

**STERNHAGEN BATH PRIVATE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

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## INDEPENDENT AUDITOR'S REPORT

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To  
The Members of  
STERNHAGEN BATH PRIVATE LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

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 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020 and of the loss and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Shareholder's Information, but does not include the financial statements and auditor's report thereon. The Board's Report and other information are expected to be made available to us after the date of this auditor's report.



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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the aforesaid reports and information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

### **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 Act with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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 statements 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 concerns 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 is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility 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 high level of assurance, but is not a guarantee that 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 misstatements 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 the internal control.

- Obtain an understanding of internal financial controls 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 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 disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the 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.

### **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 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 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, Statement of Changes in Equity 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 Ind AS 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 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020, from being appointed as a director in terms section 164(2) of the Act;
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure – B may be referred;
- g) No remuneration is paid by the Company to its directors during the year. Hence, the question of compliance with the provisions of section 197 of the Act does not arise.
- 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 on its financial position in its financial statements.
  - 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.

Bhavnagar  
June 12, 2020



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W



MANOJ GANATRA  
Partner  
Membership No. 043485  
UDIN: 20043485AAAAFO8497

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**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S 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, Custom Duty, Cess, Goods & Service Tax 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 been paid or provided by the Company during the year, 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.

Bhavnagar  
June 12, 2020



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner

Membership No. 043485  
UDIN: 20043485AAAAFO8497

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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, 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 and the Standards on Auditing, issued by the ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 31<sup>st</sup> 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 issued by the ICAI.

Bhavnagar  
June 12, 2020



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W



MANOJ GANTRA  
Partner  
Membership No. 043485  
UDIN: 20043485AAAAFO8497

STERNHAGEN BATH PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2020

(Indian ₹ in lacs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		-	-
Financial assets			
Investments		-	-
Other financial assets		-	-
Other non-current assets		-	-
		<u>-</u>	<u>-</u>
<b>Current Assets</b>			
Inventories		-	-
Financial assets			
Investments		-	-
Trade receivables		-	-
Cash and cash equivalents	2	4.71	5.21
Other bank balances		-	-
Other financial assets		-	-
Other current assets		-	-
		<u>4.71</u>	<u>5.21</u>
<b>Total Assets</b>		<u><u>4.71</u></u>	<u><u>5.21</u></u>
<b>EQUITY AND LIABILITIES:</b>			
Equity share capital	3	10.00	10.00
Other equity	4	(7.32)	(6.29)
		<u>2.68</u>	<u>3.71</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	5	0.30	0.30
Other financial liabilities		-	-
Provisions		-	-
Other non-current liabilities		-	-
		<u>0.30</u>	<u>0.30</u>
<b>Current liabilities</b>			
<b>Borrowings</b>			
Trade payables	7	-	-
Total outstanding dues of Micro and Small Enterprises		-	-
Total outstanding dues of creditors other than Micro and Small Enterprises		1.69	1.13
Other financial liabilities		-	-
Other current liabilities	6	0.04	0.07
Provisions		-	-
		<u>1.73</u>	<u>1.20</u>
<b>Total Equity &amp; Liabilities</b>		<u><u>4.71</u></u>	<u><u>5.21</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  
Partner



For and on behalf of the Board of Directors

*Chirag Parekh*  
CHIRAG PAREKH  
Director

*Pradeep Gohil*  
PRADEEP GOHIL  
Director

Bhavnagar  
June 12, 2020

Bhavnagar  
June 12, 2020

STERNHAGEN BATH PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

(Indian ₹ in lacs)

Particulars	Note No.	2019-2020	2018-2019
<b>REVENUE:</b>			
Revenue from operations		-	-
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	1.03	0.91
<b>Total Expenses</b>		<b>1.03</b>	<b>0.91</b>
Profit/(loss) before exceptional items and tax		(1.03)	(0.91)
Exceptional Items		-	-
Profit/(loss) before tax		(1.03)	(0.91)
Tax expenses			
Current tax		-	-
Earlier years' tax		-	-
Deferred tax		-	-
Profit/(loss) after tax from continuing operations		(1.03)	(0.91)
<b>Other Comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Items that may be reclassified to profit or loss			
Other comprehensive income for the year		-	-
<b>Total Comprehensive Income for the year</b>		<b>(1.03)</b>	<b>(0.91)</b>
Basic and diluted earning per share	9	(1.03)	(0.91)
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

STERNHAGEN BATH PRIVATE LIMITED

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

A. SHARE CAPITAL

(Indian ₹ in lacs)

Particulars	31st March 2020	31st March 2019
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, 2018	(5.37)	(5.37)
Profit for the year	(0.91)	(0.91)
As at 31st March, 2019	<u>(6.28)</u>	<u>(6.28)</u>
Profit/(Loss) for the year	(1.03)	(1.03)
As at 31st March, 2020	<u>(7.31)</u>	<u>(7.31)</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



*Chirag Parekh*  
CHIRAG PAREKH  
Director

*Pradeep Gohil*  
PRADEEP GOHIL  
Director

Bhavnagar  
June 12, 2020

Bhavnagar  
June 12, 2020

STERNHAGEN BATH PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(Indian ₹ in lacs)

Particulars	2019-2020	2018-2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit for the year	(1.03)	(0.91)
Adjustments for -		
Depreciation and amortization	-	-
Interest	-	-
Operating profit before working capital changes	-	-
Movement in Working Capital		
Trade and other receivables	-	-
Inventories	-	-
Trade and other payables	0.53	(0.87)
Cash generated from operations	0.53	(0.87)
Income taxes paid	- 0.53	- (0.87)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(0.50)</b>	<b>(1.78)</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>(0.50)</b>	<b>(1.78)</b>
Cash and cash equivalents as at beginning of the year	5.21	7.00
Cash and cash equivalents as at end of the year	4.71	5.21

1 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.

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

Bhavnagar  
June 12, 2020

Bhavnagar  
June 12, 2020

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## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2020

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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 financial statements ("the financial statements") were authorized for issue in accordance with the resolution of the Board of Directors on 12<sup>th</sup> June, 2020.

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

#### 1.1 Basis of preparation and measurement:

These financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

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. 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 adopts operating cycle based on the project period and accordingly, all project related assets and liabilities are classified into current and non-current. The Company considers 12 months 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 lacs except otherwise indicated.

#### 1.2 Significant accounting policies:

##### a. System of accounting

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of Companies Act, 2013 ("Act"), except in case of significant uncertainties.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. It is held primarily for the purpose of being traded:

- ⚡ It is expected to be realized within 12 months after the reporting date;
- ⚡ It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- ⚡ All other assets are classified as non-current.
- ⚡ A liability is classified as current when it satisfies any of the following criteria:
  - It is expected to be settled in the Company's normal operating cycle;
  - It is held primarily for the purpose of being traded;
  - It is due to be settled within 12 months after the reporting date;



- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- ✦ All other liabilities are classified as non-current.
- ✦ Deferred tax assets and liabilities are classified as non-current only.

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.

Estimates and judgements are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

c. Investments and 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.

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial



recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

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.

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 expired.

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. Impairment of non financial assets

As at each reporting date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

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.



**Note 2****Cash and cash equivalents**

Particulars	(Indian ₹ in lacs)	
	31st March 2020	31st March 2019
Current accounts with banks	4.71	5.21
Cash on hand	-	-
<b>Total cash and cash equivalents</b>	<b>4.71</b>	<b>5.21</b>

**Note 3****Equity share capital**

Particulars	(Indian ₹ in lacs)	
	31st March 2020	31st March 2019
<b>Authorised</b>		
5,00,000 equity shares of ₹ 10 each	50.00	50.00
	<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
<b>Total equity share capital</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 2020		As at 31st March 2019	
	Nos.	% of holding	Nos.	% of holding
Acrysil Limited	84,900	84.90	84,900	84.90
Shri Chirag Parekh	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
	2020	2019
<b>Retained earnings</b>		
Opening Balance	(6.29)	(5.38)
Profit/(Loss) for the year	(1.03)	(0.91)
Balance at the end of the year	(7.32)	(6.29)
Total other equity	(7.32)	(6.29)

**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	31st March	31st March	31st March
	2020	2019	2020	2019
<b>Secured</b>	-	-	-	-
<b>Unsecured</b>				
Term loans from related parties	0.30	0.30	-	-
	0.30	0.30	-	-
<b>Total borrowings</b>	<b>0.30</b>	<b>0.30</b>	-	-

Note 6

**Other liabilities**

(Indian ₹ in lacs)

Particulars	Non-current		Current	
	31st March	31st March	31st March	31st March
	2020	2019	2020	2019
Other liabilities	-	-	0.04	0.07
<b>Total other liabilities</b>	-	-	<b>0.04</b>	<b>0.07</b>

Note 7

**Trade payables**

(Indian ₹ in lacs)

Particulars	Non-current		Current	
	31st March	31st March	31st March	31st March
	2020	2019	2020	2019
Trade payables				
Total outstanding dues of Micro and Small Enterprises			-	-
Total outstanding dues of creditors other than Micro and Small Enterprises			1.69	1.13
<b>Total trade payables</b>			<b>1.69</b>	<b>1.13</b>



Note 8

Other expenses

(Indian ₹ in lacs)

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
<u>Administrative and other expenses</u>		
Bank discount, commission and other charges	0.01	0.01
Legal and professional fees	0.14	0.10
Payment to auditors	0.53	0.50
Directors sitting fees	0.35	0.30
General Expenses	-	-
<b>Total other expenses</b>	<b>1.03</b>	<b>0.91</b>

Payments to auditors

Audit fees	0.35	0.35
Other services and taxes	0.18	0.15
	<b>0.53</b>	<b>0.50</b>

Note 9

Earning per share

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Profit for the year (₹ in lacs)	(1.03)	(0.91)
Weighted average number of shares (Nos)	1,00,000	1,00,000
Earnings per share (Basic and diluted) ₹	(1.03)	(0.91)
Face value per share ₹	10.00	10.00



Note 10

Fair value measurement

Financial instruments by category

(Indian ₹ in lacs)

Particulars	31st March 2020				31st March 2019			
	FVPL	FVOCI	Amortised cost	Fair Value	FVPL	FVOCI	Amortised cost	Fair Value
<b>Financial assets</b>								
Investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Loans - non - current	-	-	-	-	-	-	-	-
Loans - current	-	-	-	-	-	-	-	-
Other financial assets - non - current	-	-	-	-	-	-	-	-
Other financial assets - current	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	4.71	4.71	-	-	5.21	5.21
Other bank balances	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>4.71</b>	<b>4.71</b>	<b>-</b>	<b>-</b>	<b>5.21</b>	<b>5.21</b>
<b>Financial Liabilities</b>								
Borrowings	-	-	0.30	0.30	-	-	0.30	0.30
Trade payables	-	-	1.69	1.69	-	-	1.13	1.13
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1.99</b>	<b>1.99</b>	<b>-</b>	<b>-</b>	<b>1.43</b>	<b>1.43</b>



## Note 11

### Financial risk management

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

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
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)

<b>Particulars</b>	<b>As at</b>	
	<b>31st March 2020</b>	<b>31st March 2019</b>
Total debt	-	-
Total equity	2.68	3.71
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		
	<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	0.20	0.25
	Dr. Sonal Ambani	0.15	0.05
	Total..	0.35	0.30
	<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 in lacs , 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

For and on behalf of the Board of Directors

MANOJ GANATRA  
Partner



HIRAG PAREKH  
Director

PRADEEP GOHIL  
Director

Bhavnagar  
June 12, 2020

Bhavnagar  
June 12, 2020