	69,829
Bad debts recovered	25,570,439	2,550,416
Unclaimed balances/ liabilities no longer required written back (net)	2,329,790	-
Government grants	146,502	146,502
Miscellaneous income	-	3,795,352
	42,495,135	20,697,055

17.2 Interest income

	March 31, 2021	March 31, 2020
	Rs.	Rs.
<u>Interest income on:</u>		
-Bank deposits	31,585,790	14,256,968
-Income tax refund	42,163	4,280,807
-Others	666,312	1,439,012
	32,294,265	19,976,787

18. Cost of raw materials and components consumed

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Opening stock	746,119,714	707,607,370
Add: Purchases during the year	3,460,782,218	4,313,643,604
Add: (Reversal) of provision for anticipated loss on contracts	14,312,019	(3,851,847)
	4,221,213,951	5,017,399,127
Less: Captive consumption	10,590,227	21,841,746
Less: Closing stock	656,497,055	746,119,714
Cost of raw materials and components consumed	3,554,126,669	4,249,437,667

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
	3,554,126,669	4,249,437,667

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
	656,497,055	746,119,714

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
	297,515,612	369,405,734	71,890,122

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)
	369,405,734	231,943,084	(137,462,650)
	71,890,122	(137,462,650)	

Details of inventory

Work in progress

	March 31, 2021	March 31, 2020
	Rs.	Rs.
Steel	164,636,321	131,499,577
	164,636,321	131,499,577

Semi finished goods

Metal ceilings and corrugated roofing	22,660,928	26,608,073
Steel structure	106,011,819	193,535,874
Light gauge framing systems	197,354	694,899
	128,870,101	220,838,845

Finished goods

Steel structure	2,444,338	15,442,737
	2,444,338	15,442,737

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
	791,078,900	932,908,181

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

20. Other expenses

	March 31, 2021	March 31, 2020
	Rs.	Rs.
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
	<u>1,174,119,498</u>	<u>1,640,369,063</u>

Payment to statutory auditors

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
	<u>3,637,703</u>	<u>4,194,210</u>

21. Depreciation and amortization expense

	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
	<u>51,989,599</u>	<u>53,677,167</u>

22. Finance costs

	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
	<u>15,262,518</u>	<u>46,136,366</u>

23. Prior period expenses/ income (net)

	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	-
	<u>(3,796,528)</u>	<u>(4,243,976)</u>

24. Earning per share (EPS)

	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
Net profit for calculation of basic EPS	<u>138,538,016</u>	<u>396,361,053</u>
Number of equity shares outstanding during the year	15,000,600	15,000,600
Basic earning per share (in Rs.)	9.24	26.42
Diluted earning per share (in Rs.)	9.24	26.42

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
Curtailment cost/ (credit)	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	(4,269,075)	10,232,068
Net benefit expense	26,432,664	41,461,542
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	-	-
	211,142,027	211,619,694
Less: Unrecognized past service cost	-	-
Plan (asset) / liability	211,142,027	211,619,694

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
Curtailment cost/ (credit)	-	-
Closing defined benefit obligation	211,142,027	211,619,694

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)	186,177,322	(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	-
Total	109,183,436	109,073,988

**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-à-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 is received subsequent to the year end.	-	1,921,235
Total	3,207,313,410	3,209,234,645

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

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	
Balances as at March 31, 2021					
(I) Remuneration payable	211,203 (300,072)	222,667 (386,000)	- -	- -	433,870 (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)	- -	123,165 (378,678)
(V) Security deposit given	- -	- -	- -	1,800,000 (1,800,000)	1,800,000 (1,800,000)
(VI) Amount receivable	3,282 (3,282)	- (134,440)	- -	- -	3,282 (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
Total	17,342,743	33,302,661

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
Total	2,604,387	2,187,654

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
	100.00%	3,554,126,669	100.00%	4,249,437,667
Stores, spares and packing materials				
Imported	0.00%	-	0.03%	55,439
Indigenously obtained	100.00%	139,353,136	99.97%	158,383,771
	100.00%	139,353,136	100.00%	158,439,210

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 standalone 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, 2020	March 31, 2019
	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

For and on behalf of the Board of Directors of

Interarch Building Products Private Limited

per Anil Gupta
Partner
Membership No. 87921Arvind Nanda
(Managing Director)
DIN: 00149426Gautam Suri
Director
DIN: 00149374

Place : New Delhi

Date :

Manish Kumar Garg
(Chief Executive Officer)Anil Kumar
Chandani
(Chief Financial
Officer)Nidhi Goel
Company Secretary
Membership no. A19279

Place : Noida

Date :

ATTENDANCE SLIP

INTERARCH BUILDING PRODUCTS PRIVATE LIMITED

Farm No-8, Khasara no. 56/23/2, Dera Mandi Road, Mandi Village, Tehsil Mehrauli, New Delhi-110047

www.interarchbuildings.com

CIN No. U45201DL1983PTC017029

I/We hereby record my/our presence at the 38th Annual General Meeting of the Company at Farm No-8, Khasara no. 56/23/2, Dera Mandi Road, Mandi Village, Tehsil Mehrauli, New Delhi-110047 on Wednesday, 29.09.2021

Member's Folio/DP-Client ID

Member's/ proxy name
in Block Letters

Member's /Proxy's
signature

Note:

Please complete the Folio/DP- Client ID- no. and name sign the Attendance Slip and hand it over the Attendance Verification center at the a ENTRANCE OF THE MEETING HALL.