

**FINANCIAL YEAR: 2019-20**

**AUDIT REPORT**

**M/s. PEARL FURNITURE LIMITED.  
RAJKOT**

**AUDITORS :**  
**M/s. BHAVIN ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**E-Mail : [bhansali\\_ca@hotmail.com](mailto:bhansali_ca@hotmail.com)**  
**Mob : 9825077131**



## AUDIT REPORT 2019-20

### INDEPENDENT AUDITOR'S REPORT

To,

The Members of PEARL FURNITURE PVT. LTD.

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **PEARL FURNITURE PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on audit.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. 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.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 standalone financial statements.





## 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 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 31st March, 2020, and its profit/loss and its cash flows for the year ended on that date.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), we enclose in the "Annexure A" statement on the matters specified in the 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 appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and 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.
  - e) On the basis of written representations received from the directors as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the company and operating effectiveness of such controls, referred to our separate report in "Annexure B" and
  - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, under notes on account of the financial statement.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts which were required to be transferred to the Investor Education and protection Fund by the Company during the year ended March 31, 2020.

Place : Rajkot  
Date : 20<sup>th</sup> July, 2020

For, Bhavin Associates.  
Chartered Accountants



Bhavin P. Bhansali  
Partner

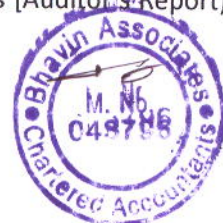
Membership No.: 043796  
Firm Registration No. 101383W



# ANNEXURE "A" TO THE AUDITOR'S REPORT

With Referred to in paragraph 3 of our report to the shareholders of **PEARL FURNITURE PVT. LTD.** of event date, in our opinion and to the best of our knowledge and as per the information and explanations given to us, the books and the records examined by us in the normal course of audit, we report that:

1. a) The Company has maintained electronic records showing value of fixed assets.  
b) As per information & explanation given to us by the management of the company, all the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.  
c) As per information & explanation given to us by the management of the company, the title deeds of the immovable properties are held in the name of the company.
2. As explained to us, stock of inventories has been physically verified during the year by the management. In our opinion, The frequency of verification is reasonable.
3. In our opinion and according to the information and explanation given to us, The Company has not granted any loan secured or unsecured to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii)(a) and 3(iii)(b) of the Companies [Auditor's Report] Order, 2016 are not applicable to the company.
4. As per information & explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loan, investment, guarantees, and security.
5. In our opinion and according to the information and explanation given to us, the company has not accepted/invited any deposits from public falling within the preview of provisions of section 73 to 76 of any other relevant provisions of the Companies Act, 2013 and rules framed the under.
6. In our opinion and according to the information and explanation given to us, the company is not required of maintain cost records as per the provisions of clause 3(vi) of the Companies [Auditor's Report] order, 2016 specified by the Central Government under section 148(1) of the Companies Act, 2013.
7. In our opinion and according to the information and explanation given to us, the company has not defaulted in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to any financial institution of Bank during the year. The company has not issued any debentures, hence there are no dues to debenture holders.
9. In our opinion and according to the information and explanation given to us, the term loan is applied for the purpose for which loan was obtained.
10. According to the information and explanations given to us, neither any fraud by the company nor any fraud on the company by its officers and employees has been noticed or reported during the financial year.
11. According to the information and explanation given to us, the managerial remuneration paid or provided, are in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. As the company is not a Nidhi Company, the provisions of clause 3(xii) of the Companies [Auditor's Report] Order, 2016 are not applicable to the company.



13. According to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;y
14. According to the information and explanation given to us and based on our examination of the records the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under view.
15. According to the information and explanation given to us and based on our examination of the records the company has not entered into any non-cash transactions with directors or persons connected with him. So the clause 3(xv) of the Companies [Auditor's Report] Order, 2016 is not applicable to the company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the clause 3(xvi) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.

Place : Rajkot  
Date : 20<sup>th</sup> July, 2020



For, **Bhavin Associates**  
Chartered Accountants  
Bhavin P. Bhansali

  
Partner

Membership No.: 043796  
Firm Registration No. 101383W



# ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

of Even Date on the Standalone Financial Statements of PEARL FURNITURE PVT. LTD.

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

We have audited the internal financial controls over financial reporting of PEARL FURNITURE PVT. LTD. ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone 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 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, issued by ICAI and deemed to be prescribed 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 judgment, 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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A 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. A 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March, 2020, 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.

Place: Rajkot

Date: 20<sup>th</sup> July, 2020

For, **Bhavin Associates**  
Chartered Accountants  
Firm Registration No. 101383W



  
Bhavin P. Bhansali  
Partner  
Membership No.: 043796


**PEARL FURNITURE PVT. LTD.**  
**BALANCE SHEET AS AT 31ST MARCH, 2020**


SR. NO.	PARTICULARS	NOTE NO.	As at 31-03-2020	As at 31-03-2019
			AMT.RS.	AMT.RS.
[A]	<b><u>EQUITY AND LIABILITIES</u></b>			
[1]	<b>Shareholders' Funds</b>			
	(a) Equity Share Capital	1	19,300,000	19,300,000
	(b) Reserves & Surplus	2	63,509,484	48,763,683
	(c) Money received against share warrants		-	-
[2]	<b>Share application money pending allotment</b>		-	-
[3]	<b>Non - Current Liabilities</b>			
	(a) Long term borrowings	3	34,755,538	7,364,466
	(b) Deferred tax Liabilities (Net)		6,397,375	3,101,090
	(c) Long Term Provisions	4	1,413,638	826,145
	(d) Long Term Liabilities		-	-
[4]	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	5	54,161,248	50,219,390
	(b) Trade Payables		153,126,605	25,914,281
	(c) Other Current Liabilities	6	6,110,097	23,014,813
	(d) Short Term Provisions	7	5,088,693	3,295,974
	<b>TOTAL [RS.]</b>		<b>343,862,678</b>	<b>181,799,842</b>
[B]	<b><u>ASSETS</u></b>			
[1]	<b>Non Current Assets</b>			
	(a) Fixed Assets	8		
	(i) Tangible Assets		70,741,294	39,967,892
	(ii) Intangible Assets		166,362	302,862
	(iii) Capital Work- In- Progress		-	-
	(b) Non Current Investments		-	-
	(c) Deferred Tax Assets (Net)		-	-
	(d) Long term Loans and Advances	9	721,898	913,898
	(e) Other Non-Current Assets	10	-	245,570
[2]	<b>Current Assets</b>			
	(a) Current Investments		-	-
	(b) Inventory	11	235,769,376	130,927,311
	(c) Trade Receivables	12	18,610,192	1,124,967
	(d) Cash & Cash Equivalents	13	1,655,793	2,392
	(e) Short Term Loans & Advances	14	15,497,763	7,614,950
	(f) Other current Assets	15	700,000	700,000
	<b>TOTAL [RS.]</b>		<b>343,862,678</b>	<b>181,799,842</b>
[*]	NOTES TO THE ACCOUNTS	24		
[*]	SIGNIFICANT ACCOUNTING POLICIES	24		

The accompanying notes form an integral part of the standalone Financial Statements  
Dated 20th July, 2020, At Rajkot


AS PER OUR REPORT OF EVEN DATE

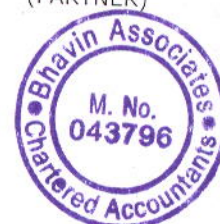
FOR PEARL FURNITURE PVT. LTD.

  
(DEVEN D NANDANI)  
(DIRECTOR)

  
(DARSHIL U NANDANI)  
(DIRECTOR)

FOR BHAVIN ASSOCIATES  
CHARTERED ACCOUNTANTS

  
(BHAVIN P. BHANSALI)  
(PARTNER)





**PEARL FURNITURE PVT. LTD.**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020**

SR. NO.	PARTICULARS	NOTE NO.	For the year 31-03-2020	For the year 31-03-2019
			AMT.RS.	AMT.RS.
I.	REVENUE FROM OPERATIONS		328,459,557	269,849,048
II.	OTHER INCOME	17	418,492	10,392
III.	<b>TOTAL REVENUE (I+II)</b>		<b>328,878,049</b>	<b>269,859,441</b>
IV.	EXPENSES:			
	CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS	18	(54,335,637)	(6,417,649)
	COST OF MATERIALS & COMPONENTS CONSUMED	19	287,465,193	200,493,894
	MANUFACTURING EXPENSES	20	14,530,388	12,825,402
	EMPLOYEE BENEFITS EXPENSE	21	40,879,443	27,926,496
	ADMINISTRATIVE EXPENSES	22	4,527,293	4,959,535
	FINANCE COST	23	9,040,781	5,664,417
	DEPRICIATION	8	4,283,002	3,187,132
	<b>TOTAL EXPENSES</b>		<b>306,390,463</b>	<b>248,639,226</b>
	<b>PROFIT /LOSS BEFORE PRIOR PERIOD, EXCEPTIONAL &amp; EXTRA-ORDINARY ITEMS &amp; TAX</b>			
V.			<b>22,487,587</b>	<b>21,220,215</b>
VI.	<b>PRIOR PERIOD ITEMS</b>			
	Gratuity Provision of earlier year		-	-
	<b>Profit Before Exceptional Items</b>		<b>22,487,587</b>	<b>21,220,215</b>
VII.	<b>EXCEPTIONAL ITEMS</b>			
	Preliminary Exp. Written off		-	-
VIII.	<b>PROFIT /LOSS BEFORE EXTRA-ORDINARY ITEMS &amp; TAX</b>		<b>22,487,587</b>	<b>21,220,215</b>
IX.	<b>EXTRA-ORDINARY ITEMS</b>		-	-
X.	<b>PROFIT /LOSS BEFORE TAX</b>		<b>22,487,587</b>	<b>21,220,215</b>
XI.	TAX EXPENSE			
	1. INCOME TAX CURRENT YEAR		3,954,000	5,735,000
	2. INCOME TAX PREVIOUS YEAR		491,500	743,370
	3. DEFERRED TAX		3,296,285	748,957
			7,741,785	7,227,327
XII.	<b>NET PROFIT/LOSS AFTER TAX</b>		<b>14,745,802</b>	<b>13,992,888</b>
XIII.	<b>EARNING PER SHARE</b>			
	Basic & Diluted		<b>7.64</b>	<b>7.25</b>

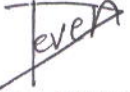
The accompanying notes form an integral part of the standalone Financial Statements


Dated 20th July, 2020, At Rajkot


AS PER OUR REPORT OF EVEN DATE

FOR PEARL FURNITURE PVT. LTD.

FOR BHAVIN ASSOCIATES  
CHARTERED ACCOUNTANTS

  
(DEVEN D NANDANI)  
(DIRECTOR)

  
(DARSHIL U NANDANI)  
(DIRECTOR)

  
(BHAVIN P. BHANSALI)  
(PARTNER)



## PEARL FURNITURE PVT. LTD.

CIN : U36100GJ2013PTC073483

## Cash Flow Statement For The Year Ended 31st March, 2020

All amounts in rupees unless otherwise stated

Particulars	For the Year March 31, 2020 Rs.	For the Year March 31, 2019 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit before tax and before exceptional items		
Add: Non Cash and Operating Expenses	22,487,587	21,220,215
Depreciation Expenses	4,283,002	3,187,132
Interest & Financial Charges	9,040,781	5,664,417
Operating profit before changes in current and non-current assets and liabilities	35,811,370	30,071,764
Adjustment for:		
(Increase) / Decrease in Inventories	(104,842,065)	(33,037,804)
(Increase) / Decrease in Trade Receivables	(17,485,225)	9,640,188
(Increase) / Decrease in Loans and Advances	(7,882,813)	(5,503,618)
(Increase) / Decrease in Other Current Assets	-	(700,000)
(Increase) / Decrease in Other Non Current Assets	245,570	1,693,744
(Increase) / Decrease in Long Term Loans & Advances	192,000	(130,064)
Increase / (Decrease) in Trade Payables	127,212,324	(1,456,758)
Increase / (Decrease) in Current Liabilities	(16,904,716)	10,891,713
Increase / (Decrease) in Short term Provisions	573,719	(83,102)
Increase / (Decrease) in Long Term Provisions	587,493	260,156
Increase / (Decrease) in Long Term Liabilities	-	-
Cash Generated from Operation	17,507,657	11,646,219
Taxes paid	(3,226,500)	(9,543,370)
Net Cash Flow from Operating Activities	14,281,157	2,102,849
<b>B. CASH FLOW FROM INVESTING ACTIVITY</b>		
(Increase) / Decrease in Fixed Assets (net)	(34,919,904)	(957,938)
Interest Income	-	-
Net Cash Flow from Investing Activities	(34,919,904)	(957,938)
<b>C. CASH FLOW FROM FINANCING ACTIVITY</b>		
Increase / (Decrease) in Secured Loans	3,941,858	(196,090)
Increase / (Decrease) in Unsecured Loans	27,391,072	4,564,466
Interest Expenses	(9,040,781)	(5,664,417)
Net Cash Flow from Financing Activities	22,292,148	(1,296,041)
Net Increase / (Decrease) in Cash and Cash Equivalents	1,653,401	(151,130)
Opening Balance of Cash and Cash Equivalents	2,392	153,523
Closing Balance of Cash and Cash Equivalents	1,655,793	2,392
<b>Components of Cash and Cash Equivalents</b>	<b>For the Year March 31, 2020 Rs.</b>	<b>For the Year March 31, 2019 Rs.</b>
Cash on hand & Equivalents		
- Cash on hand	14,793	2,392
- Cheque on hand	-	-
Balances with Scheduled Banks		
- In Current Accounts	-	-
- In Fixed deposit	1,641,000	-
Notes :	1,655,793	2,392
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on "Cash Flow Statement" issued by ICAI.		
Figures of Cash & Cash Equivalents have been taken from Note 13		
As per our report of even date		





## Schedules Attached to and forming part of Balance Sheet

## NOTE 1 EQUITY SHARE CAPITAL

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
1	AUTHORISED SHARE CAPITAL (20,00,000 Equity Shares of Rs. 10/- each)	20,00,000	20,00,000
2	ISSUED, SUBSCRIBED & PAID-UP CAPITAL 1930000 Equity Shares of Rs. 10/- each	19,30,000	19,30,000
	<b>TOTAL RS...</b>	<b>19,30,000</b>	<b>19,30,000</b>

## RECONCILIATION OF NUMBER OF SHARES

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
	<b>Number of Shares</b>		
1	At the Beginning of the year	1,930,000	1,930,000
2	Add: Issued during the year	-	-
3	Less: Brought back during the year	-	-
	<b>At the end of the year</b>	<b>1,930,000</b>	<b>1,930,000</b>

## TERMS &amp; RIGHT ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a face value of Rs 10 per share. Each holder of the equity shares is entitled to one vote per share. In event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

## SHAREHOLDERS HOLDING MORE THAN 5% SHARES

SR. NO.	PARTICULARS	As at 31-03-2020	Holding %	As at 31-03-2020	Holding %
		No. of Shares		No. of Shares	
1	PARIN FURNITURE LTD. (SHARE)	1,900,000	98.45%	1,900,000	98.45%
2	DARSHIL UMESHBHAI NANDANI (SHARE)	6,000	0.31%	6,000	0.31%
3	DEVEN DIPESHBHAI NANDANI (SHARE)	12,000	0.62%	12,000	0.62%
4	PARIN UMESHBHAI NANDANI (SHARE)	6,000	0.31%	6,000	0.31%
5	NEHABEN U. NANDANI (SHARE)	6,000	0.31%	6,000	0.31%
	<b>Total</b>	<b>1,930,000</b>	<b>100%</b>	<b>1,930,000</b>	<b>100%</b>

## DETAILS OF SHARES HELD BY HOLDING COMPANY:

SHARE CAPITAL	As at 31-03-2020	As at 31-03-2019
	AMT.RS.	AMT.RS.
Equity Shares of Rs. 10/- each held by Parin Furniture Ltd. (Previously known as Parin Furniture Pvt Ltd) (Holding Company) (w.e.f. 1st June, 2017)	1,900,000	1,900,000
<b>TOTAL RS</b>	<b>1,900,000</b>	<b>1,900,000</b>



**NOTE 2 RESERVES & SURPLUS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
[A]	<b>PROFIT &amp; LOSS ACCOUNT</b>		
1	Opening Balance	48,763,683	34,770,795
2	Profit/ Loss of the Current year	14,745,802	13,992,888
3	Balance C/f	63,509,484	48,763,683
	<b>TOTAL RS</b>	<b>63,509,484</b>	<b>48,763,683</b>

**NOTE 3 LONG TERM BORROWINGS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
A	<b>SECURED LOAN</b>		
1	STATE BANK OF INDIA - T.L (33811633631) Rate of Interest:- 10.75%  Terms of Payment :- Payable within 6 years from Balance sheet date  Security Details:- Secured by hypothecation of stock, book debts, other current assets, plant & machinery and other fixed assets, equitable mortgage of commercial property of Director's relative and guaranteed by Directors and relative	11,298,440	
	SUB-TOTAL Rs.. [ A ]	11,298,440	
B	<b>UNSECURED LOANS</b>		
1	LOANS FROM DIRECTORS	20,157,978	7,364,466
2	HDFC Car Loan	3,299,120	
	SUB-TOTAL Rs.. [ B ]	23,457,098	7,364,466
	<b>TOTAL RS...</b>	<b>34,755,538</b>	<b>7,364,466</b>

**NOTE 4 LONG TERM PROVISIONS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
1	PROVISION FOR GRATUITY	1,413,638	826,145
	<b>TOTAL RS...</b>	<b>1,413,638</b>	<b>826,145</b>

**NOTE 5 SHORT TERM BORROWINGS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
A	<b>SECURED LOAN</b>		
1	STATE BANK OF INDIA - C.C (33837725400) Rate of Interest :- 10.75% Terms of Payment :- On Demand  Security Details:- Secured by hypothecation of stock, book debts, other current assets, plant & machinery and other fixed assets, equitable mortgage of commercial property of Director's relative and guaranteed by Directors and relative	54,161,248	50,219,390
	<b>TOTAL RS...</b>	<b>54,161,248</b>	<b>50,219,390</b>





**NOTE 6 OTHER CURRENT LIABILITIES**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
(i)	ADVANCE FROM CUSTOMERS (TRADE):		
(ii)	OTHER PAYABLES	829,223	22,615,110
(iii)	STATUTORY LIABILITIES	440,413	80,770
(iv)	STATE BANK OF INDIA - T.L (33811633631)	289,581	318,933
	Rate of Interest:- 10.75%		
	Terms of Payment :- Payable within 6 years from Balance sheet date		
	Security Details:- Secured by hypothecation of stock, book debts, other current assets, plant & machinery and other fixed assets, equitable mortgage of commercial property of Director's relative and guaranteed by Directors and relative		
2	HDFC CAR LOAN	2,760,000	
		1,790,880	
	SUB-TOTAL RS...	6,110,097	23,014,813

**NOTE 7 SHORT TERM PROVISIONS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
1	PROVISION FOR EXPENSES	1,101,922	545,500
2	PROVISION FOR TAX	3,954,000	2,735,000
3	PROVISION FOR GRATUITY	32,771	15,474
	SUB-TOTAL RS...	5,088,693	3,295,974



**PEARL FURNITURE PVT. LTD.**  
**NOTE 8 -FIXED ASSETS**

PARTICULARS	%	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
		As At 01/04/19	Additions	Deductions	As At 3/31/2019	For the Year	On Deductions	As At 3/31/2019	As At 3/31/2020
<b>FIXED ASSETS - PLANT AND MACHINERY</b>									
1 AIR CONDITION	6.33	111,353	-	-	111,353	7,049	-	111,353	104,304
2 C C TV CAMERA	6.33	229,655	-	-	229,655	14,537	-	229,655	215,118
3 DIES AND MOULD FOR HOSPITAL FURNITURE	6.33	-	850,000	-	850,000	3,675	-	-	846,325
4 FORK LIFT TRUCK - GX 3000 (C)	6.33	843,958	-	-	843,958	53,423	-	843,958	790,535
5 INDUSTRIAL RO SYSTEM MODEL RO250LPH	6.33	64,600	-	-	64,600	4,089	-	64,600	60,511
6 NEW C C TV CAMERA	6.33	-	2,852	-	2,852	138	-	-	2,714
7 NEW PLANT AND MACHINERY (2019-20)	6.33	-	30,886,210	-	30,886,210	1,379,134	-	-	29,507,076
8 PLANT AND MACHINERY	6.33	26,783,277	-	-	26,783,277	1,695,381	-	26,783,277	25,087,896
9 SUBMERGIBLE PUMP SET	6.33	16,695	-	-	16,695	1,057	-	16,695	15,638
<b>Total of FIXED ASSETS - PLANT AND MACHINERY</b>		<b>28,049,539</b>	<b>31,739,062</b>	<b>-</b>	<b>59,788,600</b>	<b>3,158,483</b>	<b>-</b>	<b>28,049,539</b>	<b>56,630,117</b>
<b>FIXED ASSETS - FURNITURE AND FITTINGS</b>									
7 CANTEN ASSETS	9.5	102,659	318,000	15,000	405,659	16,029	245	102,659	389,630
8 FURNITURE AND FITTINGS	9.5	584,045	-	-	584,045	55,484	-	584,045	528,561
9 PLASTIC CARTS	9.5	46,082	-	-	46,082	4,378	-	46,082	41,704
10 RACK	9.5	516,046	-	-	516,046	49,024	-	516,046	467,022
11 TROLLY / HAND PALLET TRUCK / GRIL	9.5	75,087	-	-	75,087	7,133	-	75,087	67,954
12 WOODEN PALLET	9.5	479,982	-	-	479,982	45,598	-	479,982	434,384
13 WORKING TABLE	9.5	52,257	-	-	52,257	4,964	-	52,257	47,293
<b>Total of FIXED ASSETS - FURNITURE AND FITTINGS</b>		<b>1,856,159</b>	<b>318,000</b>	<b>15,000</b>	<b>2,159,159</b>	<b>182,610</b>	<b>245</b>	<b>1,856,159</b>	<b>1,976,549</b>
<b>FIXED ASSETS - OFFICE EQUIPMENTS</b>									
14 FIRE EXTINGUISHER ASSETS	19	2,975	-	-	2,975	565	-	2,975	2,410
15 NEW OFFICE EQUIPMENTS	19	-	67,750	-	67,750	7,467	-	-	60,283
16 OFFICE EQUIPMENTS	19	48,374	-	-	48,374	9,191	-	48,374	39,183
17 TELEPHONE INSTRUMENT	19	118,309	12,070	-	130,379	22,625	-	118,309	107,754
<b>Total of FIXED ASSETS - OFFICE EQUIPMENTS</b>		<b>169,658</b>	<b>79,820</b>	<b>-</b>	<b>249,478</b>	<b>39,848</b>	<b>-</b>	<b>169,658</b>	<b>209,630</b>
<b>FIXED ASSETS - COMPUTER AND PRINTERS</b>									
18 COMPUTER AND PRINTERS	31.67	81,746	-	-	81,746	25,889	-	81,746	55,857
19 COMPUTER SERVERS & NETWORKS	15.83	89,529	-	-	89,529	14,172	-	89,529	75,357
<b>Total of FIXED ASSETS - COMPUTER AND PRINTERS</b>		<b>171,275</b>	<b>-</b>	<b>-</b>	<b>171,275</b>	<b>40,061</b>	<b>-</b>	<b>171,275</b>	<b>131,214</b>
<b>FIXED ASSETS - ELECTRIC INSTALLATION</b>									
20 AMPLIFIER AND SOUND SYSTEMS	9.5	10,392	-	-	10,392	987	-	10,392	9,405
21 ELECTRIC INSTALLATION	9.5	370,566	-	-	370,566	35,204	-	370,566	335,362
22 REFRIGERATOR	9.5	17,014	-	-	17,014	1,616	-	17,014	15,398
23 TELEVISION	9.5	21,725	-	-	21,725	2,064	-	21,725	19,661
<b>Total of FIXED ASSETS - ELECTRIC INSTALLATION</b>		<b>419,697</b>	<b>-</b>	<b>-</b>	<b>419,697</b>	<b>39,871</b>	<b>-</b>	<b>419,697</b>	<b>379,826</b>





<b>FIXED ASSETS - MOTOR VEHICLES</b>									
2.4	ENDAVOUR CAR 2.2L TITANIUM BLACK	11.88	2,968,391	2,638,870	329,521	-	329,521	2,968,391	-
2.5	MERCEDES BENZ C-CLASS (E220D) SILVER	11.88	-	5,436,892	5,436,892	-	40,589	-	5,396,303
2.6	AUDI CAR	11.88	2,655,885	-	2,655,885	-	315,519	2,655,885	2,340,366
	<b>Total of FIXED ASSETS - MOTOR VEHICLES</b>		<b>5,624,276</b>	<b>2,638,870</b>	<b>8,422,298</b>	-	<b>685,629</b>	<b>5,624,276</b>	<b>7,736,669</b>
<b>CAPITAL WORK IN PROCESS</b>									
2.7	BUILDING UNDER CONSTRUCTION	0	3,677,288	-	3,677,288	-	-	3,677,288	3,677,288
	<b>Total of FIXED ASSETS - BUILDING CONSTRUCTION</b>		<b>3,677,288</b>	-	<b>3,677,288</b>	-	-	<b>3,677,288</b>	<b>3,677,288</b>
	<b>&lt;&lt;&lt; TOTAL &gt;&gt;&gt;</b>		<b>39,967,892</b>	<b>37,573,774</b>	<b>74,887,796</b>	<b>245</b>	<b>4,146,502</b>	<b>39,967,892</b>	<b>70,741,294</b>
<b>FIXED ASSETS - INTANGIBLE ASSETS</b>									
2.8	DESIGN-BED SERIES	45.07	302,862	-	302,862	-	136,500	-	166,362
	<b>Total of FIXED ASSETS - INTANGIBLE ASSETS</b>		-	-	<b>302,862</b>	-	<b>136,500</b>	-	<b>166,362</b>



**NOTE 9 LONG TERM LOANS & ADVANCES**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
a	Deposites	721,898	913,898
	SUB-TOTAL RS...	721,898	913,898

**NOTE 10 OTHER NON-CURRENT ASSETS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
A	RECEIVABLE		
	INTEREST SUBSIDY REIMBURSEMENT	-	104,690
		-	104,690
B	MISCELLANEOUS ASSET		
	PRE OPERATING EXPENSES NOT W/O.	-	672,711
	LESS : PRE OPERATING EXPENSES W/O.	-	672,711
		-	-
	PRELIMINARY EXPENSES NOT W/O.	-	202,580
	LESS : PRELIMINARY EXPENSES W/O.	-	202,580
		-	-
	SHAPAR SHED(17-18) TEMPORARY CONSTRUCT.	140,880	281,758
	LESS :SHAPAR SHED(15-16)TEMPORARY CONSTRUCT W/O	140,880	140,878
		-	140,880
	TOTAL Rs...	-	140,880
	Total	-	245,570

**NOTE 11 INVENTORIES**

SR. NO.	INVENTORIES	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
	a. Raw Materials	150,510,114	97,619,390
	b. Work-in-Progress	5,708,497	4,308,331
	c. Finished Goods	77,283,290	24,347,820
	d. Stores & Spares	2,267,475	4,651,770
	TOTAL	235,769,376	130,927,311

**NOTE 12 TRADE RECEIVABLES**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
	TRADE RECEIVABLES		
	-LESS THAN 6 MONTHS	17,825,115	-
	-MORE THAN 6 MONTHS	785,077	1,124,967
	TOTAL	18,610,192	1,124,967





**NOTE 13 CASH & CASH EQUIVALENTS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
	- Cash on hand	14,793	2,392
	- LC MARGIN MONEY BANK A/C	1,641,000	-
	<b>TOTAL</b>	<b>1,655,793</b>	<b>2,392</b>

**NOTE 14 SHORT TERM LOANS & ADVANCES**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
<b>A</b>	<b>Advance Payment of Taxes</b>		
	GST ON SERVICES (RCM CLAIMED)	13,969	12,652
	CGST ADJUSTMENT	7,825,990	279,991
	SGST ADJUSTMENT	3,685,960	1,351,255
	TDS RECEIVABLE (2019-20)	15,194	
	<b>SUB-TOTAL</b>	<b>11,541,113</b>	<b>1,643,898</b>
<b>B</b>	<b>Loan &amp; advance to Staff</b>	<b>2,498,106</b>	<b>1,816,049</b>
	<b>SUB-TOTAL</b>	<b>2,498,106</b>	<b>1,816,049</b>
<b>C</b>	<b>Advance to Suppliers</b>	<b>1,353,164</b>	<b>4,011,961</b>
<b>D</b>	<b>Pre- paid Expenses</b>	<b>105,380</b>	<b>143,042</b>
	<b>TOTAL</b>	<b>15,497,763</b>	<b>7,614,950</b>

**NOTE 15 OTHER CURRENT ASSETS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
<b>1</b>	<b>RECIVABLES</b> BALAJI AUTO CONSULTANT	700,000	700,000
	<b>TOTAL Rs...</b>	<b>700,000</b>	<b>700,000</b>

**NOTE 16 CONTINGENT LIABILITIES**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
<b>1</b>	<b>LETTER OF CREDIT</b>	2,283,893	
	<b>TOTAL Rs...</b>	<b>2,283,893</b>	<b>-</b>



**NOTE 17 OTHER INCOME**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
1	KASAR	1,648	10,392
2	WRITTEN OFF	149,517	-
3	FOREN EXCHANGE RATE DIFFERENCE	151,047	-
5	INTEREST ON FIXED DEPOSIT	84,280	-
6	SHORT EXCESS PROVISION	32,000	-
	<b>TOTAL Rs...</b>	<b>418,492</b>	<b>10,392</b>

**NOTE 18 INCREASE/DECREASE IN STOCKS**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
1	CHANGES IN FINISHED GOODS		
	Closing Stock	77,283,290	24,347,820
	Less : Opening Stock	24,347,820	10,338,835
		52,935,470	14,008,985
2	CHANGES IN WORK IN PROGRESS		
	Closing Stock	5,708,497	4,308,331
	Less : Opening Stock	4,308,331	11,899,667
		1,400,166	(7,591,336)
	<b>Increase/ Decrease in Stocks</b>	<b>54,335,637</b>	<b>6,417,649</b>
	<b>TOTAL Rs...</b>	<b>54,335,637</b>	<b>6,417,649</b>

**NOTE 19 COST OF MATERIALS & COMPONENTS CONSUMED**

SR. NO.	PARTICULARS	As at 31-03-2020	As at 31-03-2019
		AMT.RS.	AMT.RS.
	Opening Stock	102,271,160	75,651,005
	Add : Purchases	337,971,621	227,114,049
	Less : Closing Stock	(152,777,589)	(102,271,160)
	<b>TOTAL Rs...</b>	<b>287,465,193</b>	<b>200,493,894</b>





**NOTE 20 MANUFACTURING EXPENSES**

SR. NO.	PARTICULARS	For the year 31-03-2020	For the year 31-03-2019
		AMT.RS.	AMT.RS.
1	CUSTOM DUTY	-	38,186
2	EXPENSES FOR AGENCY CHARGES	-	13,080
3	EXPENSES FOR IMPORT CHARGES	-	23,702
4	EXPENSES FOR JOBWORK OF GOODS	2,099,516	2,087,877
5	FREIGHT (LOCAL) OF PURCHASE	1,568,392	1,346,169
6	EXPENSES FOR ELECTRICITY CONSUMPTION	4,400,766	3,042,774
7	EXPENSES FOR FACTORY	775,546	691,935
8	EXPENSES FOR FREIGHT INWARD	46,210	43,815
9	EXPENSES FOR JOBWORK OF TOOLS	97,976	153,425
10	EXPENSES FOR LOADING & UNLOADING	50,800	14,068
11	EXPENSES FOR REPAIRING & MAINT. MACHINERY	300,322	206,567
12	EXPENSES FOR TOOLS MAINTENANCE	-	2,040
13	EXPENSES FOR FACTORY RENT	5,100,000	5,100,000
14	EXPENSES FOR FREIGHT FOR RATE DIFFERENCE	-	1,636
15	EXPENSES FOR FREIGHT OUTWARD	90,859	60,127
	<b>TOTAL Rs...</b>	<b>14,530,388</b>	<b>12,825,402</b>

**NOTE 21 EMPLOYEE BENEFITS EXPENSE**

SR. NO.	PARTICULARS	For the year 31-03-2020	For the year 31-03-2019
		AMT.RS.	AMT.RS.
1	INCENTIVE BONUS EXP.(PROD)	919,192	405,727
2	SALARY & WAGES (PROD)	25,546,298	17,230,607
3	DIRECTOR'S REMUNERATION	2,700,000	2,700,000
4	ADMINISTRATION SALARY	6,998,178	3,996,044
5	STAFF WELFARE EXP.	34,706	29,050
6	STAFF TRAINING EXP.	2,750	22,830
7	GRATUITY FUND	604,790	386,794
8	EXPENSES FOR PROVIDENT FUND	1,185,118	852,558
9	GUJARAT LABOUR WELFARE FUND	3,900	2,658
10	EXPENSES FOR STAFF FOOD	2,708,227	2,146,265
11	EXPENSES FOR STAFF MEDICAL	57,694	39,392
12	EXPENSES FOR LEAVE ENCASHMENT	-	20,150
13	EXPENSES FOR UNIFORM	118,590	94,421
	<b>TOTAL Rs...</b>	<b>40,879,443</b>	<b>27,926,496</b>



**NOTE 22 ADMINISTRATIVE AND SELLING EXPENSES**

SR. NO.	PARTICULARS	For the year 31-03-2020	For the year 31-03-2019
		AMT.RS.	AMT.RS.
1	EXPENSES FOR INSURANCE - VEHICLE	121,693	114,680
2	EXPENSES FOR INSURANCE - FIRE POLICY	3,540	-
3	EXPENSES FOR INSURANCE - PLANT&MACHINERY	41,187	36,514
4	EXPENSES FOR INSURANCE - STOCK	117,589	87,791
5	EXPENSES FOR INSURANCE - WORKMENS COMP.	91,064	74,818
6	AUDIT FEES	25,000	25,000
7	EXPENSES FOR LEGAL	227,984	57,660
8	EXPENSES FOR DESIGN	131,000	-
9	EXPENSES FOR CONVEYANCE	-	97,935
10	EXPENSES FOR FITTING	84,610	41,638
11	EXPENSES FOR GUEST HOSPITALITY	20,190	6,130
12	EXPENSES FOR HOTEL & FOOD	159,370	81,580
13	EXPENSES FOR HOTEL & FOOD - DIRECTOR	101,254	134,261
14	EXPENSES FOR OFFICE	97,802	53,107
15	EXPENSES FOR POST & COURIER	29,844	31,358
16	EXPENSES FOR PROFESSIONAL FEES	524,000	502,700
17	EXPENSES FOR REPAIRING OFFICE EQUIPMENT	49,099	44,618
18	EXPENSES FOR SECURITY	717,678	504,000
19	EXPENSES FOR STAFF RECRUMENT	104,135	39,984
20	EXPENSES FOR STATIONERY & PRINTING	220,092	246,482
21	EXPENSES FOR TELEPHONE & INTERNET	113,641	70,190
22	EXPENSES FOR TOUR & TRAVELLING	306,356	231,983
23	EXPENSES FOR TOUR & TRAVELLING-DIRECTOR	-	167,424
24	EXPENSES VEHICLE FUEL - FORK LIFT	264,126	147,572
25	EXPENSES VEHICLE FUEL-FOUR WH.-DIRECTOR	84,289	119,608
26	EXPENSES VEHICLE REPARING-DIRECTOR	-	72,332
27	EXCISE DUTY PAYMENT	-	369,697
28	WRITTEN OFF	-	70,418
29	ROC FEES	12,000	-
30	PRE OPERATING EXPENSES W/O	-	672,710
31	PRELIMINARY EXP. W/O	-	202,581
32	SHAPAR SHED-(17-18) TEMPORARY W/O	140,879	140,879
33	LOSS ON SALE OF CAR	738,870	502,885
34	EXPENSES FOR CHARITY	-	11,000
<b>TOTAL Rs...</b>		<b>4,527,293</b>	<b>4,959,535</b>

**NOTE 23 FINANCE COST**

SR. NO.	PARTICULARS	For the year 31-03-2020	For the year 31-03-2019
		AMT.RS.	AMT.RS.
1	EXPENSES FOR BANK CHARGES	179,387	31,713
2	EXPENSES FOR C.C. INTEREST - BANK	5,550,921	4,633,806
3	EXPENSES FOR TERM LOAN INTEREST - BANK	1,311,139	148,123
4	INTEREST ON DEPOSITE	1,370,719	349,391
5	EXPENSES FOR LOAN PROCESSING FESS	612,302	369,077
6	EXPENSES FOR INTEREST ON CREDIT CARD	16,313	132,307
<b>TOTAL Rs...</b>		<b>9,040,781</b>	<b>5,664,417</b>





**[A] NOTES OF ACCOUNTS**

- 1 Previous year figures have been regrouped whenever required.
- 2 Balance of Debtors, Creditors and Loan account holders are subject to Confirmation and Bank balances are subjected to reconciliation.
- 3 Stock has been taken valued and certified by the Director of the Company.
- 4 Current Assets are stated of the realisable value, it realised in the normal course of business.
- 5 Provision for Differed Tax Liability has been made as per AS - 22

**[B] SIGNIFICANT ACCOUNTING POLICIES**

- 1 Basis of Accounting  
The Company prepares its financial statements in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956.
- 2 Income & Expenditure  
Income & Expenditure are accounted for on accrual basis.
- 3 Fixed Assets & Depreciation  
- The Fixed Assets has been stated at their cost of acquisition.(which includes expenditure incurred for the acquisition and /or installation)  
- To comply with the requirements of true and fair disclosure under section 211 of the Companies Act, 1956 read with Schedule VI thereof. The Company has provided depreciation on assets on SLM basis from the date of acquisition of assets.
- 4 Current Assets  
Current Assets are shown at the realised value.
- 5 Revenue Recognition  
In appropriate circumstances revenue is recognised whenever significant as to the measurability or collectibility exists.
- 6 Valuation of Inventory  
Stock has been valued at Cost or Market value whichever is lower.
- 7 Other Accounting Policies  
These are consistent with generally accepted accouting policies.

SIGNATURE TO ALL THE SCHEDULE


AS PER OUR REPORT OF EVEN DATE

Dated 20th July, 2020, At Rajkot  
FOR PEARL FURNITURE PVT. LTD.

FOR BHAVIN ASSOCIATES,  
CHARTERED ACCOUNTANTS

  
[DIRECTOR]

  
[DIRECTOR]

  
[B.P.BHANSALI]  
[PARTNER]



SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with India Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(b) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(c) Revenue Recognition

Revenue on sale of products is recognized when the products are delivered to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales & Purchases are stated net of trade discount, returns and taxes collected.

(d) Provisions and contingent liabilities

A provision is recognized, if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date.

(e) Fixed Assets & Depreciation thereon

i) Fixed assets are stated at cost of acquisition as reduced by accumulated depreciation. The cost of assets includes

other direct/ indirect and incidental cost incurred to bring them into their present location.

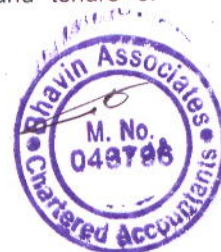
ii) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in

Schedule II,

(f) Retirement benefits to employees

- Gratuity

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the company.





- Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

(g) Inventories

Inventories are stated at Cost or Market price whichever is lower. We have not physically verified the inventories. The value of the inventories is taken as per information & explanation of the management, as certified by the management.

(h) Provision for Current Tax & Deferred Tax

Provision for income tax is made on the basis of estimated taxable income for the year at current rates. Tax expenses comprises of Current Tax, and Deferred Tax at applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax asset is recognized and carry forward to the extent that there is a reasonable certainty that the assets will be realize in future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of assets.

(i) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders (after deducting tax expenses) by the weighted average number of equity shares outstanding during the period.

(j) Current Assets, Loans and Advances & Liabilities

In the opinion of the Board of Directors, the Current Assets, Loans and Advances and Current Liabilities are approximately stated if realized in the ordinary course of business. As no confirmatory letters were submitted from Debtors and Creditors, their balances are reflected in the Balance Sheet as appearing in the books. The provisions for all other liabilities is adequate and not in excess of the amount reasonably necessary.

(k) Regrouping of Previous Year figures

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.



NOTES ON ACCOUNTS AND OTHER DISCLOSURES :

(a) Earning Per Share : 7.64 Per Share

(b) Payment to Auditors :

Statutory Audit Fees : ₹ 25,000

(c) Related Party Disclosures

(1) Related parties & their relationship

- i) Holding Company
  - Parin Furniture Ltd.
- ii) Associates
  - Poonam Furniture
  - Paradise Furniture
  - Prince Furniture
  - Parin Motors
- iii) Key Managerial Personnel
  - Deven D. Nandani - Managing Director
  - Darshil U Nandani - Director
  - Parin U. Nandani - Director

(2) Transactions with related parties

(` in Lacs)

Particulars	Associate Concerns	Key Managerial Personnel & their relatives	Total
Holding Company	3207.83	-	3207.83
Expenses paid		13.71	13.71
Purchase of Goods (Including Tax)	46.77	-	46.77
Remuneration	-	27.00	27.00
Revenue	0.71	-	0.71

(3) Balances with Related Parties as at 31st March, 2020

(` in Lacs)

Particulars	Associate Concerns	Key Managerial Personnel & their relatives	Total
Trade Receivables, Loans & Advances, Advances to suppliers of	-	201.57	
Trade Payables for Goods, Expenses and Advance from Customers	12.38		





## (4) Disclosure of material transactions/balances with related parties

(₹ in Lacs)

Particulars	Nature of Transaction	2019-20	2018-19
Investment held by - Parin	Share Purchase	190.00	190.00
<b>Revenue: (Basic Value)</b>	<b>Nature of Transaction</b>		
Parin Furniture Ltd.	Sales of Goods	3207.83	2631.63
Paradise Furniture	Sales of Goods	-	47.74
Parin Motors	Sales of Goods	0.71	2.18
<b>Expense Paid:</b>			
Parin U Nandani	Salary	4.50	18.00
Darshil U Nandani	Salary	9.00	9.00
Deven D Nandani	Salary	13.50	-
Deven D Nandani	Interest	3.51	-
Parin U Nandani	Interest	5.29	0.13
Darshil U Nandani	Interest	4.90	3.36
<b>Purchase of Goods: (Basic Value)</b>			
Prince Furniture	Purchase	10.41	19.16
Poonam Furniture	Purchase	12.93	6.26
Paradise Furniture	Purchase	23.43	-
<b>Unsecured Loan :</b>			
Parin U. Nandani	Loan Taken	18.31	36.62
Darshil U. Nandani	Loan Taken	6.99	0.34
Deven D. Nandani	Loan Taken	104.51	-
Parin U. Nandani	Loan Given	1.03	2.42
Darshil U. Nandani	Loan Given	0.49	11.6
Deven D. Nandani	Loan Given	0.35	-

For, Bhavin Associates  
Chartered Accountants  
Firm Reg. No. 101383W

For and on behalf of Board of directors of

( Bhavin P. Bhansali )  
Proprietor  
M.No. 043796

Place : Rajkot  
Date : 20.07.2020



Deven D. Nandani  
Managing Director  
DIN: 07576542

Darshil U. Nandani  
Director  
DIN: 07576521