

BALANCE SHEET AS ON MARCH 31, 2019

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1] Shareholder's Funds</b>			
a] Share Capital	1	9,29,70,000	6,00,00,000
b] Reserves and Surplus	2	19,71,50,873	9,36,88,377
		<u>29,01,20,873</u>	<u>15,36,88,377</u>
Share Application Money Pending Allotment		-	-
<b>2] Non-Current Liabilities</b>			
a] Long Term borrowings	3	37,48,021	85,64,422
b] Deferred Tax Liabilities (Net)		-	-
		<u>37,48,021</u>	<u>85,64,422</u>
<b>3] Current Liabilities</b>			
a] Trade Payables	4	1,24,51,060	85,93,399
b] Other current liabilities	5	1,19,525	34,24,620
c] Short term borrowing		-	4,95,56,716
c] Short term provisions		3,65,913	
		<u>1,29,36,498</u>	<u>6,15,74,735</u>
<b>Total</b>		<u><u>30,68,05,392</u></u>	<u><u>22,38,27,534</u></u>
<b><u>ASSETS :</u></b>			
<b>1] Non - Current Assets</b>			
a] Fixed Assets			
(i) Tangible assets	6	4,56,99,483	4,91,86,688
(ii) Intangible assets		-	-
(iii) Capital Goods and Material - WIP		1,65,03,210	
b] Long term loans and advances	7	5,00,35,500	5,00,35,500
c] Deferred tax assets		2,13,286	1,85,453
		<u>11,24,51,479</u>	<u>9,94,07,641</u>
<b>2] Current Assets</b>			
a] Inventories	8	4,60,94,753	4,77,29,092
b] Trade Receivables	9	5,33,77,703	5,75,05,359
c] Cash & Cash Equivalents	10	15,65,471	9,10,970
d] Short-term loans and advances	11	8,18,27,398	77,38,822
e] Other Current Assets		1,14,88,588	1,05,35,650
		<u>19,43,53,913</u>	<u>12,44,19,893</u>
<b>Total</b>		<u><u>30,68,05,392</u></u>	<u><u>22,38,27,534</u></u>

Notes forming part of financial statements

18-30

As per our report of even date attached

For NGST & Associates  
Chartered Accountants  
Firm Regn. No. 135159W

*Bhupendra S Gandhi*

Bhupendra S Gandhi  
Partner  
Mem. No. 122296



For and behalf of Board of Directors  
Milestone Furnitures Ltd.

*Ganesh Kumar*  
Director

*Songhane*  
Director

MILESTONE FURNITURE LIMITED  
CIN - U 36912 MH 2014 PLC 25413

1st Floor, Aslam Compound Shree Nagar, Behind Boghul House, Chandivali Road, Sakinaka Mumbai.  
Maharashtra - 400072. India.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 2019

(Amt in Rs.)

Particulars	Note	Year ended March 31, 2019 Audited	Year ended March 31, 2018 Audited
<b>REVENUE</b>			
a) Income from Operation	12	8,15,67,605	25,30,74,671
b) Other income	13	-	8,38,373
<b>Total Revenue</b>		<b>8,15,67,605</b>	<b>25,39,13,044</b>
<b>EXPENSES</b>			
a) Cost of Material Consumed	14	6,85,10,956	20,57,48,842
b) Employees Benefit Cost	15	25,82,143	91,12,439
c) Financial Costs	16	9,63,188	78,71,362
d) Depreciation and amortization expenses	6	34,87,205	43,31,291
e) Admn. & Selling Exp	17	47,08,825	1,19,77,483
<b>Total Expenses</b>		<b>8,02,52,317</b>	<b>23,90,41,417</b>
<b>Profit before extraordinary items and tax</b>		<b>13,15,288</b>	<b>1,48,71,627</b>
<b>Extraordinary Items</b>		-	-
<b>Profit before tax</b>		<b>13,15,288</b>	<b>1,48,71,627</b>
<b>Tax expense:</b>			
(i) Current tax		3,65,913	32,71,758
(ii) Deferred tax		27,833	14,305
<b>Profit for the period</b>		<b>9,21,542</b>	<b>1,15,85,564</b>
<b>Earning per equity share:</b>			
- Basic		0.10	3.86
- Diluted		0.10	3.86

Notes forming part of financial statements

18-30

As per our report of even date attached

For NGST & Associates  
Chartered Accountants  
Firm Regn. No. 135159W

*Bhupendra S Gandhi*

Bhupendra S Gandhi  
Partner  
Mem. No. 122296



For and behalf of Board of Directors  
Milestone Furnitures Ltd.

*James Akumar*

Director

*Songhares*

Director

Place: Mumbai  
Date: 30/5/2019

**MILESTONE FURNITURE LTD**

Notes Forming Part of Financial Statements for the period ended 31/03/2019

Particulars	As at 31-Mar-19	As at 31-Mar-18
<b>Note 1 - Share Capital</b>		
<b>Authorised</b>		
1,00,00,000 (P.Y. 1,00,00,000) Equity shares of Rs. 10/- each)	10,00,00,000	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed and Paid Up</b>		
92,97,000 (P.Y.60,00,000) Equity shares of Rs. 10/- each)	9,29,70,000	6,00,00,000
<b>Total</b>	<b>9,29,70,000</b>	<b>6,00,00,000</b>
<b>Reconciliation of the Number of Shares</b>		
At the beginning of the year	60,00,000	30,00,000
Issued during the period - Fresh Allotment	32,97,000	30,00,000
<b>At the end of the year</b>	<b>92,97,000</b>	<b>60,00,000</b>

**Terms/rights attached to Equity shares**

The Company has only one class of Equity shares having a par value of Rs 10 per share.

All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.

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

**Details of shareholding more than 5% shares in the Company**

	31/03/2019	31/03/2018
	No. of Shares held	No. of Shares held
Digambar Sudam Songhare	29,99,975	29,99,975
Ganesh Kumar Sadanand Patlikadan	29,99,975	29,99,975

**Note 2 - Reserves and Surplus**

<b>Securities Premium</b>		
Opening balance	7,59,80,000	39,80,000
Add: Addition during the year	11,53,95,000	7,20,00,000
Less: IPO expenses Set off	1,28,54,046	
	<b>17,85,20,954</b>	<b>7,59,80,000</b>
<b>Balance in Surplus</b>		
Opening Balance	1,77,08,377	61,22,813
Add: Profit for the year	9,21,542	1,15,85,564
Closing Balance	1,86,29,919	1,77,08,377
<b>Total</b>	<b>19,71,50,873</b>	<b>9,36,88,377</b>

**Note 3 - Long Term Borrowings**

Unsecured Loan from NBFC's & others	37,48,021	85,64,422
	<b>37,48,021</b>	<b>85,64,422</b>

**Note 4 - Trade Payables**

Due to MSME	1,24,51,060	85,93,399
Due to other creditors	<b>1,24,51,060</b>	<b>85,93,399</b>

**Note 5 - Other Current Liabilities**

Advance from customers	1,19,525	34,24,620
Other current liabilities	<b>1,19,525</b>	<b>34,24,620</b>





**MILESTONE FURNITURE LTD**  
**Notes Forming Part of Financial Statements for the period ended 31/03/2019**

Particulars	As at 31-Mar-19	As at 31-Mar-18
<b>Note 7 - Long Term Loans and Advances</b>		
Security deposits	5,00,35,500	5,00,35,500
	<u>5,00,35,500</u>	<u>5,00,35,500</u>
<b>Note 8 - Inventories</b> (Valued at cost or market value, whichever is lower)		
Closing stock	4,60,94,753	4,77,29,092
	<u>4,60,94,753</u>	<u>4,77,29,092</u>
<b>Note 9 - Trade Receivables</b> (Unsecured, Considered Good)		
Outstanding for a period exceeding six months	56,53,356	87,82,620
Others	4,77,24,347	4,87,22,739
	<u>5,33,77,703</u>	<u>5,75,05,359</u>
<b>Note 10 - Cash and Cash Equivalents</b>		
Cash in hand	14,82,891	7,98,282
Balance with Bank:		
- In Current accounts	82,580	1,12,688
	<u>15,65,471</u>	<u>9,10,970</u>
<b>Note 11 - Short term loans and advances</b>		
Advance recoverable in cash or kind for material and Capital Goods	8,16,78,727	77,38,822
Prepaid Insurance	1,48,671	-
	<u>8,18,27,398</u>	<u>77,38,822</u>
<b>Note 11 - Other current assets</b>		
Other current assets	1,14,88,588	1,05,35,650
	<u>1,14,88,588</u>	<u>1,05,35,650</u>



**ESTONE FURNITURE PVT LTD**  
**Notes Forming Part of Financial Statements for the year ended 31st March, 2019**

Particulars	Amount in INR	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Note 12 - Revenue from Operations</b>		
Sale of Goods		
Furniture, other Curtain & Fabric materials	8,15,67,605	25,01,36,281
Labour Charegs recd	-	29,38,390
	<b>8,15,67,605</b>	<b>25,30,74,671</b>
<b>Note 13 - Other Income</b>		
Discount received	-	8,38,373
	<b>-</b>	<b>8,38,373</b>
<b>Note 14 - Cost of Material Consumed</b>		
Opening stock	4,77,29,092	1,96,66,442
Add: Purchases	6,68,76,617	23,38,11,492
	11,46,05,709	25,34,77,934
Less: Closing stock	4,60,94,753	4,77,29,092
	<b>6,85,10,956</b>	<b>20,57,48,842</b>
<b>Note 15 - Employees Benefit Expenses</b>		
Salaries, wages and bonus	25,82,143	71,19,611
Director's remuneration	-	18,00,000
Staff welfare expenses	-	1,92,828
	<b>25,82,143</b>	<b>91,12,439</b>
<b>Note 16 - Financial Costs</b>		
Interest on loan	9,31,691	77,62,080
Bank charges	31,497	1,09,282
	<b>9,63,188</b>	<b>78,71,362</b>
<b>Note 17 - Other Expenses</b>		
Power and fuel	4,47,467	10,92,220
Legal & Professional charges	4,71,292	9,82,820
Travelling & Conveyance	-	4,95,840
Rent, rates and taxes	23,10,255	42,87,500
Repairs and maintainence	81,814	3,04,830
Sales promotion and advertisement expenses	4,37,840	19,89,282
Commission	46,258	9,09,393
Insurance	-	2,01,928
Auditors remuneration:		
- Statutory audit fees	1,25,000	1,25,000
Factory Expenses	76,293	2,94,840
Office & Admn. Exp.	7,12,606	12,93,830
	<b>47,08,825</b>	<b>1,19,77,483</b>



## Milestone Furniture Limited

### Notes to Financial Statements for the year ended March 31, 2019

#### NOTE 18: COMPANY INFORMATION

Milestone Furniture Limited ("the company") is engaged in manufacturing of home and office furniture and also engaged in home and office designing.

#### NOTE 19: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Method of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounts) Rules, 2014 under section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

##### b) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

##### c) Income Recognition

- i. Sales are recognized, net of returns and trade discounts, on dispatch of goods to customers.
- ii. In appropriate circumstances, revenue (Income) is recognized when no significant uncertainty as to measurability or collectibles exists and in case of export benefits / incentives are accounted on accrual basis.
- iii. Interest income is recognized on time proportionate method.

##### d) Tangible assets and depreciation

- i. Fixed Assets are stated at cost net of taxes and includes amount added on revaluation less accumulated depreciation and impairment loss, if any. All cost is inclusive of freight, duties, (net of tax credits as applicable) levies and any directly attributable cost till commencement of commercial production.
- ii. Depreciation on fixed assets is provided on a pro-rata basis on the Written Down Value method over the useful life of the assets as prescribed in schedule II of the Companies Act, 2013.

##### e) Valuation of inventory

Inventories are valued at lower of cost or net realizable value, after providing for obsolescence and damages

##### f) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of such assets for the period until the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. A qualifying asset is on that takes substantial period of time to get ready for intended use.





## Milestone Furniture Limited

### Notes to Financial Statements for the year ended March 31, 2019

#### g) Taxes

- i. Current Tax has been provided as per the provisions of Income Tax Act, 1961.
- ii. Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- iii. Deferred Tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that has been enacted or substantively enacted by the balance sheet date, to the extent that the timing differences are expected to crystallize as deferred tax charge / benefit in the statement of Profit and Loss and as deferred tax asset or liabilities in the Balance Sheet. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

#### h) Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities are disclosed separately.

#### i) Impairment of Assets (AS-28)

At each balance sheet date, the Management reviews the carrying amounts of assets and goodwill included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets and goodwill is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the assets.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

#### j) Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue allotment of equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### k) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.



## Milestone Furniture Limited

### Notes to Financial Statements for the year ended March 31, 2019

#### NOTE 20: NOTES TO ACCOUNTS

##### Note 20.1:

There are no contingent liabilities.

##### Note 20.2:

#### **Segment Reporting**

The company operates in only one segment and therefore segment reporting is not applicable.

##### Note 20.3:

#### **Related parties' disclosure as per Accounting Standard 18:**

[A] Key Management Personal (KMP).

Digambar Songhare	Managing Director
P. Ganesh Kumar	Director
Santaram Badai	Director

[B] Information on related party transactions as required by accounting Standard-18 for the year ended 31<sup>st</sup> March 2019:

Nature of transactions	Relationship	Amount in Rs.	
		2018-19	2017-18
<b>Remuneration</b>			
Digambar Sudam Songhare	Key management personnel	-	-
P.S. Ganeshkumar	Key management personnel	-	-
Santaram Badai	Key management personnel	-	-
<b>Rent Paid</b>			
Digambar Sudam Songhare	Key management personnel	-	-
P.S. Ganeshkumar	Key management personnel	-	-
<b>Lease Deposit</b>			
Digambar Sudam Songhare	Key management personnel	2,00,00,000	2,00,00,000
P.S. Ganeshkumar	Key management personnel	1,75,00,000	1,75,00,000

Note: - Related party relationship is as identified by the Company and relied upon by the Auditors.

##### Note 20.4:

Provision for employees benefits in the nature of gratuity and leave benefits has not been made.

##### Note 20.5:

In the opinion of the management, there is no impairment of assets in accordance with Accounting Standard (AS-28) as on Balance Sheet date.





## Milestone Furniture Limited

### Notes to Financial Statements for the year ended March 31, 2019

#### Note 20.6:

In the opinion of the Board and to the best of their knowledge the value of realization of current assets, loans & advances in the ordinary course of business, would not be less than the amount at which they are stated in the Balance Sheet.

#### Note 20.7:

##### SHARE CAPITAL:

##### ISSUE EQUITY SHARES AND OFFERED TO THE PUBLIC & LISTING:

During the year under review, the Company has issued and made on allotment of equity shares to Public by Initial Public Offer of equity shares. Our Company has obtained the necessary listing permission from Bombay Stock Exchange for listing of Equity Share on BSE SME platform.

Public Issue of 32,97,000 Equity Shares of Rs. 10/- each fully paid for cash at a price of Rs.45/- per equity share aggregating to Rs. 1483.65 lacs. The Net issue constituted 35.46% of the post issue paid up capital of the Company.

The allotment of equity share was carried and approved by Stock Exchange and listing of equity on BSE SME on 21th May, 2018.

All the new Equity Shares so allotted rank pari-passu in all respect with the existing Equity Shares.

##### USE OF PROCEEDS:

The fund raised during the IPO will help your company to strengthen long term working capital and Business expansion. Object of issue - the purpose of the objects as stated in the prospectus dated 23th April, 2018 was follows:

Particulars	Proposed Amount as per Prospectus Rs. In Lacs
To set up the manufacturing facility to make modular and innovative furniture with industrial premises	906.85
Working Capital Requirement	350.00
General Corporate Expenses	176.80
To meet Public Issue Expenses	50.00
<b>Total</b>	<b>1483.65</b>

As per the prospectus, the company has raised funds through IPO the objects of raising this amount as mentioned in the prospectus was as mentioned above.

However, due to economic slowdown & change in demand pattern, Management has made change in business strategy after the consultation with Board and approval in Board Meeting. Management has decided to utilised the IPO proceed as suggested by Board members towards the repayment of Debts, Creditors Liabilities and for working capital for ongoing business and new products such as Curtain & Bed Lenin for E commerce and corporate clients office Furnitures.

Management at the forthcoming Board Meeting and AGM shall take the necessary approval from the directors and shareholders. Post approval from shareholders, Management shall intimate to stock exchange & ROC for the



**Milestone Furniture Limited**

**Notes to Financial Statements for the year ended March 31, 2019**

necessary changes. Management shall take necessary steps to ensure that effect of the changed objects shall be reflected in the financials of the company & where ever required.

Note 20.8:

Previous year figures have been regrouped and reclassified to conform with current year's presentation and classification.

As per Annexed Report of Even Date

For NGST & Associates  
Chartered Accountants  
Firm Reg. No. 135159W

*Bhupendra Gandhi*

Bhupendra Gandhi  
Partner  
Mem. No. 122296



Place: Mumbai  
Dated:

For and on behalf of Board of Directors  
For MILESTONE FURNITURE LIMITED

*Digambar Songhare*  
Director  
Digambar Songhare - Director  
For MILESTONE FURNITURE LIMITED

*P. S. Ganesh Kumar*  
Director  
P. S. Ganesh Kumar - Director