



## Independent Auditor's Report

To the **Members of**

**Divine Surfaces Private Limited**

Hyderabad

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. Divine Surfaces Private Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Auditor Opinion**

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** here after referred as ('Act') in the matter 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 31<sup>st</sup> March, 2020, and its Profit for the year ended on that date.

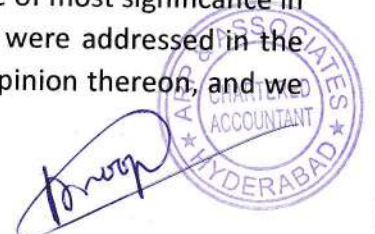
### **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. 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 financial statements under the provisions of the act and the rules there under, we have fulfilled our other ethical responsibilities in accordance with these requirement and code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Reporting of key audit matters as per SA 701 is not applicable to the company as it is an unlisted company.

### **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 to do so.

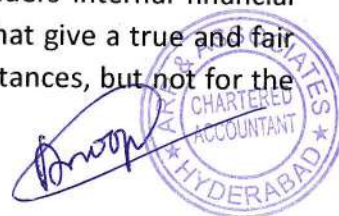
The board of directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements responsibility as a whole are free from material misstatements, whether due to fraud or error and to issue an audit report that includes our opinion.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the



purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.


#### **Report on other legal and regulatory requirements**

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since in our opinion and according to the information and explanation given to us, the said order is not applicable to the Company.
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 purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss 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.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. Since the company's turnover as per last audited financial statements is less than Rs. 50 crores and its borrowing from banks and financial institutions at any time during the year is less than Rs. 25 crores, the company is exempted from getting an opinion with respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated 13th June 2017; and



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ARP & Associates  
Chartered Accountants

  
CA Anoop Kumar Shah  
(Partner)

UDIN: 20239429AAAAAT6284

M.No.: 239429

Hyderabad

07<sup>th</sup> December, 2020



# DIVINE SURFACES PRIVATE LIMITED

CIN : U36999TG2017PTC116634

15-21-S3/607, Manjeera Majestic Commercial, Dharmareddy Colony, Kukatpally, Hyderabad, TG-500072

## BALANCE SHEET AS AT 31st MARCH 2020

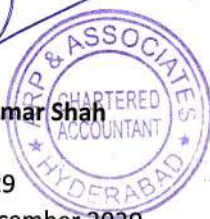
(in Rupees)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share capital	2	2,62,50,000	200
(b) Reserves and surplus	3	4,870	2,38,213
<b>2 Share Application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	3,77,18,686	1,76,18,650
<b>4 Current Liabilities</b>			
(a) Other Current liabilities	5	22,40,514	1,78,440
(b) Short Term Provisions	6	-	12,454
<b>TOTAL</b>		<b>6,62,14,070</b>	<b>1,80,47,957</b>
<b>II. ASSETS</b>			
<b>1 Non Current assets</b>			
(a) Tangible Assets		-	-
(b) Capital Work in Progress		2,28,16,352	-
(c) Other non-current assets	7 & 7A	3,18,52,157	1,69,14,093
<b>2 Current assets</b>			
(a) Cash and cash equivalents	8	35,74,795	5,63,193
(b) Other Current Assets	9	79,70,766	5,70,671
<b>TOTAL</b>		<b>6,62,14,070</b>	<b>1,80,47,957</b>

As per our Report of even date

For ARP & Associates  
Chartered Accountants  
Firm Regn.No. 322653E

CA Anoop Kumar Shan  
Partner  
M No : 239429  
Date : 7th December 2020  
Place : Hyderabad



For and On Behalf of Board of Directors  
For DIVINE SURFACES PRIVATE LIMITED

For DIVINE SURFACES PRIVATE LIMITED

*Mudit Agarwal*  
Director

MUDIT AGARWAL  
Director  
DIN: 00170863

For DIVINE SURFACES PRIVATE LIMITED

*Bimal Kumar Agarwal*  
Director

BIMAL KUMAR AGARWAL  
Director  
DIN: 00170289

# DIVINE SURFACES PRIVATE LIMITED

CIN : U36999TG2017PTC116634

15-21-S3/607, Manjeera Majestic Commercial, Dharmareddy Colony, Kukatpally, Hyderabad, TG-500072

## STATEMENT OF PROFIT OR LOSS FOR THE PERIOD APRIL 2019 TO MARCH 2020

(in Rupees)

Particulars		Note No.	As at 31 March 2020	As at 31 March 2019
I.	Revenue from operations	10	-	1,28,000
	Other Income		29,753	-
	<b>Total Revenue</b>		<b>29,753</b>	<b>1,28,000</b>
II.	<u>Expenses</u>	11 12 & 12A		
	Employee benefits expenses		1,29,049	42,500
	Other Expenses		1,34,047	41,976
	<b>Total Expenses</b>		<b>2,63,096</b>	<b>84,476</b>
III.	Profit (Loss) Before Tax (I-II)		(2,33,343)	43,524
IV.	Tax Expenses			
	(1) Current Tax		-	12,454
	(2) Interest on Income Tax		-	8,954
V.	<b>Profit (Loss) for the Period (III-IV)</b>		<b>(2,33,343)</b>	<b>22,116</b>
VI.	Earning per Equity Share			
	(1) Earnings		(0)	1,106
	(2) Diluted		(0)	1,106

As per our Report of even date

**For ARP & Associates**  
Chartered Accountants  
Firm Regn.No. 322653E

**CA Anoop Kumar Shah**

Partner

M No : 239429

Date : 7th December 2020

Place : Hyderabad

**For and On Behalf of Board of Directors**  
**For DIVINE SURFACES PRIVATE LIMITED**

For DIVINE SURFACES PRIVATE LIMITED

*Mudit Agarwal*  
Director

**MUDIT AGARWAL**

Director

DIN: 00170863

For DIVINE SURFACES PRIVATE LIMITED

*Bimal Kumar Agarwal*  
Director

**BIMAL KUMAR AGARWAL**

Director

DIN: 00170289

# DIVINE SURFACES PRIVATE LIMITED

CIN : U36999TG2017PTC116634

15-21-S3/607, Manjeera Majestic Commercial, Dharmareddy Colony, Kukatpally, Hyderabad, TG-500072


## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the Year ended 31st March' 2020		For the Year ended 31st March' 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax		(2,33,343)		43,524
Adjustment for:				
Interest Income on Fixed Deposit	(13,249)	(13,249)	-	-
<b>Operating profit before Working Capital Changes</b>		-2,46,592		43,524
Adjustments For:				
Increase / (Decrease) in Share Capital	2,62,49,800		-	
Increase / (Decrease) in Other Long-Term Liabilities	-		-	
Increase / (Decrease) in Current Liabilities	20,62,074	2,83,11,874	1,33,440	1,33,440
<b>Cash Generated from operations</b>		2,80,65,282		1,76,964
Direct Taxes Paid with interest		-		(21,408)
<b>Net Cash from/(used in) Operating Activities</b>		2,80,65,282		1,55,556
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets (Including WIP)	(2,28,16,352)		-	
(Increase) / Decrease in Other Current Assets	(74,00,095)		(2,58,221)	
(Increase) / Decrease in Other Non-Current Assets	(1,49,38,064)		(1,68,98,093)	
Interest Received	13,249		-	
<b>Net Cash used in Investing Activities</b>		(4,51,41,262)		(1,71,56,314)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Long Term Borrowings (Net)	2,01,00,036		1,76,18,650	
Proceeds from Short-Term Borrowings (Net)	(12,454)		(62,489)	
Finance Cost Paid	-		-	
<b>Net Cash From Financing Activities</b>		2,00,87,582		1,75,56,161
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		30,11,602		5,55,403
<b>Cash and Cash Equivalents at the beginning of the year</b>		5,63,193		7,790
<b>Cash and Cash Equivalents at the end of the year</b>		35,74,795		5,63,193
<b>Cash and cash equivalents comprise:</b>				
Cash on hand		33,530		93,229
Balance with Banks on current accounts		35,41,265		4,69,964
<b>Total</b>		35,74,795		5,63,193

Note: The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements as prescribed under Companies Act, 2013

As per our Report of even date

For ARP & Associates  
Chartered Accountants  
Firm Regn.No. 322653E

  
CA Anoop Kumar Shah  
Partner  
M No : 239429  
Date : 7th December 2020

For and On Behalf of Board of Directors  
For DIVINE SURFACES PRIVATE LIMITED

For DIVINE SURFACES PRIVATE LIMITED

  
Director  
MUDIT AGARWAL  
Director  
DIN: 00170863

For DIVINE SURFACES PRIVATE LIMITED

  
Director  
BIMAL KUMAR AGARWAL  
Director  
DIN: 00170289

# DIVINE SURFACES PRIVATE LIMITED

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2020

### NOTE 2

(in Rupees)

Share Capital	As at 31 March 2020	As at 31 March 2019
<u>Authorised</u> 2625000 Class "A" Equity Shares of Rs. 10/- each (PY: 10000 Equity Shares of Rs:10 each)	2,62,50,000	1,00,000
<u>Issued</u> 2625000 Class "A" Equity shares of Rs. 10/- each (PY: 20 Equity Shares of Rs:10 each)	2,62,50,000	200
<u>Subscribed &amp; Paidup</u> 2625000 Class "A" Equity shares of Rs. 10/- each (PY: 20 Equity Shares of Rs:10 each)	2,62,50,000	200
<b>Total</b>	<b>2,62,50,000</b>	<b>200</b>

### NOTE 2A

Particulars	As at 31 March 2020	As at 31 March 2019
	Equity Shares (No.)	Equity Share (No.)
Shares outstanding at the beginning of the year	20	20
Shares Issued during the year	26,24,980	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	26,25,000	20

### NOTE 2B

SI.NO.	Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
		Equity Shares (No.)		Equity Share (No.)	
		No.of Shares Held	% of Holding	No.of Shares Held	% of Holding
1	MUDIT AGARWAL	15,75,000	60	10	50
2	BIMAL KUMAR AGARWAL	10,50,000	40	10	50

### RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO ORDINARY SHARES:

a) The Company has only one class of Ordinary Shares outstanding, having a par value of Rs. 10/- each, that rank pari passu in all respects including voting rights and entitlement to dividend.

b) In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### NOTE 3

Reserves & Surplus	As at 31 March 2020	As at 31 March 2019
a. Surplus		
Opening balance	2,38,213	2,16,097
(+) Net Profit/(Net Loss) For the current year	-2,33,343	22,116
Closing Balance	4,870	2,38,213
<b>Total</b>	<b>4,870</b>	<b>2,38,213</b>

### NOTE 4

Long Term Borrowings	As at 31 March 2020	As at 31 March 2019
Secured:		
Term Loan (Sidbi) - I	1,50,00,000	-
Unsecured:		
Loan from Directors, their relatives & Shareholders	2,27,18,686	1,76,18,650
<b>Total</b>	<b>3,77,18,686</b>	<b>1,76,18,650</b>

For DIVINE SURFACES PRIVATE LIMITED

*Auditor General*  
Director

For DIVINE SURFACES PRIVATE LIMITED

*[Signature]*  
Director

**NOTE 5**

Other Current Liabilities	As at 31 March 2020	As at 31 March 2019
Audit fees Payable	-	50,000
TDS Payable	78,165	-
GST payable	13,566	-
Creditors for Expenses	11,17,360	25,000
Creditors for purchases	2,76,112	-
Other Payables	7,55,311	1,03,440
<b>Total</b>	<b>22,40,514</b>	<b>1,78,440</b>

**NOTE 6**

Short Term Provisions	As at 31 March 2020	As at 31 March 2019
Provision for Tax	-	12,454
<b>Total</b>	<b>-</b>	<b>12,454</b>

**NOTE 7**

Other Non Current Assets	As at 31 March 2020	As at 31 March 2019
a. Capital Advances		
Advances for Capital Goods	2,06,22,529	1,35,12,074
b. Deposits	44,03,174	27,90,000
c. Preliminary Expenses (To the extent not written off or adjusted)		
Incorporation Expenses	8,000	12,000
<b>Total</b>	<b>2,50,33,703</b>	<b>1,63,14,074</b>

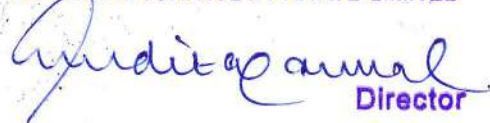
**NOTE 7A**

Pre-Operative Expenses	As at 31 March 2020	As at 31 March 2019
Pre-Operative Expenses Opening Balance	6,00,019	83,440
Factory Maintenance Charges	4,600	-
General Expenses	17,317	-
Loading & Unloading Charges	14,410	-
Borewell Charges	-	57,000
Carriage Inward	42,580	-
Bank Charges	57,574	-
Expenses on Import	2,250	-
Foreign Exchange Fluctuation	-	2,41,572
Financial Cost	5,561	-
Professional Charges	8,71,100	95,000
Membership & Subscription	18,000	-
Repairs & Maintenance	2,83,565	-
Power Charges	1,79,061	98,007
Printing & Stationery	1,492	-
Rent, Rates & Taxes	26,65,516	-
Security Service Charges	3,09,511	25,000
<b>Pre-Operative Financial Expenses</b>	<b>17,45,898</b>	<b>-</b>
<b>Total</b>	<b>68,18,454</b>	<b>6,00,019</b>

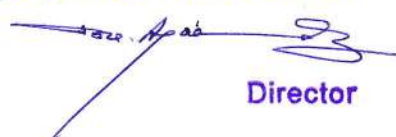
**NOTE 8**

Cash & Cash Equivalents	As at 31 March 2020	As at 31 March 2019
a. Balances with banks		
In Current Account	35,41,265	4,69,964
b. Cash in hand	33,530	93,229
<b>Total</b>	<b>35,74,795</b>	<b>5,63,193</b>

For DIVINE SURFACES PRIVATE LIMITED


  
Director

For DIVINE SURFACES PRIVATE LIMITED


  
Director

**NOTE 9**

Other Current Assets	As at 31 March 2020	As at 31 March 2019
Other receivables	21,843	2,979
Advances to Suppliers	40,69,966	5,50,000
Balances with Revenue Authorities	38,78,958	17,692
<b>Total</b>	<b>79,70,766</b>	<b>5,70,671</b>

**NOTE 10**

Revenue from Operations	As at 31 March 2020	As at 31 March 2019
Sale of services	-	1,28,000
Other Income	29,753	-
<b>Total</b>	<b>29,753</b>	<b>1,28,000</b>

**NOTE 11**

Employee Benefits Expenses	As at 31 March 2020	As at 31 March 2019
Salaries and incentives	1,29,049	42,500
<b>Total</b>	<b>1,29,049</b>	<b>42,500</b>

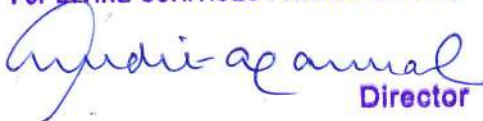
**NOTE 12**

Other Expenses	As at 31 March 2020	As at 31 March 2019
Travelling & Conveyance Expenses	16,789	7,021
Preliminary Expenses Written off	4,000	4,000
Donation	50,000	-
Vehicle Maintenance	8,530	-
Bank Charges	-	5,793
Water Charges	25,385	-
Weighment Charges	1,440	-
Other expenses	2,903	162
<b>Total</b>	<b>1,09,047</b>	<b>16,976</b>

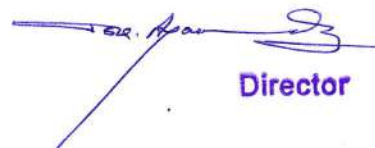
**NOTE 12A**

Payment to Auditors	As at 31 March 2020	As at 31 March 2019
Audit Fees	25,000	25,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>

For DIVINE SURFACES PRIVATE LIMITED


  
Director

For DIVINE SURFACES PRIVATE LIMITED


  
Director