INDEPENDENT AUDITOR'S REPORT

To,
The Members,
NEO FARBE PRIVATE LIMITED,
Ahmedabad.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **NEO FARBE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as `Ind AS financial statements').

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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding 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.

Auditor's 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, 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the 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 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 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 including Ind AS, of the financial position of the company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the 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 in terms of sub section (11) of section 143 of the Act, we give in the "Annexure-A", a statement of the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss and 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 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) with respect to the adequacy of the internal financial controls over financial 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :

      (i) The Company has disclosed pending litigations which would impact its financial position – Refer Note 38 to the 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.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

-SD/-

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 30th May, 2018

Annexure - A to the Independent Auditors' Report of even date on Ind As Financial Statements of Neo Farbe Private Limited

(i) The Company does not possess any fixed assets. Accordingly, clause 3(i) of the Order is not applicable to the Company.

(ii) According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at the year end and no material discrepancies were noticed on such physical verification during the year.

(iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.

(v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.

(vi) In our opinion and according to the information and explanation given to us, the Company is not required to maintain the cost records pursuant to rules made by the Central Government. As the aggregate value of turnover all products during immediately preceding financial year does not exceed thirty five crores. Accordingly the clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2018 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2018.

(viii) According to the information and explanations given to us, the Company has not taken any loans and borrowings from financial institutions, banks, government or by way of debenture during the year. Accordingly the clause 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year.

(x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.

(xi) The company being private limited company, the provisions of Section 197 of the Companies Act, 2013 are not applicable. Accordingly, the clause 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, the company is not falling under ambit of provisions contained in section 177 of the Companies Act, 2013, the relevant clause is not applicable. Further transactions with the related parties are in compliance with section 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

-SD/-

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 30th May, 2018

NEO FARBE PRIVATE LIMITED

Balance Sheet as at March 31, 2018

[₹ in Lacs]

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Financial Assets				
Other Financial Assets	5	**0.30**	0.30	0.40
		0.30	0.30	0.40
Current assets				
Financial assets				
Trade Receivables	6	**0.56**	40.33	7.19
Cash and Cash Equivalents	7	**13.38**	0.97	1.19
Other Bank Balances	8	**0.00**	1.26	2.34
Other Financial Assets	5	**0.00**	0.04	0.08
Current Tax Assets (Net)	9	0.00	0.00	0.03
Other Current Assets	10	**11.61**	2.86	0.72
		25.55	45.46	11.55
Total Assets:		**25.85**	45.76	11.95
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	**5.00**	5.00	5.00
Other Equity	12	**4.90**	(0.09)	(0.40)
		9.90	4.91	4.60
Liabilities				
Current liabilities				
Financial Liabilities				
Trade Payables	13	**14.00**	40.70	7.35
Current Tax Liabilites	14	**1.93**	0.15	0.00
Other Current liabilities	15	**0.02**	0.00	0.00
		15.95	40.85	7.35
Total Equity and Liabilities:		25.85	45.76	11.95

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

-SD/-

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 30th May, 2018

FOR AND ON BEHALF OF THE BOARD

-SD/-

DIPAKKUMAR CHOKSI
Director
[DIN : 00536345]

-SD/-

HARIN MAMLATDARNA
Director
[DIN : 00536250]

Place : Ahmedabad
Date : 30th May, 2018

NEO FARBE PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

[₹ in Lacs]

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from Operations	16	**132.01**	86.57
Other Income	17	**0.03**	0.17
Total Income:		**132.04**	86.74
EXPENSES			
Purchase of stock in trade	18	**121.84**	83.92
Other Expenses	19	**3.35**	2.34
Total Expenses:		**125.19**	86.26
Profit Before Tax		**6.85**	0.48
Tax expense	20		
Current tax		**1.86**	0.17
Deferred tax		**0.00**	0.00
Total tax expense:		**1.86**	0.17
Profit for the year		**4.99**	0.31
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		**0.00**	0.00
Tax relating to remeasurement of the defined benefit plans		**0.00**	0.00
Total comprehensive income for the year, net of tax		**4.99**	0.31
Earning per Equity Share	21		
Basic		**9.98**	0.62
Diluted		**9.98**	0.62

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

-SD/-

ROHIT K. CHOKSI
Partner
Mem. No. 31103

FOR AND ON BEHALF OF THE BOARD

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DIPAKKUMAR CHOKSI
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Director
[DIN : 00536250]

Place : Ahmedabad
Date : 30th May, 2018

Place : Ahmedabad
Date : 30th May, 2018

NEO FARBE PRIVATE LIMITED

Statement of Cash Flows for the year ended March 31, 2018

[₹ in Lacs]

Particulars		2017-2018	2016-2017
A. Cash flow from operating activities			
Profit/(Loss) for the year before taxation		**6.85**	**0.48**
Adjustments for			
Depreciation and amortisation		**0.00**	0.00
Short provision for income tax		**0.00**	0.00
Finance cost		**0.00**	0.00
Interest Income from financial assets measured at amortised cost			
- on fixed deposits with Bank		**(0.03)**	(0.17)
- on other financial assets		**0.00**	0.00
Loss/gain on sale of property plant & equipment (net)		**0.00**	0.00
Other Comprehensive Income		**0.00**	0.00
Bad debt provision for doubtful debts		**0.00**	0.00
Operating profit before working capital changes		**6.82**	0.31
Adjustments for			
Trade Payable		**(26.70)**	**33.35**
Other Non current financial asset		**0.00**	**0.10**
Other current financial asset		**0.00**	**0.00**
Other current assets		**(8.75)**	**(2.14)**
Provisions		**0.00**	0.00
Other current liabilities		**0.02**	0.00
Trade receivable		**39.77**	**(33.14)**
Other bank balances		**1.26**	**1.08**
Cash generated from operations		**12.42**	(0.44)
Direct taxes Refund/(paid)		**(0.08)**	**0.01**
Net Cash from Operating Activities	**[A]**	**12.34**	(0.43)
B. Cash flow from investing activities			
Purchase of fixed property, plant and equipment		**0.00**	0.00
Payment for purchase of investments		**0.00**	0.00
Interest received		**0.07**	**0.21**
Net Cash from / (used in) investing activities	**[B]**	**0.07**	0.21
C. Cash flow from financing activities			
Proceeds from borrowings - non current		**0.00**	0.00
Proceeds from borrowings - current		**0.00**	0.00
Deposit Repaid		**0.00**	0.00
Interest paid		**0.00**	0.00
Dividend paid to company's shareholders		**0.00**	0.00
Net cash flow from financial activities	**[C]**	**0.00**	0.00
Net Increase/(Decrease) in cash & cash equivalents	**[A+B+C]**	**12.41**	(0.22)
Cash and cash equivalents opening		**0.97**	1.19
Cash and cash equivalents closing		**13.38**	0.97
Components of Cash and cash equivalent			
Balances with scheduled banks		**13.33**	0.94
Cash in hand		**0.05**	0.03
		13.38	0.97

Explanatory Notes to Cash Flow Statement

1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Ind AS 7 as prescribed by The Institute of Chartered Accountants of India.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our attached report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

-SD/-

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place: Ahmedabad
Date : 30th May, 2018

FOR AND ON BEHALF OF THE BOARD

-SD/-

DIPAKKUMAR CHOKSI
Director
[DIN : 00536345]

-SD/-

HARIN MAMLATDARNA
Director
[DIN : 00536250]

Place: Ahmedabad
Date : 30th May, 2018

NEO FARBE PRIVATE LIMITED

Statement of changes in Equity for the year ended March 31, 2018

A. Equity share capital

[₹ in Lacs]

As at April 1, 2016	**5.00**
Issue of Equity Share capital	0.00
As at March 31, 2017	**5.00**
Issue of Equity Share capital	0.00
As at March 31, 2018	**5.00**

B. Other equity

[₹ in Lacs]

	Reserve and Surplus		
Particulars	**Retained Earnings**	**Other Comprehensive Income**	**Total equity**
Balance as at April 1, 2016	(0.40)	0.00	(0.40)
Profit for the year	0.31	0.00	0.31
Received during the year	0.00	0.00	0.00
Addititon during the year	0.00	0.00	0.00
Transferred during the year	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00
Balance as at March 31, 2017	(0.09)	0.00	(0.09)
Profit for the year	4.99	0.00	4.99
Final dividend	0.00	0.00	0.00
Corporate dividend tax	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00
Balance as at March 31, 2018	4.90	0.00	4.90

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

-SD/-

ROHIT K. CHOKSI
Partner
Mem. No. 31103

FOR AND ON BEHALF OF THE BOARD

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DIPAKKUMAR CHOKSI
Director
[DIN : 00536345]

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HARIN MAMLATDARNA
Director
[DIN : 00536250]

Place : Ahmedabad
Date : 30th May, 2018

Place : Ahmedabad
Date : 30th May, 2018

Note 1 : Company Overview

Neo Farbe Private Limited is a private company limited by shares, domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is in the business of trading of chemical and main product of the Company is Dye and Dye stuffs. Significant Sales portion consists Export. However Competition in the industry is Continuously increasing but overall performance of the company is satisfactory. The registered office of the Company is located at Survey No.SF/42 Dinubhai Estate, B/H Satkar Rest, Trikampura Patia, Vatva, Ahmedabad – 382 445.

The standalone financial statements for the year ended March 31, 2018 were considered by the Board of Directors and approved for issuance on May 30, 2018.

Note 2 : Basis of Preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India (‘previous GAAP’). These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the Balance Sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

Refer Note 27 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

The standalone financial statements are prepared in INR and all the values are rounded to the nearest Lakhs, except when otherwise indicated.

2.1 Statement of Compliance

The standalone financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2018 have been prepared in accordance with Ind AS as notified under section 133 of the Companies’ Act, 2013 (“the Act”) duly approved by the Board of Directors at its meeting held on 30th May, 2018.

2.2 Basis of Measurement

The standalone financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain Assets and Liabilities as stated below:

(a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

(b) The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

(c) Assets held for sale measured at fair value less cost to sales

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.10.

2.3 Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs as per the requirement of Schedule III, except when otherwise indicated.

2.4 Standard issued but not yet effective

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ('the Rules') on 28th March, 2018.The rules notify the new Revenue Standard Ind AS 115 'Revenue from Contracts with Customers' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after 1st April, 2018 and cannot be reported early. Hence, not applied in the preparation of these financial statements.

Note 3 : Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

3.1 Revenue recognition

Revenue in respect of domestic sale of products is recognised when the risks and rewards of ownership are passed on to the customers, which is upon dispatch of products. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount.

3.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include

Trade receivables, predominantly from Government schemes/insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

3.3 Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

Note 4: Significant Accounting Policies

4.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

4.3 Impairment

(a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

4.4 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

4.5 Revenue Recognition

(a) Revenue in respect of domestic sale of products is recognised when the risks and rewards of ownership are passed on to the customers, which is upon dispatch of products. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount.

(b) Export Sales are recognized at invoiced value converted in to reporting currency by applying the exchange rate prevailing on transaction date i.e. Bill of lading date.

(C) Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.6 Foreign Currency Translation

The functional currency of the Company is the Indian Rupee (₹)

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

4.7 Borrowing Costs

Borrowing costs include

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

4.8 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

4.9 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

4.10 Fair Value Measurement

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

(a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(c) Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investment in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(b) Trade and other receivables

The fair value of trade and other receivables, excluding construction contracts in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.

(c) Non derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

4.11 Current / non- current classification

An asset is classified as current if:

(a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has 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 assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

4.12 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

4.13 First Time Adoption of Ind AS

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

1 Mandatory exceptions to retrospective application of other Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

(c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

(d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

The borrowings of the Company outstanding as at the transition date, consists of loans whose disbursements have taken place in multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans are variable in nature and drawal of the loans have been made in multiple installments with each drawal to be treated as a separate transaction for the purpose of computing the amortised cost. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has considered the fair value of the financial liability at the date of transition to Ind AS as new amortised cost of that financial liability at the date of transition to Ind AS i.e. 1 April 2016.

2. Optional exemptions

(a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 “Intangible Assets”.

Accordingly, the Company has opted to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

NEO FARBE PRIVATE LIMITED

Notes to the Financial Statements

Note 5 : Other Financial Assets

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non- current			
Security deposits	**0.30**	0.30	0.40
Total (A):	**0.30**	0.30	0.40
Current			
Interest accrued but not due	**0.00**	0.04	0.08
Total (B):	**0.00**	0.04	0.08
Total (A) + (B):	**0.30**	0.34	0.48

Note 6 : Trade Receivables

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
Considered good	**0.56**	40.33	7.19
	0.56	40.33	7.19
Less: Provision for Doubtful Debts	**0.00**	0.00	0.00
Less: Allowance for expected credit loss	**0.00**	0.00	0.00
	0.00	0.00	0.00
	0.56	40.33	7.19
Included in the financial statement as follows:			
Non-current	**0.00**	0.00	0.00
Current	**0.56**	40.33	7.19
Total:	**0.56**	40.33	7.19

Note 7 : Cash and cash equivalents

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Bank			
Current accounts	**13.33**	0.94	1.13
Cash on hand	**0.05**	0.03	0.06
Total cash and cash equivalents :	**13.38**	0.97	1.19

NEO FARBE PRIVATE LIMITED

Notes to the Financial Statements

Note 8 : Other Bank Balances

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months	**0.00**	1.26	2.34
Total:	**0.00**	1.26	2.34

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting for ₹ Nil (P.Y ₹ 1.26 Lakhs and April 1, 2016 ₹ 2.34 Lakhs)

Note 9: Current Tax Assets

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Advance Tax	**0.00**	0.00	0.03
Less: Provision	**0.00**	0.00	0.00
Total:	**0.00**	0.00	0.03

Note 10: Other Non - current / Current Assets

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Balance with revenue authorities	**11.61**	2.86	0.72
Total:	**11.61**	2.86	0.72

NEO FARBE PRIVATE LIMITED

Notes to the Financial Statements

Note 11: Equity share capital

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised share capital			
5,00,000 (March 31, 2017: 5,00,000; April 01, 2016: 5,00,000) Equity Shares of ₹ 10/- each	5.00	5.00	5.00
Issued share capital			
5,00,000 (March 31, 2017: 5,00,000; April 01, 2016: 5,00,000) Equity Shares of ₹10/ each	5.00	5.00	5.00
Subscribed and fully paid up			
5,00,000 (March 31, 2017: 5,00,000; April 01, 2016: 5,00,000) Equity Shares of ₹10/ each fully paid up	5.00	5.00	5.00
	5.00	5.00	5.00

Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	**50 000**	50 000
Add:		
Shares issued for Cash or Right Issue	**0**	0
Bonus Shares	**0**	0
Exercise of Share Option under ESOS / ESOP	**0**	0
Shares issued in Business Combination	**0**	0
	50 000	50 000
Less:		
Shares bought back / Redemption	**0**	0
At the end of the year	**50 000**	50 000

Rights, Preferences and Restrictions

The Company has only class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholdres are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Holding Company Dynamic Industries Limited (with its Nominees)	5 00 000	100.00	5 00 000	100.00	5 00 000	100.00

NEO FARBE PRIVATE LIMITED

Notes to the Financial Statements

Note 12: Other Equity

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retained Earnings	4.90	(0.09)	(0.40)
	4.90	**(0.09)**	**(0.40)**

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Surplus / (Deficit) in Statement of Profit & Loss			
Balance as per previous financial statements	(0.09)	(0.40)	(0.37)
Add : Profit for the year	4.99	0.31	(0.03)
Add/Less:OCI for the year	0.00	0.00	0.00
Balance available for appropriation	**4.90**	**(0.09)**	**(0.40)**
Net Surplus / (Deficit)	**4.90**	**(0.09)**	**(0.40)**

Note 13 : Trade Payables

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Micro, Small and Medium Enterprise	0.00	0.00	0.00
Others	14.00	40.70	7.35
Total:	14.00	40.70	7.35

Note 14 : Current Tax Liabilites

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Others			
Provision	2.03	0.17	0.00
Less: Advance Tax	0.10	0.02	0.00
Total:	1.93	0.15	0.00

Trade payables are not-interest bearing and are normally settled within 60-90 days.

NEO FARBE PRIVATE LIMITED

Notes to the Financial Statements

Note 15 : Other non-current / current liabilities

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Statutory Liabilities	0.02	0.00	0.00
Total	0.02	0.00	0.00

NEO FARBE PRIVATE LIMITED

Notes to the Financial Statements

Note 16 : Revenue from Operations

[₹ in Lacs]

Particulars	**2017-2018**	2016-2017
Sale of products (Stock-in- Trade)	132.01	86.57
	132.01	86.57

Note 17 : Other Income

[₹ in Lacs]

Particulars	**2017-2018**	2016-2017
Interest Income		
From Banks	0.03	0.17
	0.03	0.17

Note 18 : Purchase of Stock-in-trade

[₹ in Lacs]

Particulars	**2017-2018**	2016-2017
Stock-in-trade	121.84	83.92
	121.84	**83.92**

Note 19 : Other expenses

[₹ in Lacs]

Particulars	**2017-2018**	2016-2017
Manufacturing Expenses		
Power, Fuel and Water Charges	0.00	0.01
Laboratory Expenses	0.30	0.93

… Continued..

Note 19 : Other expenses *… Continued..*

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Establishment Expenses		
Rates and Taxes	0.04	0.00
Rent Expenses	0.54	0.49
Insurance	0.02	0.00
Fees and Legal Expenses	0.16	0.12
Auditors' Remuneration (refer note below)	0.12	0.12
Bank Charges	0.15	0.00
Postage ,telephone & Internet Expenses	0.01	0.01
Loss on fair value of Investment measured at FVTPL (PL)	0.00	0.00
Foreign Exchange Fluctuation	0.33	0.10
Other Miscellaneous Expenses	0.21	0.00
Selling and Distribution Expenses		
Freight Outwards	1.47	0.56
	3.35	2.34

Auditor's Remuneration is made of		
Statutory Audit Fees (including Service Tax)	0.12	0.12
	0.12	0.12

Notes to the Financial Statements

Note 20.1 : The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

[₹ in Lacs]

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before taxes	6.85	0.48
	27.13%	34.96%
Current tax expense calculated using normal tax rate at 27.13% (Previous year - 34.96%)	1.86	0.17
Tax effect of amounts which are not deductibe / (taxable) in calculating taxable book profit:		
Add:		
Others	0.00	0.00
Income Tax as per normal provisions	1.86	0.17

Note 20.2 : Income tax expense has been allocated as follows:

[₹ in Lacs]

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	1.86	0.17
	1.86	0.17
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	0.00	0.00
(Decrease) / increase in deferred tax liabilities	0.00	0.00
	0.00	0.00
Income tax expense / (income) attributable to continuing operations	1.86	0.17

NEO FARBE PRIVATE LIMITED

Notes to the Financial Statements

Note 21 : Earning per Share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit/(Loss) for the year (₹ in Lacs)	4.99	0.31
Number of equity shares	50 000	50 000
Nominal value of the share	10	10
Basic and diluted Earning per Share (₹)	9.98	0.62

Notes forming part of accounts

Note 22 : Contingent Liabilities and Commitments

[₹ in lacs]

	Particular	As at 31st March, 2018	As at 31st March, 2017
A	**Contingent Liabilities not provided for in respect of**		
	(i) Claim against the company not acknowledged as debt:-	**NIL**	NIL
		NIL	NIL
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	**NIL**	NIL

Note 23:

1. Related Party Disclosures for the year ended March 31, 2018

(a) Details of Related Parties

Sr. No.	Description of Relationship	Names of Related Parties
1	Key Management Personnel (KMP)	Harin D. Mamlatdarna Dipakkumar Choksi Bimal Chokshi Mansi A. Talati
2	Holding Company	Dynamic Industries Limited

(b) Details of transactions with related parties for the year ended March 31, 2018 in the ordinary course of business:

[₹ in lacs]

Sr. No.	Nature of Relationship / Transaction	KMP & Relatives	Holding Company	Total
1	Purchase - Dynamic Industries Ltd.	--	121.69	121.69

(c) Amount due to / from related parties as at March 31, 2018

[₹ in lacs]

Sr. No.	Nature of Relationship / Transaction	KMP & Relatives	Holding Company	Total
1	Trade Payables Dynamic Industries Ltd.	--	13.47	13.47
2	Share Capital Dynamic Industries Ltd.	--	5	5

Notes forming part of accounts

2. Related Party Disclosures for the year ended March 31, 2017

(a) Details of Related Parties

Sr. No.	Description of Relationship	Names of Related Parties
1	Key Management Personnel (KMP)	Harin D. Mamlatdarna Dipakkumar Choksi Bimal Chokshi Mansi A. Talati
3	Holding Company	Dynamic Industries Limited.

(b) Details of transactions with related parties for the year ended March 31, 2017 in the ordinary course of business:

[₹ in lacs]

Sr. No.	Nature of Relationship / Transaction	KMP & Relatives	Holding Company	Total
1	Purchase - Dynamic Industries Ltd.	--	83.09	83.09

(c) Amount due to / from related parties as at March 31, 2017

[₹ in lacs]

Sr. No.	Nature of Relationship / Transaction	KMP & Relatives	Holding Company	Total
1	Trade Payables Dynamic Industries Ltd.	--	40.22	40.22
2	Share Capital Dynamic Industries Ltd.	--	5	5

3. Amount due to / from related parties as at April 1, 2016

[₹ in lacs]

Sr. No.	Nature of Relationship / Transaction	KMP & Relatives	Holding Company	Total
1	Trade Payables Dynamic Industries Ltd.	--	7.09	7.09
2	Share Capital Dynamic Industries Ltd.	--	5	5

Notes forming part of accounts

Note 24 : Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

[₹ in lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total equity attributable to the equity share holders of the company	9.90	4.91	4.60
As percentage of total capital	42.53	83.50	79.45
Current loans and borrowings	--	--	--
Non-current loans and borrowings	--	--	--
Total loans and borrowings	--	--	--
Cash and cash equivalents	13.38	0.97	1.19
Net loans & borrowings	13.38	0.97	1.19
As a percentage of total capital	57.47	16.50	20.55
Total capital (loans and borrowings and equity)	**23.28**	**5.88**	**5.79**

Note 25: Fair value measurements

A. Financial instruments by category

[₹ in lacs]

	31-Mar-18			31-Mar-17			01-Apr-16		
Particulars	**Amortized cost**	**FVT PL**	**FVTOCI**	**Amortized cost**	**FVTPL**	**FVTOCI**	**Amortized cost**	**FVTPL**	**FVTOCI**
Financial Assets									
Trade and other receivables	0.56	--	--	40.33	--	--	7.19	--	--
Cash and cash Equivalents	13.38	--	--	0.97	--	--	1.19	--	--
Other bank balances	--	--	--	1.26	--	--	2.34	--	--
Other financial assets	--	--	--	0.04	--	--	0.08	--	--
Total Financial Assets	**13.94**			**42.6**			**10.8**		

Financial Liabilities									
Trade payables	14.00	--	--	40.71	--	--	7.36	--	--
Total Financial Liabilities	**14.00**	--	--	**40.71**	--	--	**7.36**	--	--

* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

B. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets , borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 26: Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes forming part of accounts

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (`)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors

For trade receivables, provision is provided by the company as per the below mentioned policy:

Particulars	Gross carrying amount (₹)	Expected credit losses rate (%)	Expected credit losses (₹)	Carrying amount of trade receivable (₹)
Considered Good				
0 - 12 months	--	--	--	--
More than 1 year	0.56	--	--	0.56
Total	**0.56**	**--**	**--**	**0.56**
Considered Doubtful	**--**	**--**	**--**	**--**
Total :	**0.56**	**--**	**--**	**0.56**

Reconciliation of loss allowance provision

Trade receivables

Particulars	Amount in ₹
Loss allowance as on April 1, 2016	--
Changes in loss allowance	--
Loss allowance as on March 31, 2017	--
Changes in loss allowance	--
Loss allowance as on March 31, 2018	--

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

[₹ in Lacs]

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Cash and cash equivalents	13.38	0.97	1.19

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes forming part of accounts

As at March 31, 2018

[₹ in Lacs]

Financial Liabilities	**Payable within 0 to 12 Months**	**More Than 12 Months**	**Total**
Non-current financial liabilities			
Borrowings	--	--	--
	--	--	--
Current financial liabilities			
Borrowings from Banks	--	--	--
Trade payables	14.00	--	14.00
Other Financial Liability	--	--	--
	14.00	--	14.00
Total financial liabilities	14.00	--	14.00

As at March 31, 2017

[₹ in Lacs]

Financial Liabilities	**Payable within 0 to 12 Months**	**More Than 12 Months**	**Total**
Non-current financial liabilities			
Borrowings	--	--	--
	--	--	--
Current financial liabilities			
Borrowings from Banks	--	--	--
Trade payables	40.70	--	40.70
Other Financial Liability	--	--	--
	40.70	--	40.70
Total financial liabilities	40.70	--	40.70

As at April 1, 2016

[₹ in Lacs]

Financial Liabilities	**Payable within 0 to 12 Months**	**More Than 12 Months**	**Total**
Non-current financial liabilities			
Borrowings	--	--	--
	--	--	--
Current financial liabilities			
Borrowings from Banks	--	--	--
Trade payables	7.36	--	7.36
Other Financial Liability	--	--	--
	7.36	--	7.36
Total financial liabilities	7.36	--	7.36

Notes forming part of accounts

Note 27 Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as on March 31, 2017

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
	INR	INR	INR
ASSETS			
Non-current assets			
Financial Assets			
Other Financial Assets	0.30	--	0.30
Current assets			
Financial assets			
Trade Receivables	40.33	--	40.33
Cash and Cash Equivalents	0.97	--	0.97
Other Bank Balances	1.26	--	1.26
Other Financial Assets	0.04	--	0.04
Other Current Assets	2.86	--	2.86
Total Assets	**45.76**	**--**	**45.76**

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
	INR	INR	INR
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5.00	--	5.00
Other Equity	(0.09)	--	(0.09)
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Other Financial Liabilities	--	--	--
Current liabilities			
Financial Liabilities			
Trade Payables	40.70	--	40.70
Other Current liabilities	--	--	--
Provisions	0.15	--	0.15
Current tax liabilities	--	--	--
Total Equity and Liabilities	**45.76**	**--**	**45.76**

* The previous GAAP figures have been reclassifed to conform to Ind AS presentation requirements for the purposes of this note.

Notes forming part of accounts

Reconciliation of total equity as at March 31, 2017 and April 01, 2016

[₹ in Lacs]

Particulars	As at March 31, 2017	As at April 1, 2016
Total equity (Shareholders' funds) under previous GAAP	4.91	4.60
Ind AS adjustments:		
Retained Earnings	--	--
	4.91	4.60

Reconciliation of equity as on April 1, 2016

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
	INR	INR	INR
ASSETS			
Non-current assets			
Financial Assets			
Other Financial Assets	0.40	--	0.40
Current assets			
Financial assets			
Trade Receivables	7.19	--	7.19
Cash and Cash Equivalents	1.19	--	1.19
Other Bank Balances	2.34	--	2.34
Other Financial Assets	0.08	--	0.08
Current Tax Assets	0.03	--	0.03
Other Current Assets	0.72	--	0.72
Total Assets	**11.95**	**--**	**11.95**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5.00	--	5.00
Other Equity	(0.40)	--	(0.40)
Liabilities			
Non-current Liabilities			
Other Financial Liabilities	0.00	--	--
Provisions	0.00	--	--
Current liabilities			
Financial Liabilities			
Trade Payables	7.35	--	7.35
Other Current liabilities	0.00	--	--
Provisions	0.00	--	--
Total Equity and Liabilities	**11.95**	**--**	**11.95**

Notes forming part of accounts

Reconciliation of total comprehensive income for the period March 31, 2017

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
	INR	INR	INR
INCOME			
Revenue from Operations	86.57	--	86.57
Other Income	0.17	--	0.17
Total Income	86.74	--	86.74
EXPENSES			
Purchase of stock in trade	83.92	--	83.92
Finance Cost	--	--	--
Other Expenses	2.34	--	2.34
Total expenses	**86.26**	**--**	**86.26**
Profit before exceptional items and tax	**0.48**	**--**	**0.48**
Exceptional Items	**--**	**--**	**--**
Profit Before Tax	**0.48**	**--**	**0.48**
Tax expense			
Current tax	0.17	--	0.17
Tax in respect of earlier years	--	--	--
Deferred tax	--	--	--
Total tax expense	0.17	--	0.17
Profit for the year from continuing operations	0.31	--	0.31
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	--	--	--
Tax relating to remeasurement of the defined benefit plans	--	--	--
	0.31	--	0.31
Total comprehensive income for the year, net of tax	**0.31**	**--**	**0.31**

Note 28:

(a) Due to Micro, Small and Medium Enterprise

[₹ in Lacs]

Sr. No.	Particulars	2017-2018	2016-2017
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

Notes forming part of accounts

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(b) The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

Note 29: Expenditures / Earnings in foreign currency

Sr. No.	Particulars	2017-2018	2016-2017
A	Import on CIF		
	- Capital Goods and Components	--	--
B	Expenses in Foreign Currency		
	- Travelling	--	--
	- Commission Payable	--	--
C	Remittances in Foreign Currency		
	- Dividend	--	--
D	Earnings in Foreign Currency		
	- Export of Services	--	--

Note 30: Statement of Management

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

Note 31: The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest millions.

FOR G. K. CHOKSI & CO
[Firm Registration No. 101895W]
Chartered Accountants

-SD/-

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 30th May, 2018

FOR AND ON BEHALF OF THE BOARD

-SD/-

DIPAKKUMAR CHOKSI
Director
DIN : 00536345

-SD/-

HARIN MAMLATDARNA
Director
DIN : 00536250

Place : Ahmedabad
Date : 30th May, 2018