



To

The Members of SOUTHERN VENEERS AND WOODWORKS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Southern Veneers And Woodworks Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss and Statement of Cash Flows for the year ended on that date, and the 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Loss and Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2019-20, 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 the 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.

Responsibilities of Management and those Charged with Governance for the Standalone 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 standalone 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. 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 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 statement 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. The Board of Directors are 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 judgment 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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 including other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 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 the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us: the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations on its financial position in its standalone 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 **Prabhu Hegde & Associates**
Chartered Accountants
Firm Registration Number: 012225 S

Manjunath
Manjunath Prabhu S
Partner
Membership Number: 221515
UDIN: 20221515AAAADK3624



Place: Ernakulam
Date: 28/06/2020



"ANNEXURE A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE INDIAN ACCOUNTING STANDARD [IND AS] FINANCIAL STATEMENTS OF SOUTHERN VENEERS AND WOODWORKS LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, inventories (mainly consisting of spares) were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly the reporting requirements under clause (a) to (c) of paragraph 3(iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantee given.
- (v) The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the act and the rules framed there under are not applicable.
- (vii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the Company at this stage.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income-tax, good and service tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- There are no arrears of undisputed statutory dues outstanding at the last day of the financial period of more than six months from the date on which they become payable.
- (b) According to the information and explanations given to us, and the records of the company examined by us, there are no disputed amounts due to be deposited under goods and service tax, duty of customs, duty of excise, value added tax and income tax.
- (viii) In our opinion and according to the information and explanations given to us and the records of the company examined by us, the company has not taken any loans or borrowings from financial institutions, banks and government or raised any money by way of issue of debentures.
- (ix) According to the information and explanations given to us and the records of the company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and no term loans were availed by the company during the year.
- (x) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi company. Accordingly, the reporting requirements under paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note.22 to the standalone IndAS financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and the records of the company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting requirements under clause (xiv) of the paragraph 3 of the order are not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and records of the company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under paragraph 3 (xvi) of the order is not applicable.

For **Prabhu Hegde & Associates**
Chartered Accountants
Firm Registration Number: 012225 S

Manjunath
Manjunath Prabhu S

Partner
Membership Number: 221515
UDIN: 20221515AAAADK3624



Place: Ernakulam
Date: 28/06/2020



Annexure - B to the Auditors' Report

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 **SOUTHERN VENEERS AND WOODWORKS LIMITED** ("the Company") as of 31st March 2020 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 ('ICAI'). 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.

Auditors' 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control 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 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 31 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.

For **Prabhu Hegde & Associates**
Chartered Accountants
Firm Registration Number: 012225 S

Manjunath

Manjunath Prabhu S

Partner

Membership Number: 221515

UDIN: 20221515AAAADK3624



Place: Ernakulam

Date: 28/06/2020

SOUTHERN VENEERS AND WOODWORKS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

(In Rs.)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	5,81,749	5,84,577
(b) Financial Assets			
(i) Loans	3	1,55,909	1,55,909
(c) Deferred tax assets (net)		-	-
(2) Current assets			
(a) Inventories	4	19,000	19,000
(b) Financial Assets			
(i) Trade receivables	5	13,12,124	39,64,533
(ii) Cash and cash equivalents	6	68,667	13,086
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	7	18,467	12,760
Total Assets		21,55,916	47,49,865
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	8	50,00,000	50,00,000
(b) Other Equity	9	(30,44,222)	(12,65,836)
LIABILITIES			
(1) Non-current liabilities			
(2) Current liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities			
(a) Other current liabilities	10	1,98,338	9,17,753
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		1,800	97,948
Total Equity and Liabilities		21,55,916	47,49,865

Significant Accounting Policies

1

As per our separate report of even date attached

The accompanying notes form an integral part of the financial statements (1 to 26)

Prabhu Hegde & Associates
Chartered Accountants
FRN: 012225 S

Manjunath
Manjunath Prabhu S
Partner
M.No : 221515



For and on behalf of the Board of Directors

P K Mayan
P K Mayan Mohamed
Director
(DIN: 00026897)

Pushya Sitaraman
Pushya Sitaraman
Director
(DIN: 06537196)

Place: Kannur

Date: 28/06/2020

SOUTHERN VENEERS AND WOODWORKS LIMITED
STATEMENT OF PROFIT AND LOSS THE PERIOD ENDED 31ST MARCH, 2020

(In Rs.)

	Particulars	Note No.	For the Period ended 31st March 2020	For the Period ended 31st March 2019
I	Revenue from operations		-	-
II	Other income	11	1,08,000	1,88,070
III	Total Revenue (I + II)		1,08,000	1,88,070
IV	Expenses:			
	Employee benefits expense	12	9,13,719	9,14,259
	Depreciation and amortization expense	2	2,828	1,68,098
	Other expenses	13	9,69,839	12,28,263
	Total Expenses (IV)		18,86,386	23,10,620
V	Profit / (Loss) before Exceptional Items and tax (III-IV)		(17,78,386)	(21,22,550)
VI	Exceptional Items	14	-	29,72,427
VII	Profit before tax (III - IV+VI)		(17,78,386)	8,49,877
VIII	Tax expense:			
	(1) Current tax		-	1,00,111
	(2) Prior tax adjustment		-	-
	(3) Deferred tax		-	-
IX	Profit (Loss) for the period (VII - VIII)		(17,78,386)	7,49,766
X	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
XI	Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		(17,78,386)	7,49,766
XII	Earnings per equity share:	15		
	(1) Basic		(35.57)	15.00
	(2) Diluted		(35.57)	15.00

See accompanying notes to the financial statements.

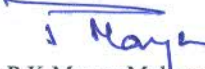
As per our separate report of even date attached

The accompanying notes form an integral part of the financial statements (1 to 26)

For and on behalf of the Board of Directors

Prabhu Hegde & Associates
Chartered Accountants
FRN: 012225 S

Manjunath Prabhu S
Partner
M.No : 221515


P K Mayan Mohamed Pushya Sitaraman
Director Director
(DIN: 00026897) (DIN: 06537196)

Place: Kannur

Date: 28/06/2020



SOUTHERN VENEERS AND WOODWORKS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31ST, 2020

(in Rs)

Particulars	For the year Ended 31st March 2020		For the year Ended 31st March 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) for the year after tax		(17,78,386)		7,49,766
Add/(Less): Adjustments for Non-cash items:				
Depreciation	2,828		1,68,098	
Provision for Taxation	-		97,948	
Interest Income	-		(10,070)	
		2,828		2,55,976
Operating Profit before Working Capital Changes		(17,75,558)		10,05,742
Adjustment for changes in:				
(Increase)/ Decrease Inventories	-		70,499	
(Increase)/ Decrease Trade Receivables & Other Current Assets	26,46,702		(27,64,838)	
Increase/ (Decrease) Trade Payables and Other Current Liabilities	(7,19,415)	19,27,287	6,40,053	(20,54,286)
Cash generated from Operations		1,51,729		(10,48,544)
Less: Income Tax Paid		96,148		
Net Cash from Operating Activities Total (A)		55,581		(10,48,544)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Interest received	-		10,070	
Sale of Fixed Assets	-		10,27,574	
Total (B)		-		10,37,644
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	-		-	
Total (C)		-		-
Total Cash Flow for the year (A + B + C)		55,581		(10,900)
Add: Opening Cash and Cash Equivalents		13,086		23,986
Closing Cash and Cash Equivalents		68,667		13,086

As per our separate report of even date attached

The accompanying notes form an integral part of the financial statements (1 to 26)

For and on behalf of the Board of Directors

Prabhu Hegde & Associates
Chartered Accountants
FRN: 012225 S

Manjunath Prabhu S
Partner
M.No : 221515


P K Mayan Mohamed
Director
(DIN: 00026897)

Pushya Sitaraman
Director
(DIN: 06537196)

Place: Kannur
Date: 28/06/2020



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

Equity Share Capital

(in Rs)

	Balance as at 31st March, 2018	Changes in Equity share capital during the year	Balance as at 31st March, 2019	Changes in Equity share capital during the year	Balance as at 31st March 2020
Paid Up Capital	50,00,000	-	50,00,000	-	50,00,000

Other Equity

(in Rs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive income	Total
Balance at the beginning of April 1, 2018	3,00,534	2,32,857	(25,48,993)	-	(20,15,602)
Profit for the year	-	-	7,49,766	-	7,49,766
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	7,49,766	-	7,49,766
Balance at the end of March 31, 2019	3,00,534	2,32,857	(17,99,227)	-	(12,65,836)
Profit for the year	-	-	(17,78,386)	-	(17,78,386)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	(17,78,386)	-	(17,78,386)
	-	-	-	-	-
Balance at the end of 31 March 2020	3,00,534	2,32,857	(35,77,613)	-	(30,44,222)

General Reserve

Under the erstwhile Companies Act, 1956 a General Reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to General Reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

Capital Reserve

There is no movement in Capital reserve during the current and previous year.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders.

As per our separate report of even date attached

The accompanying notes form an integral part of the financial statements (1 to 26)

For and on behalf of the Board of Directors

Prabhu Hegde & Associates
Chartered Accountants
FRN: 012225 S
Manjunath
Manjunath Prabhu S
Partner
M.No : 221515

P K Mayan
P K Mayan Mohamed
Director
(DIN: 00026897)

Pushya Sitaraman
Director
(DIN: 06537196)

Place: Kannur
Date: 28/06/2020



SOUTHERN VENEERS AND WOODWORKS LIMITED

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

(in Rs)									
Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Furniture & Fittings	Vehicles	Office Equipments	Computer	Total
Gross Carrying Amount [Cost or Deemed Cost]									
As at 1st April 2018	1,86,361	-	79,631	16,76,069	4,697	-	1,588	-	19,48,257
Additions/adjustment									-
Disposals/adjustments	-	-		11,85,800					11,85,800
As at 31st March 2019	1,86,361	-	79,631	4,90,269	4,697	-	1,588	-	7,62,457
Additions									-
Disposals/adjustments									-
As at 31st March 2020	1,86,361	-	79,631	4,90,269	4,697	-	1,588	-	7,62,457
As at 1st April 2018	-	-	1,479	1,66,265	353	-	-	-	1,68,098
Depreciation during the year	-	-	1,479	1,66,265	265	-	-	-	1,68,009
Disposals/adjustments	-	-	-	1,58,227	-	-	-	-	1,58,227
As at 31st March 2019	-	-	2,958	1,74,303	618	-	-	-	1,77,880
Depreciation during the Period	-	-	1,233	1,535	60	-	-	-	2,828
Disposals/adjustments	-	-	-	-	-	-	-	-	-
As at 31st March 2020	-	-	4,191	1,75,838	678	-	-	-	1,80,708
Net Carrying Amount									
As at 1st April 2018	1,86,361	-	78,152	15,09,804	4,344	-	1,588	-	17,80,159
As at 31st March 2019	1,86,361	-	76,673	3,15,966	4,079	-	1,588	-	5,84,577
As at 31st March 2020	1,86,361	-	75,440	3,14,431	4,019	-	1,588	-	5,81,749
Capital Work in Progress	As at 31st March 2019	As at 31st March 2018							
Plant & Machinery	-	-							
Building	-	-							
Total	-	-							



3. Loans - Non-Current Assets

(in Rs)

Paticulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
a) Security Deposit		
Unsecured, Considered Good	1,55,909	1,55,909
Unsecured, Considered Doubtful	-	-
Less: Allowance for Credit Loss	-	-
	1,55,909	1,55,909
b) Loans to related parties	-	-
c) Others Loans(Specify Nature)	-	-
	-	-
	-	-
TOTAL	1,55,909	1,55,909

4. Inventories

Paticulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
a) Raw Materials	-	-
b) Work in Progress	-	-
c) Finished Goods	-	-
d) Stores and Spares	19,000	19,000
TOTAL	19,000	19,000
Included above, goods in transit		
(i) Raw Materials	-	-
(ii) Finished Goods	-	-
TOTAL	-	-

Method of valuation of inventories - See Note 1(i) of Significant Accounting Policies.

5. Trade Receivables

Paticulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
a) Unsecured, considered Good from Holding Company	13,12,124	39,64,533
b) Unsecured, Considered Doubtful	-	-
	13,12,124	39,64,533
Less: Allowance for Credit Losses	-	-
TOTAL	13,12,124	39,64,533

6. Cash and Cash Equivalents

Paticulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
a) Balance with Banks		
(i)Current Accounts	13,602	13,021
	13,602	13,021
b) Cash on hand	55,065	65
TOTAL	68,667	13,086



Break up of financial assets

(in Rs)

Paticulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
Financial assets carried at amortized cost		
Trade receivables	13,12,124	39,64,533
Cash and cash equivalents	68,667	13,086
Total	13,80,791	39,77,619

7. Other Current Asset

Paticulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
a) Advances other than capital advances	-	-
b) Other Receivables	5,707	-
	5,707	-
c) Prepaid Expenses	12,760	12,760
	12,760	12,760
TOTAL	18,467	12,760



SOUTHERN VENEERS AND WOODWORKS LIMITED
Notes attached to and forming part of Financial Statements

8. Share Capital

(in Rs)

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised:		
50,000(50,000) Equity Shares of Rs.100/- each	50,00,000	50,00,000
TOTAL	50,00,000	50,00,000
Issued:		
50,000(50,000) Equity Shares of Rs.100/- each	50,00,000	50,00,000
TOTAL	50,00,000	50,00,000
Subscribed & Paid Up		
50,000(50,000) Equity Shares of Rs.100/- each	50,00,000	50,00,000
TOTAL	50,00,000	50,00,000

Reconciliation of Shares at the beginning and at the end of the financial year.

Particulars	31st March 2020		31st March 2019	
	No. of shares	Amount (Rupees)	No. of shares	Amount (Rupees)
a) Equity Shares				
At the beginning of the year	50,000	50,00,000	50,000	50,00,000
Add: Shares Issued during the year	-	-	-	-
At the end of the year	50,000	50,00,000	50,000	50,00,000

Terms/ Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares with a face value of Rs.100/- each. Each holder of an equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the 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.

Details of Shareholders holding more than 5% shares in the Company

Particulars	31st March 2020		31st March 2019	
	% of Holding	No. of Shares	% of Holding	No. of Shares
a) Equity Shares				
The Western India Plywoods Limited (Holding Company)	99.98%	49,992	99.98%	49,992



SOUTHERN VENEERS AND WOODWORKS LIMITED
Notes attached to and forming part of Standalone Financial Statements

9. Other Equity

(in Rs)

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Reserve	3,00,534	3,00,534
General Reserve	2,32,857	2,32,857
Retained Earnings	(35,77,613)	(17,99,227)
Total	(30,44,222)	(12,65,837)

9.01 Description of nature and purpose of each reserve

i) **Capital Reserve** - There is no movement in Capital reserve during the current and previous year.

ii) **General Reserve** - Under the erstwhile Companies Act,1956 a General Reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act,2013, the requirement to mandatory transfer a specified percentage of net profit to General Reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

iii) **Retained Earnings** - Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders.

10. Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
a) Statutory Dues	10,649	7,21,047
b) Salaries & Wages	14,369	1,23,653
c) Other Payable	1,73,320	73,053
TOTAL	1,98,338	9,17,753



11. Other Income

(in Rs)

Particulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
Interest Income	-	10,070
Ground Rental Income	1,08,000	1,08,000
Machinery Rent	-	70,000
Total	1,08,000	1,88,070

12. Employee Benefit Expenses

Particulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
Salaries, Wages and Bonus	8,96,160	8,86,275
Contribution to Provident, ESI and Other Funds	17,559	27,984
Workmen and Staff Welfare Expenses	-	-
Gratuity	-	-
Leave Encashment	-	-
Total	9,13,719	9,14,259

13. Other Expenses

Particulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
Consumption of stores	-	70,000
Power & Fuel	5,37,070	5,09,292
Repairs and Maintenance-		
-Machinery	-	75,000
-Building	45,700	71,500
Communication Expenses	43,372	36,157
Printing and Stationary	22,482	37,264
Travelling and Conveyance	70,050	67,075
Professional Charges	1,38,940	1,30,910
Payment to Auditors	43,000	30,000
Rates & Taxes	42,851	48,441
Insurance Premium	12,602	28,043
Interest	8,082	-
General Expenses	5,690	1,24,581
Total	9,69,839	12,28,263



14. Exceptional Item

(in Rs)

Particulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
Profit on sale of generator	-	29,72,427
Total	-	29,72,427

15. Earnings per equity share

Particulars	For the Period ended 31st March 2020	For the Period ended 31st March 2019
Earnings per equity share		-
Net profit available to equity shareholders	(17,78,386)	7,49,766
Weighted Average Number of Equity Shares of Rs. 100/- each (fully paid-up)	50,000	50,000
Earnings per share - Basic & Diluted (Rs)	(35.57)	15.00



16 INCOME TAXES

	2019-2020	2018-2019
a) Tax expense recognised in the statement of Profit and Loss:		
Current tax		
Current year	-	1,00,111
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary difference	-	-
Fair valuation of financial assets and financial liabilities	-	-
Total deferred income tax expense/(credit)	-	-
Total income tax expense/(credit)	-	-

b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows:

	2019-2020	2018-2019
Enacted income tax rate in India	0.00%	19.24%
Profit before tax	(17,78,386)	8,49,877
Income tax as per above rate	-	1,63,516
Adjustments:		
Expenses not deductible for tax purposes	-	-
Income exempt from income taxes	-	-
Tax due to change in tax rate	-	-
others	-	63,405
Income tax as per statement of profit and loss	-	1,00,111

c) The movement in deferred tax assets and liabilities during the year ended March 31,2019 and March 31, 2020:

Movement during the year ended March 31,2019 and March 31, 2020	As at 31st March, 2019	(Credit)/charge in statement of Profit and Loss	As at 31st March, 2020
Deferred tax (assets)/liabilities	-	-	-
Depreciation	-	-	-
Amount allowable on payment basis	-	-	-
Fair valuation of financial assets and financial liabilities	-	-	-
Total	-	-	-

17 Risk Management

Financial Risk Management objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity expose it to market risk, liquidity risk, commodity risk and credit risk. The Company's financial risk management policy is governed under the overall direction of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments.

A Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition,current economic trends and analysis of historical bad debts and ageing of accounts receivable.

The entire trade receivables are from the holding company viz, 'The Western India Plywoods Ltd'. The company does not envisage any credit risk in this regard

B Liquidity Risk

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations in time or at a reasonable price. The company expects to meet its obligations from operating cash flows



Contractual Maturity Patterns of Financial Liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
	0-12 months	0-12 months
Trade Payable	-	-
Other Current Liabilities	1,98,338	9,17,753

C Market Risk- Interest Rate Risk

Interest rate risk the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company has not made paid any interest during the year and no interest income has not been earned during the year and hence the interest rate risk does not affect the Company directly.

D Market Risk- Foreign Currency Risk

The Company does not export or import any goods or services and hence are not affected directly by foreign currency risk

18 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

Company's assets and liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2019

	Carrying amount as at		Fair value	
	March 31, 2019	Level I	Level II	Level III
Financial assets at amortized cost:				
Trade Receivables	39,64,533	-	39,64,533	-
Total	39,64,533	-	39,64,533	-

Company's assets and liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2020

	Carrying amount as at		Fair value	
	March 31, 2020	Level I	Level II	Level III
Financial assets at amortized cost:				
Trade Receivables	13,12,124	-	13,12,124	-
Total	13,12,124	-	13,12,124	-

Notes :-

The carrying value of trade receivables, trade payables, short term deposits and cash and cash equivalents are considered to be the same as their fair value, due to their short term in nature.

19 Payment to Auditors

Particulars	2019-2020	2018-2019
Audit Fees	25,000	25,000
Tax Audit Fees	5,000	5,000
Limited Review	13,000	-
Total Payment to Auditors	43,000	30,000

20 Assets Provided As Security

The carrying amount of asstes provided as security (First Change) for curent and non current borrowings are:

As at 31 March,
2020

As at 31 March,
2019

a) Current Assets



b) **Non Current Assets**

Land	76,927	76,927
Plant & Machinery	3,14,431	3,15,966
Office Equipments	1,588	1,588
Furniture & Fixture	4,019	4,079
Total Non current assets provided as security	3,96,964	3,98,559
Total assets provided as security	3,96,964	3,98,559

All movable non current assets and a portion of the land of the company have been hypothecated to KSIDC towards the loan taken by the holding company viz, 'The Western India Plywoods Ltd'.

21 The Company is engaged in the business of manufacture and sale of wood-based products, which form broadly part of one product group which represents one operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level and hence disclosure requirements under Ind AS 108 on Operating Segment is not applicable.

22 **Disclosures On Related Party Transaction**

A Names Of Related Parties And Nature Of Relationship:

(i) The Western India Plywoods Ltd : Holding Company

(ii) P K Harris : Key Managerial Personnel

B **Transaction during the year**

Description	31st March 2020	31st March 2019
(i) The Western India Plywoods Ltd		
(a) Sale of generator	-	40,00,000
(b) Ground Rent	1,08,000	1,08,000
(c) Machinery Rent	-	70,000
(ii) Key Managerial Personnel		
(a) Director's Remuneration	1,89,600	1,89,600

C **Balance as on closing date**

Description	31st March 2020	31st March 2019
(i) The Western India Plywoods Ltd (Receivable)	13,12,124	39,64,533

23 **Contingent Liabilities**

Particulars	31.03.2020 (Rupees)
a) Letters of credit	-
b) Bank guarantees	-
c) Bills discounted	-
d) Claims against the Company not acknowledged as debts	-

23.02 Estimated amount of contract remaining to be executed on capital account and not provided for Rs Nil/- (Rs Nil/-)

24 The figures in brackets, unless otherwise stated represents figures for the previous year. Figures of the previous year have been regrouped/recast where ever necessary to suit the classification/disclosure of the current year. Figures have been rounded off to the nearest Rupee.

25 The Financial Statements for the year ended 31st March 2020 were approved by the Board of Directors on 29th June 2020.

26 Figures have been rounded off to the nearest Rupee. Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

As per our separate report of even date attached

The accompanying notes form an integral part of the financial statements (1 to 26)

For and on behalf of the Board of Directors

Prabhu Hegde & Associates
Chartered Accountants
FRN: 012225 S

Manjunath
Manjunath Prabhu S
Partner
M.No : 221515



P K Mayan
P K Mayan Mohamcd
Director

(DIN: 00026897)

Pushya Sitaraman
Director

(DIN: 06537196)

Place: Kannur

Date: 28/06/2020

SOUTHERN VENEERS & WOODWORKS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

A	COMPANY INFORMATION
	<p>Southern Veneers & Woodworks Ltd is a unlisted public Limited Company with its registered office located at Thalassery, Kannur-670101, Kerala. The Company is a wholly owned subsidiary of The Western India Plywoods Ltd , a NSE listed public limited Company located at Kannur, Kerala. The Company is predominantly engaged as a Job worker in Wood based Industry.</p>
1	Significant accounting policies
1.1	Basis of Preparation
	<p>The financial statements of the company have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules, 2015 and with companies (Indian Accounting Standards)(Amendment) Rules, 2016 and comply in all material aspects with the relevant provisions of the Companies Act, 2013. Up to the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.</p> <p>Functional and Presentation Currency:</p> <p>The financial statements are presented in Indian Rupees which is the functional currency of the Company and all values are rounded to the nearest Rupee, except where otherwise indicated.</p>
1.2	Classification of Assets and Liabilities as Current and Non-Current:
	<p>All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current or non-current classification of assets and Liabilities.</p>
1.3	Property, Plant and Equipment
	<p>Property, Plant and Equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss if any. Cost attributable to acquisition are capitalised until the property, plant and equipment are ready to use, as intended by the management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per Schedule II to the Companies Act, 2013.</p> <p>Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.</p> <p>The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and resultant gains or losses are recognized in the statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or fair value less cost to sell.</p>



SOUTHERN VENEERS & WOODWORKS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1.4	Leases
	<p>Rental expense on operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Lease rental income is accounted on accrual basis.</p> <p>The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.</p>
1.5	Impairment of Assets
	An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which the asset is identified as impaired.
1.6	Inventories
	Stores, Spares and consumable tools are valued at lower of cost or Net Realisable Value and is valued at Weighted Average Method.
1.7	Cash and cash equivalents
	Cash comprises cash on hand and balance in Current account with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
1.8	Cash flow statement
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on audited financial statements.
1.9	Revenue recognition
	<p>Revenue is measured at the fair value of the consideration received or receivable.</p> <p>Rendering of services:</p> <p>Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.</p> <p>Timing of Recognition:</p> <p>Revenue from job work is recognized on dispatch of material to the customer. And unbilled Job Works are accounted at the year end, to the extent of percentage of completion.</p> <p>Other Operating Revenues:</p> <p>Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.</p>



SOUTHERN VENEERS & WOODWORKS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

	<p>Interest Income:</p> <p>Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).</p>
1.10	<p>Employee benefits</p> <p>Short Term Employee Benefits</p> <p>Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees rendered service are accounted on accrual basis.</p> <p>Defined contribution plans</p> <p>Company's contribution paid /payable during the year to provident fund /ESIC are recognized in the statement of profit and loss.</p> <p>Defined Benefits plans</p> <p>Company's liability towards gratuity is determined in accordance with actuarial valuation done by LIC under "Projected Unit Credit Method". The company makes annual contribution to the gratuity fund administered by LIC and same is recognized as expense in the statement of profit and loss for the period.</p>
1.11	<p>Taxes on Income</p> <p>Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided is the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.</p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes(Tax Base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.</p> <p>Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.</p> <p>Income tax in so far as it relates to items disclosed under Other Comprehensive Income or Equity are disclosed separately under Other Comprehensive Income or Equity as applicable.</p> <p>Deferred Tax assets and liabilities are off set when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on net basis or to realise the assets and settle the liability simultaneously.</p>



1.12 **Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or Liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



SOUTHERN VENEERS & WOODWORKS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	<p>For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.</p>
<p>1.13</p>	<p><u>Financial instruments:</u></p> <p>Financial Assets:</p> <p>Initial recognition and measurement</p> <p>All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.</p> <p>Financial Liabilities:</p> <p>Initial recognition and measurement</p> <p>All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.</p> <p>Subsequent measurement</p> <p>These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.</p> <p>De-recognition of financial liabilities</p> <p>A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.</p> <p>Offsetting of financial instruments</p> <p>Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.</p>
<p>1.14</p>	<p>Provisions, Contingent Liabilities & Contingent Assets</p>
	<p>Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.</p>



SOUTHERN VENEERS & WOODWORKS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

	<p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.</p> <p>When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).</p> <p>Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.</p> <p>Contingent assets are not recognized in the financial statements, since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.</p>
1.15	<p>Earnings per Share</p> <p>Basic/Diluted earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/dilutive potential equity shares outstanding as at the end of the year as the case may be.</p>
1.16	<p>Critical accounting judgments and key sources of estimation uncertainty</p>
B	<p>The preparation of the financial statements in conformity with Ind AS , requires the Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.</p> <p>The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to changes in these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized.</p>
C	<p>Contingencies</p> <p>Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.</p>

