

**STERNHAGEN BATH PRIVATE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

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**INDEPENDENT AUDITORS' REPORT**

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To

The Members of

**STERNHAGEN BATH PRIVATE LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Sternhagen Bath Private Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules 2015 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

We have taken into account the provisions of the Act and the rules made thereunder including 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 thereunder and the Order issued under section 143(11) of the Act.



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 these Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view 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 the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 31<sup>st</sup> March 2018 and of the loss (including other comprehensive income), its cash flows and changes in equity 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 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in clause 3 and 4 of the Order, to the extent possible.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement 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 Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
- f) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018, from being appointed as a director in terms section 164(2) of the Act;
- g) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure - B may be referred;
- h) With respect to the other matters to be included in the Auditors' 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 explanation given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Mumbai  
29<sup>th</sup> May 2018



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj*

MANOJ GANATRA  
Partner  
Membership No. 043485

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**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

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(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 Since no fixed assets are held by the company, the provisions of clause 3(i) of the Order are not applicable to the company.
- 2 Since no inventories are held by the Company during the year, provisions of clause 3(ii) of the Order are not applicable to the Company.
- 3 Since no loans granted to companies, firms or other parties in the register maintained under section 189 of the Companies Act, 2013 by the Company, provisions of clause 3(iii) of the Order are not applicable to the Company.
- 4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- 5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013.
- 7 In respect of statutory and other dues:
  - a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, GST and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - b. There are no amounts outstanding, which have not been deposited on account of dispute.
- 8 Since the Company has not obtained any borrowings from any banks, financial institutions or government or by way of debentures, the provision of clause 3(viii) of the Order is not applicable to the company.



- 9 Since the Company has not raised any money, during the year, by way of public offer (including debt instruments) and term loan, the provision of clause 3(ix) of the Order is not applicable to the company.
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- 11 Since no managerial remuneration has paid or provided by the Company during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, the provision of clause 3(xi) of the Order is not applicable to the company.
- 12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Mumbai  
29<sup>th</sup> May 2018



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner  
Membership No. 043485

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**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

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(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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We have audited the internal financial controls over financial reporting of **Sternhagen Bath Private Limited** ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the Ind AS 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.

**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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, 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.

Mumbai  
29<sup>th</sup> May 2018



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

  
MANOJ GANATRA  
Partner  
Membership No. 043485



**STERNHAGEN BATH PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2018**

(Indian ₹ in lacs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS:</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment		-	-	-
Intangible assets		-	-	-
Financial assets		-	-	-
Investments		-	-	-
Loans		-	-	-
Other financial assets		-	-	-
Other non-current assets		-	-	-
<b>Current Assets</b>				
Inventories		-	-	-
Financial assets		-	-	-
Investments		-	-	-
Trade receivables	2	7.00	7.41	7.90
Cash and cash equivalents		-	-	-
Other bank balances		-	-	-
Loans		-	-	-
Other financial assets		-	-	-
Other current assets		-	-	-
		<b>7.00</b>	<b>7.41</b>	<b>7.90</b>
<b>Total Assets</b>		<b>7.00</b>	<b>7.41</b>	<b>7.90</b>
<b>EQUITY AND LIABILITIES:</b>				
<b>Equity</b>				
Equity share capital	3	10.00	10.00	10.00
Other equity	4	(5.37)	(4.36)	(3.34)
		<b>4.63</b>	<b>5.64</b>	<b>6.66</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities		-	-	-
Borrowings	5	0.30	0.30	0.30
Other financial liabilities		-	-	-
Provisions		-	-	-
Other non-current liabilities		-	-	-
		<b>0.30</b>	<b>0.30</b>	<b>0.30</b>
<b>Current liabilities</b>				
Financial Liabilities		-	-	-
Borrowings		-	-	-
Trade payables	6	2.01	1.47	0.93
Other financial liabilities		-	-	-
Other current liabilities	7	0.07	-	0.01
Provisions		-	-	-
		<b>2.08</b>	<b>1.47</b>	<b>0.94</b>
<b>Total Liabilities</b>		<b>7.00</b>	<b>7.41</b>	<b>7.90</b>

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner



For and on behalf of the Board of Directors

CHIRAG PAREKH  
Director

PRADEEP GOHIL  
Director

STERNHAGEN BATH PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Indian ₹ in lacs)

Particulars	Note No.	2017-2018	2016-2017
<b>REVENUE:</b>			
Revenue from operations ( net )		-	-
Other income		-	-
<b>Total Revenue</b>		<b>-</b>	<b>-</b>
<b>EXPENSES:</b>			
Cost of materials consumed		-	-
Purchases of traded goods		-	-
Changes in inventories		-	-
Employee benefits expenses		-	-
Finance costs		-	-
Depreciation and amortisation expenses		-	-
Other expenses	8	1.02	1.02
<b>Total Expenses</b>		<b>1.02</b>	<b>1.02</b>
<b>Profit before exceptional items and tax</b>		<b>(1.02)</b>	<b>(1.02)</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>(1.02)</b>	<b>(1.02)</b>
Tax expenses			
Current tax		-	-
Earlier years' tax		-	-
Deferred tax		-	-
<b>Profit for the year</b>		<b>(1.02)</b>	<b>(1.02)</b>
<b>Other Comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Items that may be reclassified to profit or loss			
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>(1.02)</b>	<b>(1.02)</b>
Basic and diluted earning per share	9	(1.02)	(1.02)
Face value per share		10.00	10.00

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner



For and on behalf of the Board of Directors

CHIRAG PAREKH  
Director

PRADEEP GOHIL  
Director

Mumbai  
29th May, 2018

Mumbai  
29th May, 2018

**STERNHAGEN BATH PRIVATE LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018**

**A. SHARE CAPITAL**

(Indian ₹ in lacs)

Particulars	31st March 2018	31st March 2017
At the beginning of the year	10.00	10.00
Changes in equity share capital during the year	-	-
At the end of the year	<u>10.00</u>	<u>10.00</u>

**B. OTHER EQUITY**

(Indian ₹ in lacs)

Particulars	Retained earnings	Total
As at 1st April, 2016	(3.34)	(3.34)
Profit for the year	<u>(1.02)</u>	<u>(1.02)</u>
As at 31st March, 2017	<u>(4.36)</u>	<u>(4.36)</u>
Profit for the year	<u>(1.02)</u>	<u>(1.02)</u>
As at 31st March, 2018	<u><u>(5.37)</u></u>	<u><u>(5.37)</u></u>

The accompanying notes are integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

*Manoj Ganatra*  
MANOJ GANATRA  
Partner



*Chnrag Parekh*  
CHNRAG PAREKH  
Director

*Pradeep Gohil*  
PRADEEP GOHIL  
Director

Mumbai  
29th May, 2018

Mumbai  
29th May, 2018

STERNHAGEN BATH PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(Indian ₹ in lacs)

Particulars	2017-2018	2016-2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	(1.02)	(1.02)
Adjustments for -		
Depreciation and amortization	-	-
Interest	-	-
Operating profit before working capital changes	-	-
Adjustments for -		
Trade and other receivables	-	-
Inventories	-	-
Trade and other payables	0.61	0.53
Cash generated from operations	0.61	0.53
Direct taxes paid	-	0.53
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(0.41)</b>	<b>(0.49)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of property, plant & equipment	-	-
Interest received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from loans borrowed (net)	-	-
Interest paid	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(0.41)</b>	<b>(0.49)</b>
Cash and cash equivalents as at beginning of the year	7.41	7.90
Cash and cash equivalents as at end of the year	7.00	7.41

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.
- The amendments to Ind AS 7 Cash Flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosures is made below. There is no other impact on the financial statements due to this amendment.

As per our report of even date

For and on behalf of the Board of Directors

For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner



*(Signature)*  
HIRAG PAREKH  
Director

*(Signature)*  
PRADEEP GOHIL  
Director

Mumbai  
29th May, 2018

Mumbai  
29th May, 2018

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## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2018

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### COMPANY INFORMATION

**Sternhagen Bath Private Limited** ("the Company") is a private company domiciled in India and incorporated on 17<sup>th</sup> January, 2011 under the provisions of the Companies Act applicable in India. The Company is established for in trading in kitchen and bath appliance and accessories. The registered office of the Company is located at B-307, Citi Point, J B Nagar, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. The Company is a subsidiary company of Acrysil Limited.

The Ind AS financial statements ("the financial statements") were authorized for issue in accordance with the resolution of the Board of Directors on 29<sup>th</sup> May, 2018.

### **1 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Basis of preparation and measurement:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The financial statements for the year ended 31<sup>st</sup> March, 2018 are the first financial statements prepared by the Company under Ind AS. For all periods up to and including the year ended 31<sup>st</sup> March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31<sup>st</sup> March, 2017 and the opening Balance Sheet as at 1<sup>st</sup> April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's balance sheet, statement of profit and loss and statement of cash flows are provided in note 1.3 c.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1<sup>st</sup> April, 2016 being the date of transition to Ind AS. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company considers 12 month period as normal operating cycle.

The Company's financial statements are reported in Indian Rupees, which is also the company's functional currency, and all values are rounded to the nearest lakh except otherwise indicated.

#### **1.2 Significant accounting policies:**

##### **a. System of accounting**

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties. These financial statements are prepared under the historical cost convention unless otherwise indicated.



b. Key accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes 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. Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit or loss. In other cases, the transaction costs are attributed to the acquisition value of financial asset.

Financial assets are subsequently classified measured at –

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing financial assets.

Financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred the asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, financial asset is derecognised.

d. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of balance with banks and cash on hand and short term deposits with an original maturity of three month or less, which are subject to insignificant risks of changes in value.

e. Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs.



f. Financial liabilities

- (i) Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.
- (ii) Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.
- (iii) Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

g. Trade payables

A payable is classified as a trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

h. Provisions and contingent liabilities

The Company creates a provision when there is present obligation, legal or constructive, as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events. Contingent assets are neither recognised nor disclosed in the financial statements.

i. Earnings Per Share

- (i) Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.
- (ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



### 1.3 First-time adoption of Ind AS:

#### a. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies as set out in note no. 1.2 above have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March 2018, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March 2017 and in the preparation of an opening Ind AS balance sheet as at 1<sup>st</sup> April 2016 (the transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the Accounting Standards notified under the Companies (accounting Standards) Rules, 2006 and other relevant provisions of the Act. An explanation of how transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### b. Exemption and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material and significant.

- (i) On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those statements. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

#### c. Reconciliations between previous GAAP and Ind AS

There have been no adjustments or reconciliations required on account of the transition from previous GAAP to Ind AS on the Company's balance sheet, statement of profit and loss and statement of cash flows.





Note 2

Cash and cash equivalents

(Indian ₹ in lacs)

Particulars	31st March 2018	31st March 2017	1st April 2016
Balances with banks	7.00	7.41	7.90
<b>Total cash and cash equivalents</b>	<b>7.00</b>	<b>7.41</b>	<b>7.90</b>



Note 3

Equity share capital

(Indian ₹ in lacs)

Particulars	31st March	31st March	1st April
	2018	2017	2016
<b>Authorised</b>			
5,00,000 equity shares of ₹ 10 each	50.00	50.00	50.00
	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid up</b>			
100,000 equity shares of ₹ 10 each	10.00	10.00	10.00
<b>Total equity share capital</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

Equity shares issued as fully paid-up bonus shares or otherwise than by cash during the preceding five years: Nil

**Shares held by each shareholder holding more than 5 percent shares**

Name of Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Acrysil Limited	84,900	84.90	84,900	84.90	84,900	84.90
Shri Chirag Parekh	10,000	10.00	10,000	10.00	10,000	10.00

**Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a face value of ₹ 10 each ranking pari passu in all respect including voting rights and entitlement to dividend. Each holder of equity shares is entitled to one vote per share. Dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid to the shareholders.



Note 4

Other equity

(Indian ₹ in lacs)

Particulars	31st March	31st March	1st April
	2018	2017	2016
<b>Retained earnings</b>			
Balance at the beginning of the year	(4.36)	(3.34)	
Profit for the year	(1.02)	(1.02)	
Balance at the end of the year	(5.37)	(4.36)	(3.34)
<b>Total other equity</b>	<b>(5.37)</b>	<b>(4.36)</b>	<b>(3.34)</b>

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less transfers to general reserve, dividends or other distributions paid to shareholders.



Note 5  
Borrowings

(Indian ₹ in lacs)

Particulars	Non-current			Current		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
Secured	-	-	-	-	-	-
Unsecured						
Term loans from related parties	0.30	0.30	0.30	-	-	-
	0.30	0.30	0.30	-	-	-
<b>Total borrowings</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 6

Other liabilities

(Indian ₹ in lacs)

Particulars	Non-current			Current		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
Other liabilities	-	-	-	0.07	-	0.01
<b>Total other liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.07</b>	<b>-</b>	<b>0.01</b>

Note 7

Trade payables

(Indian ₹ in lacs)

Particulars	Non-current			Current		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
Trade payables	-	-	-	2.01	1.47	0.93
<b>Total trade payables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.01</b>	<b>1.47</b>	<b>0.93</b>

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures relating to the amounts unpaid as at the year end together with interest paid/payable under the said Act have not been given.



**Note 8****Other expenses**

(Indian ₹ in lacs)

Particulars	2017-2018	2016-2017
<u>Administrative and other expenses</u>		
Bank discount, commission and other charges	0.01	0.01
Legal and professional fees	0.21	0.42
Payment to auditors	0.50	0.34
Directors sitting fees	0.30	0.25
<b>Total other expenses</b>	<b>1.02</b>	<b>1.02</b>

Payments to auditors

Audit fees	0.35	0.25
Other services and taxes	0.15	0.09
	<b>0.50</b>	<b>0.34</b>

**Note 9****Earning per share**

Particulars	2017-2018	2016-2017
Profit for the year (₹ in lacs)	(1.02)	(1.02)
Weighted average number of shares (Nos)	1,00,000	1,00,000
Earnings per share (Basic and diluted) ₹	(1.02)	(1.02)
Face value per share ₹	10.00	10.00



Note 10

Fair value measurement

Financial instruments by category

(Indian ₹ in lacs)

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	7.00	-	-	7.41	-	-	7.90
Other bank balances	-	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	7.00	-	-	7.41	-	-	7.90
<b>Liabilities</b>									
Borrowings	-	-	0.30	-	-	0.30	-	-	0.30
Trade payables	-	-	2.01	-	-	1.47	-	-	0.93
Other financial liabilities	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	2.31	-	-	1.76	-	-	1.22



**Note 11****Financial risk management**

The Company's activities expose it to credit risk, liquidity risk and market risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings aging analysis, credit evaluation	Diversification of counter parties, investment limits, check on counter parties basis credit rating and number of overdue days
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/ cash equivalents and marketable securities
Market Risk	Financial assets and liabilities not denominated in INR	Sensitivity analysis	Constant evaluation and proper risk management policies

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

**Note 12****Capital management**

The Company's capital management objective is to maximise the total shareholder returns by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the company.

The following table summarises the capital of the Company:

(Indian ₹ in lacs)

Particulars	As at		
	31st March 2018	31st March 2017	31st March 2016
Total debt	-	-	-
Total equity	4.63	5.64	6.66
Total debt to equity ratio	-	-	-

**Dividends**

The Company has not paid any dividends for the financial periods covered in the financial statements.



Note 13

As per Ind AS 24, Disclosure of transactions with related parties (as identified by the management) as defined in Ind AS are given below:

Sr No.	Particulars	Country of incorporation	
<u>(i) Holding Company</u>			
1	Acrysil Limited	India	
<u>(ii) Key Managerial Personnel</u>			
	Mr. Chirag Parekh	Director	
	Mr. Pradeep Gohil	Independent Director	
	Dr. Sonal Ambani	Independent Director	
<u>Related Party Transactions</u>			
(Indian ₹ in lacs)			
<u>Director Sitting Fees</u>			
	Mr. Pradip Gohil	0.25	0.25
	Dr. Sonal Ambani	0.05	-
	Total..	0.30	0.25
<u>Outstanding balances:</u>			
1	<u>Non current loans</u>		
	Acrysil Limited	0.30 #	0.30





- 14 The Company has not commenced any commercial activities till the date of these financial statements.
- 15 All the amounts are stated in Indian Rupees, unless otherwise stated.
- 16 Previous year's figure are regrouped and rearranged wherever necessary.

Signatures to Notes 1 to 16

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

  


MANOJ GANATRA  
Partner

For and on behalf of the Board of Directors

  
CHIRAG PAREKH  
Director

  
PRADEEP GOHIL  
Director

Mumbai  
29<sup>th</sup> May, 2018

Mumbai  
29<sup>th</sup> May, 2018