

**STERNHAGEN BATH PRIVATE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**STERNHAGEN BATH PRIVATE LIMITED**

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

We have audited the accompanying financial statements of **Sternhagen Bath Private Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the 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 financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and of the loss and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in the paragraph 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B; and
  - g) 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. Since no cash balances are held during the period 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016, disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) are not applicable.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

SD/-

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

Mumbai  
May 25, 2017

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

(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 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.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

**SD/-**

Mumbai  
May 25, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

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

(Referred to in paragraph 2 (f) 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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **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 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 March 31, 2017, 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 SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

**SD/-**

Bhavnagar  
May 25, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

STERNHAGEN BATH PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2017

(Amounts in Indian ₹)

Particulars	Note No.	31st March 2017	31st March 2016
<b><u>EQUITY AND LIABILITIES ::</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,000,000	1,000,000
Reserves and Surplus	3	<u>(436,027)</u>	<u>(333,571)</u>
		563,973	666,429
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	29,500	29,500
Other Long Term Liabilities		-	-
Long-term Provisions		-	-
		<u>29,500</u>	<u>29,500</u>
<b>Current Liabilities</b>			
Short-term Borrowings		-	-
Trade Payables		147,872	92,572
Other Current Liabilities	5	-	1,250
Short-term Provisions		-	-
		<u>147,872</u>	<u>93,822</u>
<b>Total...</b>		<u><u>741,345</u></u>	<u><u>789,751</u></u>
<b><u>ASSETS ::</u></b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets		-	-
Intangible Assets		-	-
Capital Work-in-Progress		-	-
		<u>-</u>	<u>-</u>
Non-current Investments		-	-
Long-term Loans and Advances		-	-
Other Non-current Assets		-	-
		<u>-</u>	<u>-</u>
<b>Current Assets</b>			
Current Investments		-	-
Inventories		-	-
Trade Receivables		-	-
Cash and Bank Balances	6	741,345	789,751
Short-term Loans and Advances		-	-
Other Current Assets		-	-
		<u>741,345</u>	<u>789,751</u>
<b>Total...</b>		<u><u>741,345</u></u>	<u><u>789,751</u></u>
The accompanying notes 1 to 14 are an integral part of these financial statements.		-	-

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA  
Partner

Pradeep H Gohil  
Director

Chirag A Parekh  
Director

Mumbai  
May 25, 2017

Mumbai  
May 25, 2017

STERNHAGEN BATH PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

(Amounts in Indian ₹)

Particulars	Note No.	2016-2017	2015-2016
<b><u>REVENUE :</u></b>			
Revenue from Operations		-	-
Other Income		-	-
Total Revenue		-	-
<b><u>EXPENSES :</u></b>			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories		-	-
Employee Benefits Expenses		-	-
Finance Costs		-	-
Depreciation and Amortization		-	-
Other Expenses	7	102,456	45,395
Total Expenses		102,456	45,395
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		(102,456)	(45,395)
Exceptional Items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		(102,456)	(45,395)
Extraordinary Items		-	-
<b>Profit / (Loss) Before Tax</b>		(102,456)	(45,395)
Tax Expenses			
Current Tax		-	-
Earlier Tax		-	-
Deferred Tax		-	-
		-	-
<b>Net Profit / (Loss) for the year</b>		(102,456)	(45,395)
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic / Diluted		(1.02)	(0.45)
The accompanying notes 1 to 14 are an integral part of these financial statements.			

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**MANOJ GANATRA**  
Partner

**Pradeep H Gohil**  
Director

**Chirag A Parekh**  
Director

Mumbai  
May 25, 2017

Mumbai  
May 25, 2017

**STERNHAGEN BATH PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

(Amounts ₹ in lacs)

Particulars	2016-2017	2015-2016
<b>A</b>		
<b><u>CASH FLOW FROM OPERATING ACTIVITIES :</u></b>		
Net Profit (Loss) Before Tax And Extraordinary Items	(1.02)	(0.45)
Adjustments for -		
Depreciation and Amortization	-	-
Dividend	-	-
Interest	-	-
Operating Profit Before Working Capital Changes	<u>(1.02)</u>	<u>(0.45)</u>
Adjustments for -		
Trade and Other Receivables	-	-
Inventories	-	-
Trade and Other Payables	0.54	0.31
Cash Generated From Operations	<u>0.54</u>	<u>0.31</u>
Interest Paid	-	-
Direct Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(0.48)</b>	<b>(0.14)</b>
<b>B</b>		
<b><u>CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
Purchase of Fixed Assets	-	-
Sale of Investments	-	-
Interest Received	-	-
Dividend Received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>C</b>		
<b><u>CASH FLOW FROM FINANCING ACTIVITIES :</u></b>		
Proceeds from issuance of Share Capital	-	-
Proceeds from Long Term Borrowings (net)	-	-
Proceeds from Short Term Borrowings (net)	-	-
Dividend Paid	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(0.48)</b>	<b>(0.14)</b>
Cash and Cash Equivalents as at beginning of the year	7.90	8.04
Cash and Cash Equivalents as at end of the year	<u>7.41</u>	<u>7.90</u>

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**MANOJ GANATRA**  
Partner

**Pradeep H Gohil**  
Director

**Chirag A Parekh**  
Director

Mumbai  
May 25, 2017

Mumbai  
May 25, 2017

## 1 SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting:**

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

### **Use of Estimates:**

The preparation of financial statement in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### **Provision and Contingencies:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

### **Earning per Share:**

Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.

**Note No. 2**2.1 Share Capital:

Particulars	31st March 2017	31st March 2016
	₹	₹
<b><u>Authorised</u></b>		
500,000 Equity Shares of ₹ 10 each	5,000,000	5,000,000
	5,000,000	5,000,000
<b><u>Issued, Subscribed and Paid up</u></b>		
100,000 Equity Shares of ₹ 10 each	1,000,000	1,000,000
	1,000,000	1,000,000

a. Equity shares issued as fully paid up bonus shares during the preceding five years: Nil

2.2 Share Capital Reconciliation:

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	100,000	1,000,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	100,000	1,000,000

2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2017		31st March 2016	
	No. of shares	% of holding	No. of shares	% of holding
Acrysil Limited	84,900	84.90	84,900	84.90
Chirag A Parekh	10,000	10.00	10,000	10.00

2.4 Rights, preferences and restrictions attached to shares

Equity Shares:

The company has one class of equity shares having a face value of ₹ 10 each ranking pari passu in all respects including voting rights and entitlement to dividend.

**Note No. 3**  
**Reserves and Surplus**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<b>Surplus</b>		
Balance at the beginning of the year	(333,571)	(288,176)
Net Profit / (Loss) for the year	(102,456)	(45,395)
Current year transfer	-	-
Balance at the end of the year	<u>(436,027)</u>	<u>(333,571)</u>

**Note No. 4**  
**Long-term Borrowings**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<b>Secured Loans</b>	-	-
	<u>-</u>	<u>-</u>
Period of default : Nil		
Amount : Nil		
<b>Unsecured Loans</b>		
From holding company	29,500	29,500
	<u>29,500</u>	<u>29,500</u>
	<u>29,500</u>	<u>29,500</u>

**Note No. 5**  
**Other Current Liabilities**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Other Liabilities	-	1,250
	<u>-</u>	<u>1,250</u>

**Note No. 6**  
**Cash and Bank Balances**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>I. Cash and Cash Equivalents</u>		
a. Balances with Banks:		
Current accounts	741,345	789,751
Short term deposits	-	-
	741,345	789,751
b. Cash on Hand	-	-
	741,345	789,751
<u>II. Other Bank Balances</u>		
Terms deposits with more than 12 months maturity	-	-
Other terms deposits	-	-
	-	-
	741,345	789,751

**Note No. 7**  
**Other Expenses**

Particulars	2016-2017 ₹	2015-2016 ₹
Payments to auditors	34,200	28,500
Legal & professional fees	42,157	16,165
Bank charges and commission	632	630
Director Sitting Fees	25,000	-
General expenses	467	100
	102,456	45,395

8 Sternhagen Bath Private Limited (Formaly known as Acrysil Quartz Private Limited) was incorporated on 27<sup>th</sup> January 2011 and is a subsidiary company of Acrysil Limited.

9 The Company has not commenced any commercial activities till the date of these financial statements.

**10 Auditors' Remuneration:**

	2016-2017	2015-2016
Audit Fees	28,500	22,800
Other Matters	5,700	5,700

**11 Related Party Disclosures:**

Holding Company	Acrysil Limited
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**Transactions with related parties:**

Particulars	Holding Company
<u>Outstanding Balances:</u>	
Unsecured Loans	29,500 (29,500)

12 Figures in the brackets are the figures for the previous year, unless otherwise stated.

13 All the amounts are stated in Indian Rupees, unless otherwise stated.

14 Previous year's figure are regrouped and rearranged wherever necessary.

Signatures to Notes 1 to14

As per our report of even date

**For SANGHAVI & COMPANY**  
**Chartered Accountants**

**For and on behalf of the Board of Directors**

**MANOJ GANATRA**  
**Partner**

**Pradeep H. Gohil**  
**Director**

**Chirag A Parekh**  
**Director**

Mumbai  
25<sup>th</sup> May, 2017

Mumbai  
25<sup>th</sup> May, 2017