



A MODI & CO

CHARTERED ACCOUNTANTS

4, SHIVKRIPA, MAHAVEER COLONY, BEDLA ROAD, UDAIPUR- 313 011
TEL- 0294 2450152, 94142 39096, E MAIL- CAASHOKMODI@GMAIL.COM

CA ASHOK MODI
B.COM, FCA

AUDITORS' REPORT

Independent Auditor's Report To the Members of Italica Furniture Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of ITALICA FURNITURE PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 standalone 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

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.





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4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date. I

Report on Other Legal and Regulatory Requirements

7. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors





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is disqualified as on 31st 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, in our opinion and to the best of our information and according to the explanation given to us :

- i. there is no pending litigation having impact on its financial position;
- ii. there is no long term contract including derivative contracts requiring provisions under the relevant law or accounting standards;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for A Modi & Co.
Chartered Accountants
Firm Regn no. 005753C

Ashok Modi
Proprietor
M.No. 074488

Place of signature: Udaipur
Date: May 7, 2018





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Annexure - A to the Independent Auditor's Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ITALICA FURNITURE PRIVATE LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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





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and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 (Referred to in paragraph 7 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) 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.





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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for A Modi & Co.
Chartered Accountants
Firm Regn no. 005753C

Ashok Modi
Proprietor
M.No. 074488
Place of signature: Udaipur
Date: May 7, 2018





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Annexure - B to the Independent Auditor's Report (Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company has no immovable properties.

(ii) The Company is not having any inventory during the year, therefore, the provisions of the clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(iii) The Company has granted unsecured loans to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(a) the terms and conditions of the grant of such loans are not prejudicial to the Company's interest;

(b) the schedule of repayment of the principal and payment of interest has been stipulated and the repayments or receipts are regular;

(c) There is no overdue amount,

(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 Companies Act, 2013, in respect of granting of loans, making investments and providing guarantees and securities wherever applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

(vi) The Central Government has not specified the maintenance of cost accounts and records under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in





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arrears, as at 31.03.2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax except income tax dues as mentioned hereinbelow which have not been deposited as on 31st March, 2018 on account of the dispute.

Name of statutes	Nature of dues	The period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
Income tax Act, 1961	Income tax	01.04.2011 to 31.03.2012	26810	CIT (Appeal)

(viii) The Company has not taken loans or borrowing from financial institution, bank, government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(ix) The Company has raised no moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(x) According to the information and explanation given to us no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanation given to us the Company has paid or provided no managerial remuneration during the year under audit. Accordingly, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements etc. as required by the applicable Indian accounting standards.





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(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us the Company has not entered into any non-cash transactions with directors or persons connected with him requiring compliances with the provisions of Section 192 of Companies Act, 2013.

(xvi) In our opinion and according to the information and explanation given to us the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for A Modi & Co.
Chartered Accountants
Firm Regn no. 005753C

Ashok Modi
Proprietor
M.No. 074488
Place of signature: Udaipur
Date: May 7, 2018



ITALICA FURNITURE PRIVATE LIMITED
BALANCE SHEET AS AT 31.03.2018

(Rs. in lakhs)

Particulars	Note	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1	2	3	4	5
ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	3	367.40	396.18	484.56
(b) Capital work-in-Progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible Assets		-	-	-
(f) Intangible assets under development		-	-	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Financial Assets				
(i) Investments	4	478.04	200.10	97.66
(ii) Trade receivables		-	-	-
(iii) Loans		-	-	-
(iv) Others		-	-	-
(l) Deferred tax assets (net)		-	-	-
(j) Other non-current assets	5	0.49	0.49	1.49
(2) Current assets				
(a) Inventories		-	-	-
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	6	10.96	404.82	-
(iii) Cash and cash equivalents	7	10.65	625.93	12.30
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	8	1,884.81	162.69	392.00
(vi) Others	9	0.41	15.40	2.14
(c) Current Tax Assets (Net)	10	-	-	0.24
(d) Other current assets	5	1.01	1.19	0.95
Total Assets		2,757.36	1,806.80	991.34
EQUITY				
(a) Equity Share Capital	11	208.21	208.21	208.21
(b) Other Equity	12	798.70	762.95	589.02
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	24.35	30.10	39.09
(ii) Trade payables		-	-	-
(iii) Other financial liabilities (other than those specified in item (b))		24.35	30.10	39.09
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)	14	45.11	49.32	41.22
(d) Other non-current liabilities		-	-	-
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	1,628.32	319.50	84.65
(ii) Trade payables	15	0.76	400.14	1.67
(iii) Other financial liabilities (other than those specified in item (c))	16	23.85	27.10	27.48
(d) Other current liabilities	17	28.06	-	-
(c) Provisions		-	-	-
(d) Current Tax Liabilities (Net)	18	-	9.48	-
Total Equity and Liabilities		2,757.36	1,806.80	991.34

See accompanying Notes to financial statements

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The Notes referred to above form an integral part of the financial statements.

As per our Report Attached

Signatures to the Financial Statements and Notes

for and on behalf of
A MODI & CO.
Chartered Accountants
FRN - 005753C

ASHOK MODI
Proprietor
M No. 074488



HAKIM S TIDIWALA
Director
DIN - 00119156

ASAD DAUD
Director
DIN - 02491539

Udaipur, May 07, 2018

ITALICA FURNITURE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018

Particulars	Note no.	As at 31.03.2018		As at 31.03.2017	
		Amount in Rupees		Amount in Rupees	
I Revenue from operations	19		516.77		510.13
II Other income	20		34.02		75.32
III Total Revenue (I+II)			550.79		585.45
IV Expenses:					
Cost of Materials consumed			-		-
Purchases of Stock-in-Trade			-		-
Changes in inventories of finished goods, Stock -in-Trade and work-in-progress	21		406.58		398.68
Employee benefits expense	22		-		6.60
Finance costs	23		65.16		4.85
Depreciation and amortization expense	3		28.77		30.11
Other expenses	24		8.60		14.54
Total expenses			509.11		454.78
V Profit before exceptional items and tax (III-IV)			41.68		130.67
VI Exceptional items					
Profit/(Loss) on sale of property, plant and equipment			-	106.60	-
Profit/(Loss) on sales of Investment		(2.40)	(2.40)	(8.61)	97.99
VII Profit/(loss) before tax (V-VI)			39.28		228.66
VIII Tax expense:					
(1) Current tax		7.74		49.20	
(2) Deferred tax		(4.21)	3.53	5.53	54.73
IX Profit/(loss) for the period from continuing operation (VII-VIII)			35.75		173.93
X Profit/(Loss) from discontinued operations			-		-
XI Tax expense of discontinued operations			-		-
XII Profit/(loss) from discontinued operation (X-XI)			-		-
XIII Profit/(loss) for the period (IX+XII)			35.75		173.93
XIV Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss			-		-
(ii) Income tax relating to items that will not be reclassified to profit or loss			-		-
B (i) Items that will be reclassified to profit or loss			-		-
(ii) Income tax relating to items that will reclassified to profit or loss			-		-
XVI Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period)			35.75		173.93
XVII Earnings per equity share (for continued Operation)					
(1) Basic			1.720		8.350
(2) Diluted			1.720		8.350
XVIII Earnings per equity share (for discontinued Operation)					
(1) Basic			-		-
(2) Diluted			-		-
XIX Earnings per equity share (for discontinued & continuing operations)					
(1) Basic			1.720		8.350
(2) Diluted			1.720		8.350

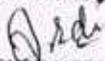
See accompanying notes to the financial statement

The Notes referred to above form an integral part of the financial statements.

As per our Report Attached

Signatures to the Financial Statements and Notes

for and on behalf of
A MODI & CO.,
Chartered Accountants
FRN : 005753G


ASHOK MODI
Proprietor
M No. 074488



for and on behalf of the Board


HAKIMS TIDIWALA
Director
DIN : 00119156


ASAD DAUD
Director
DIN : 02491539

Udaipur, May 07, 2018

ITALICA FURNITURE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH,2018

Sr. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A	Cash Flow from Operating Activities		
	Net Profit before tax	39.28	228.66
	Adjustments for:		
	Depreciation	28.77	30.11
	Interest Paid	65.16	63.85
	Interest received	-	(34.02)
	(Profit)/Loss of sale of property ,plant and Equipment	-	(106.60)
	(Profit)/Loss on Sale of investments	2.40	8.61
	Operating Profit before working capital changes	135.61	190.61
	Adjustment for Changes in Working Capital:		
	Decrease/(Increase) in Trade Receivables	393.86	(404.82)
	Increase/(Decrease) in Trade Payables & Other Current Liabilities	(399.38)	398.47
	Increase/(Decrease) Non-financial liabilities	(3.25)	(0.38)
	Increase in other current liabilities	28.06	-
	Other financial assets	14.99	(13.26)
	Increase current tax assets	(3.59)	0.24
	Increase/(Decrease) non-current assets	-	1.00
	Increase in other current assets	0.18	(0.24)
	Cash Generated from Operations	166.48	171.62
	Income Taxes Refund / (Paid)	17.20	37.15
	Net Cash Inflow /(Out Flow) from Operation (A)	149.28	134.47
B	Cash Flow from Investing Activities:		
	Sale of property ,plant and equipment	-	204.05
	Purchase of property ,plant and equipment	-	(39.18)
	Purchase of investments	(288.18)	(118.30)
	Loans	(1,722.12)	229.31
	Sale of investment	7.83	7.24
	Interest received	-	34.02
	Net Cash Inflow/(Outflow) from investing Activities (B)	(2,002.47)	317.15
C	Cash flow from Financing Activities		
	Repayment of borrowings	(5.75)	(8.99)
	Increase in borrowings	1,308.82	234.85
	Interest Paid	(65.16)	(63.85)
	Net Cash Inflow /(Out Flow) from Financing Activities (C)	1,237.91	162.01
	Net Increase/Decrease in cash & Cash equivalents (A+B+C)	(615.28)	613.63
	Cash and Cash equivalents as at 31.03.2017	625.93	12.30
	Cash and Cash equivalents as at 31.03.2018	10.65	625.93

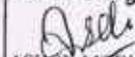
As per our Audit Report Attached

Notes:-

1. The above Cash Flow Statement has been prepared under the "indirect Method" as set out in the Indian Accounting standard-7 "Cash Flow statement"

As per our Report Attached

for and on behalf of
A MODI & CO.
Chartered Accountants
FRN : 005753C


ASHOK MODI
Proprietor
M.No. 074488



Signatures to the Financial Statements and Notes


HAKIM S TIDIWALA
Director
DIN : 00119156


ASAD DAUD
Director
DIN:-02491539

Udaipur, May 07, 2018

ITALICA FURNITURE PRIVATE LIMITED

Notes to the Financial Statements

1. Company Information

Italica Furniture Private Limited (IFPL) is a private limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. IFPL is engaged in the business of plastic goods and providing machines on hiring.

2. Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 29 (First-time Adoption).

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Plant and Equipment	7 – 25 Years
Furniture and Fixtures	8 – 10 Years
Vehicles	8 – 10 Years
Office Equipment	5 Years

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.



Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition:

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification:

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive

Impairment:

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition:

Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax and value added tax.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the services are rendered.

Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.



Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life.

Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Financial and Management Information Systems

The Company's Accounting System is designed to comply with the relevant provisions of the Companies Act, 2013, to provide financial information appropriate to the businesses and facilitate Internal Control.

2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.



ITALICA FURNITURE PRIVATE LIMITED

NOTE NO.3 : PROPEXTY, PLANT AND EQUIPMENT	YEAR 2017-2018						NET BLOCK			
	GROSS BLOCK			DEPRECIATION			AS AT	AS AT	AS AT	
	AS AT 01/04/2017	ADDITION DURING THE YEAR	SALES DURING THE YEAR	AS AT 31.03.2018	AS AT 01/04/2017	ADDITION DURING THE YEAR	DED. DURING THE YEAR	AS AT 31.03.2018	AS AT 31/03/2018	AS AT 31/03/2017
Mould: Under operating Lease	200.10	-	-	200.10	73.78	5.68	-	79.46	120.64	126.32
Machinery :										
Under operating lease	237.46	-	-	237.46	28.30	9.48	-	37.78	199.68	209.16
Furniture	3.47	-	-	3.47	1.38	0.37	-	1.75	1.72	2.09
Vehicle	106.42	-	-	106.42	48.22	12.99	-	61.21	45.21	58.20
EPABX System	0.24	-	-	0.24	0.20	0.04	-	0.24	-	0.04
Office Equipment	1.01	-	-	1.01	0.65	0.21	-	0.86	0.15	0.36
Total	548.70	-	-	548.70	152.53	28.77	-	181.30	367.40	396.17

NOTE NO.3 PROPERTY, PLANT ANDEQUIPMENT	YEAR 2016-2017						NET BLOCK			
	GROSS BLOCK			DEPRECIATION			AS AT	AS AT	AS AT	
	AS AT 31.03.2016	ADDITION DURING THE YEAR	SALES DURING THE YEAR	AS AT 31.03.2016	AS AT 31/03/2016	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
Land: Leasehold	70.68	0.37	71.05	0.00	-	-	-	-	-	70.68
Factory Building	0.00	26.43	26.43	0.00	-	0.03	0.03	-	-	-
Mould: Under operating Lease	187.72	12.38	-	200.10	68.22	5.56	-	73.78	126.32	119.50
Machinery :										
Under operating lease	237.46	-	-	237.46	18.81	9.48	-	28.29	209.17	218.65
Furniture	3.47	-	-	3.47	1.01	0.37	-	1.38	2.09	2.46
Vehicle	106.42	-	-	106.42	33.82	14.40	-	48.22	58.20	72.60
EPABX System	0.24	-	-	0.24	0.14	0.06	-	0.30	0.04	0.10
Office Equipment	1.01	-	-	1.01	0.44	0.21	-	0.65	0.36	0.57
Total	607.00	39.18	97.48	548.70	122.44	30.11	0.03	152.52	396.18	484.56



ITALICA FURNITURE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31.03.2018

(Rs in lakhs)

Note 04

NON-CURRENT INVESTMENTS	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
In Others :						
Unquoted :						
01. Equity Instrument (at fair value through other comprehensive income)		381.57		148.54		62.66
02. Debentures : (at amortised cost)		10.00		5.00		5.00
03. Funds etc. (at amortised cost)		86.47		46.56		30.00
		478.04		200.10		97.66
*Pledged with commercial taxes department						
(a) Aggregate of unquoted investments		478.04		200.10		97.66
(b) Aggregate of quoted investments		-		-		-
(c) Market value of quoted investment		-		-		-

Note 5

OTHER CURRENT ASSETS	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Capital Advances		-		-		1.00
Advances other than capital advances :						
Security Deposit		-		-		-
-With Statutory Authorities		0.49		0.49		0.49
- Others		-		-		-
Other advances :						
-Statutory authorities, employees, pre-paid expenses etc.	1.01	-	1.19	-	0.95	-
	1.01	0.49	1.19	0.49	0.95	1.49

Note 6

TRADE RECEIVABLE	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
a)Unsecured ,considered good	10.96	-	404.82	-	-	-
b) Doubtful	-	-	-	-	-	-
	10.96	-	404.82	-	-	-
Less: Allowance for doubtful receivables	-	-	-	-	-	-
	10.96	-	404.82	-	-	-

Note 7

CASH AND CASH EQUIVALENTS	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Balances with banks						
On Current Account	10.60	-	19.95	-	11.53	-
(b)Cheque in Hand	-	-	604.89	-	-	-
(c) Cash on hand	0.05	-	1.09	-	0.77	-
	10.65	-	625.93	-	12.30	-

Note 8

LOANS	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Loans to related parties						
Unsecured considered good	-	-	-	-	351.75	-
Loans to others						
Unsecured considered good	-	-	-	-	40.25	-
Loans to other than related party *	1,884.81	-	162.69	-	-	-
	1,884.81	-	162.69	-	392.00	-

*Refer note. 31

Note 9

OTHER FINANCIAL ASSETS	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Other Financial Assets						
Interest accrued on loan, deposits, investments etc.	0.25	-	11.41	-	2.06	-
Other receivables	0.16	-	3.99	-	0.08	-
	0.41	-	15.40	-	2.14	-



Note 10

CURRENT TAX ASSET	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Advance tax net of provisions (IT Refund)		3.59		-		0.24
		3.59		-		0.24

Note 11

Share Capital :	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Authorised :		500.00		500.00		500.00
50,00,000 (pr. yr. 50,00,000) Equity Shares of Rs. 10/- each		500.00		500.00		500.00
Issued		208.21		208.21		208.21
20,82,118 (pr. yr. 2082118) Equity Shares of Rs. 10/- each		208.21		208.21		208.21
Subscribed and fully paid up		208.21		208.21		208.21
20,82,118 (pr. yr. 2082118) Equity Shares of Rs. 10/- each		208.21		208.21		208.21

Reconciliation of number of shares :	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Number of Equity Shares outstanding at the beginning of the period		2,082,118		2,082,118		2,082,118
Add: No. of Equity Shares issued during the period		2,082,118		2,082,118		2,082,118
Less: Deduction during the year		-		-		-
Number of Equity Shares outstanding at the end of the reporting period		2,082,118		2,082,118		2,082,118

Name of the shareholders holding more than 5% shares in							
		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Name of shareholder	Class	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Sat Industries Limited and nominees	Equity	2081118	100.00	2081118	100.00	2081118	100

Shares held by holding Company							
		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Name of holding Company	Class	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Sat Industries Limited and nominees	Equity	2081118	100.00	2081118	100.00	2081118	100

The Company has only one class of shares referred to as the equity shares having face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

There are no call unpaid on equity shares.

No equity shares have been forfeited.

Note 12

OTHER EQUITY

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
1. SECURITIES PREMIUM		420.13		420.13		420.13
As per the last year accounts		-		-		-
Add: Addition during the year		420.13		420.13		420.13
2. RETAINED EARNINGS		342.82		168.89		153.78
As per the last year accounts		35.75		173.93		15.11
Add: Surplus for the year		378.57		342.82		168.89
TOTAL		798.70		762.95		589.02



ITALICA FURNITURE PRIVATE LIMITED

Statement of Changes in equity

	Rs. in lakhs	
	Balance at the beginning of the reporting period	Balance at the end of the reporting period
(a) Equity Share Capital		
For the year ended on 31/03/2017	208.21	208.21
For the year ended on 31/03/2018	208.21	208.21
	0	0
	0	0

	Reserves & Surplus			Total
	Securities premium reserve	Retained earnings		
(b) Other equity				
Balance as at 01/04/2016	420.13	168.89	589.02	
Balance as at the beginning of the reporting period		173.93	173.93	
Profit for the year		342.82	762.95	
Balance as at 31/03/2017	420.13	35.75	35.75	
Balance as at the end of the reporting period		378.57	798.70	
Profit for the year				
Balance as at 31/03/2018	420.13			
Balance as at the end of the reporting period				

Signatures to the Financial Statements and Notes

As per our Report Attached

for and on behalf of
A MODI & CO.,
Chartered Accountants
FRN : 005753C


ASHOK MODI
Proprietor
M.No. 074488




HAKIM S TIDIWALA
Director
DIN : 00119156


ASAD DAUID
Director
DIN: 02491539

Udaipur, May 07, 2018

Note 13

BORROWINGS:	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-current	Current	Non-current	Current	Non-current
SECURED :						
(i) Term Loans from bank						
(b) ICICI Bank Limited	5.74	24.35	5.20	30.10	4.71	35.30
from Other						
(a) Kotak Mahindra Prime Limited		-	3.79	-	4.64	3.79
	5.74	24.35	8.99	30.10	9.35	39.09
UNSECURED						
From related parties -Holding Company-Sat Industries Ltd	406.75		319.50		69.65	
From others -	1,221.57		-		15.00	
	1,628.32	-	319.50	-	84.65	-

(a) Term loan from Kotak Mahindra Prime Limited is secured against hypothecation of Car no. MH-01-BG-1556. The loan is repayable in 59 equal monthly instalments of Rs.43,900.00 each commencing from 30th January,2013 and the last instalment is repayable on 10th December,2017. There is no continuing default in the repayment of instalment and interest thereon. Rate of interest as on 31.03.2018 is 9.876 % per annum.

(b) Term loan from ICICI Bank Limited is secured against hypothecation of Car no. MH-01-CD-0522. The loan is repayable in 84 equal monthly instalments of Rs.70,800.00 each commencing from 10th October,2015 and the last instalment is repayable on 10th August,2022. There is no continuing default in the repayment of instalment and interest thereon. The rate of interest as on 31.03.2018 is 10.00% p.a. with monthly rests.

Note 14

DEFERRED TAX LIABILITIES (NET)	31.03.2018	current year charge/(credit)	31.03.2017	current year charge/(credit)	01.04.2016	current year charge/(credit)
Deferred tax liability						
Depreciation	49.32	4.01	41.21	8.11	29.50	11.72
Deferred Tax Assets		8.22				
Net amount charged to statement of Profit and Loss	49.32	(4.21)	41.21	8.11	29.50	11.72
Deferred tax liabilities(net)	49.32	45.11	41.21	49.32	29.50	41.22

Note 15

TRADE PAYABLES	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Trade Payables	0.76		400.14		1.67	
	0.76	-	400.14	-	1.67	-

Note 16

OTHER FINANCIAL LIABILITIES	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Current maturity of long term debt *	5.74		8.99		9.35	-
Payable for Property, plant and equipment	18.11		18.11		18.13	
	23.85	-	27.10	-	27.48	-

*for security and other terms refer no. 13

Note 17

OTHER CURRENT LIABILITIES	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Interest Payable	23.89					
Statutory Liabilities	4.17					
	28.06	-	-	-	-	-

Note 18

CURRENT TAX LIABILITIES	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Current taxation (Net of Advance tax)			9.48			
			9.48			



Note 19

REVENUE FROM OPERATIONS	As at 31.03.2018		As at 31.03.2017	
Sales :				
Traded Goods		410.09		404.25
Services :				
Equipment usage charges		106.68		105.88
		516.77		510.13

Note 20

OTHER INCOME	As at 31.03.2018		As at 31.03.2017	
(a) Interest income		34.02		75.30
(b) Foreign Exchange Fluctuation		-		0.02
		34.02		75.32

Note 21

PURCHASE OF STOCK -IN-TRADE	As at 31.03.2018		As at 31.03.2017	
Purchase - Traded Goods		406.58		398.68
		406.58		398.68

Note 22

EMPLOYEE BENEFITS	As at 31.03.2018		As at 31.03.2017	
Salaries, wages and bonus	-	-		6.60
	-	-		6.60

Note 23

FINANCE COST	As at 31.03.2018		As at 31.03.2017	
(a) Interest				
(i) On borrowings		63.85		4.84
(ii) On delayed Payment of Income tax		1.31		0.01
		65.16		4.85

Note 24

OTHER EXPENSES	As at 31.03.2018		As at 31.03.2017	
Miscellaneous expenses		3.87		2.71
Payment to Auditors				
As statutory auditors		0.10		0.10
For taxation matters		0.03		0.03
Office Rent		0.24		0.24
Vehicle Expenses		3.86		4.91
Consultancy charges of moulds etc.		-		5.60
Donation		0.50		0.95
		8.60		14.54

25. Additional Notes to the Financial Statements :

	As at 31.03.2018	As at 31.03.2017
(i) Depreciation and amortization expenses	28.77	30.11
	28.77	30.11

(ii) EARNING PER SHARE (EPS)

Particulars	2017-18	2016-17
Net profit after taxation for the year	35.75	173.93
Number of Equity shares for Basic /Diluted EPS	2,082,118	2,082,118.00
Nominal Value of Equity Shares (in Rupee)	10.00	10.00
Basic /Diluted earnings per Equity Share (in Rupee)	1.720	8.350

(iii) Contingent liabilities and commitments :

(a) Contingent liabilities

• Income tax Rs. 0.27(2017 - Rs.0.27 2016- Rs. 0.27),including interest on income tax , where applicable, estimated to be Rs. 0.27 (2017 - Rs.0.27, 2016- Rs.0.27).

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(b) Commitments

• Uncalled liability on shares partly paid is Rs. 15.00 lakhs (2017 - Rs.50.00 lakhs , 2016- Rs. 70.00 lakhs)



Note 26

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

Note 27**SEGMENT INFORMATION:**

As per Ind AS 108 "Operating Segment", the Company has one operating segment.

Note 28**Financial Instruments and Related Disclosures****1. Capital Management**

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

2. Categories of financial Instruments :

Rs. in lakhs

Particulars	Note	As at 31st March, 2018		As at 31st March, 2017		As at April 1, 2016	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
A Financial assets							
a) Measured at amortised cost							
i) Cash and cash equivalent	7	10.65	10.65	625.93	625.93	12.30	12.30
ii) Investment in debentures/ bonds etc.	4	10.00	10.00	5.00	5.00	5.00	5.00
iii) investment - others	4	86.47	86.47	46.56	46.56	30.00	30.00
iv) Loans-current	8	1,884.81	1,884.81	162.69	162.69	392.00	392.00
v) Trade receivables	6	10.96	10.96	404.82	404.82	-	-
vi) Other financial assets	9	0.41	0.41	15.40	15.40	2.14	2.14
Sub Total		2003.30	2003.30	1260.40	1260.40	441.44	441.44
b) Measured at fair value through OCI							
i) Equity Shares	4	381.57	381.57	148.54	148.54	62.66	62.66
Sub Total		381.57	381.57	148.54	148.54	62.66	62.66
Total Financial assets		2384.87	2384.87	1408.94	1408.94	504.10	504.10
B Financial Liabilities							
a) Measured at amortised cost							
i) Borrowings -current	13	1,628.32	1,628.32	319.50	319.50	84.65	84.65
ii) Borrowing -non-current	13	24.35	24.35	30.10	30.10	39.09	39.09
iii) Trade payables	15	0.76	0.76	400.14	400.14	1.67	1.67
iv) Other financial liabilities	16	23.85	23.85	27.10	27.10	27.48	27.48
Total financial liabilities		1677.28	1677.28	776.84	776.84	152.89	152.89

3 : FINANCIAL RISK MANAGEMENT

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company does regularly monitor, analyze and manage the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings and investments. The Company has no international trade operations and is, therefore, not exposed to market risks, currency and interest rate risks.

The Company is not an active investor in equity markets, it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2018 is Rs. 381.57 lakhs(2017

- Rs. 148.54 lakhs, 2016 - Rs. 62.66 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income. The debts of the Company do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further investment is

guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.



(i) Management of interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

(ii) Management of price risk.

The Company invests its surplus funds in various debt instruments. Investments in mutual funds and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(iii) Management of currency risk.

The Company has no currency risk since it has no exposure to foreign currency.

B. MANAGEMENT OF CREDIT

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables).

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored.

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

C. MANAGEMENT OF LIQUIDITY

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a cash management system. The Company maintains adequate sources of financing including debt and overdraft from domestic banks and financial markets at optimized cost.

The Company's Current assets aggregate to Rs.1911.43 lakhs(2017 - Rs. 1210.04 lakhs; 2016 - Rs. 407.63 Lakhs) including Cash and cash equivalents and Other bank balances of Rs. 10.65 lakhs(2017 - Rs. 625.93 lakhs; 2016 - Rs. 12.30 Lakhs) against an aggregate Current liability of Rs. 1680.99 lakhs(2017 - Rs. 756.22 lakhs; 2016 - Rs. 113.80 Lakhs); Non-current liabilities due between one year to three years amounting to Rs.24.35 lakhs(2017 - Rs. 30.10 lakhs; 2016 - Rs. 39.09 Lakhs) and Non-current liability due after three years amounting to Rs. NIL(2017 - Rs. NIL; 2016 - Rs. NIL) on the reporting date. Further, while the Company's total equity stands at Rs. 1006.92 lakhs(2017 - Rs. 971.16 lakhs; 2016 - Rs. 797.23 Lakhs), it has non-current borrowings of Rs. 24.35 lakhs(2017 - Rs. 30.10 lakhs; 2016 - Rs.39.09 Lakhs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

D. Fair value measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year. The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.



Particulars	Fair value hierarchy	As at 31st March,2018	As at 31st March,2017	As at April 1,2016
		Fair Value	Fair Value	Fair Value
A Financial assets				
a) Measured at amortised cost				
i) Cash and cash equivalent	L2	10.65	625.93	12.30
ii) Investment in debentures/ bonds etc.	L2	10.00	5.00	5.00
iii) investment - others	L2	86.47	46.56	30.00
iv) Loans-current	L2	1884.81	162.69	392.00
v) Trade receivables	L2	10.96	404.82	0.00
vi) Other financial assets	L2	0.41	15.40	2.14
Sub Total		2003.30	1260.40	441.44
b) Measured at fair value through OCI				
i) Equity Shares	L2	381.57	148.54	62.66
Sub Total		381.57	148.54	62.66
Total Financial assets		2384.87	1408.94	504.10
B Financial Liabilities				
a) Measured at amortised cost				
i) Borrowings -current	L2	1628.32	319.5	84.65
ii) Borrowing -non-current	L2	24.35	30.1	39.09
iii) Trade payables	L2	0.76	400.14	1.67
iv) Other financial liabilities	L2	23.85	27.1	27.48
Total financial liabilities		1677.28	776.84	152.89

NOTE 29

First-time Adoption of Ind AS (i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 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,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities

(ii) A. Reconciliation of total comprehensive income for the year ended 31st March, 2017 is summarised as follows:

I. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

II. Reconciliation of Total Comprehensive income for the year ended March 31, 2017

III. Adjustments to Statement of Cash Flows for the year ended March 31, 2017

I. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

Particulars	Rs. in lakhs	
	As at 31/03/2017	As at 01/04/2016
Total Equity as per Indian GAAP	208.21	208.21
Total Equity as per IND AS	208.21	208.21

II. Reconciliation of Total Comprehensive income for the year ended March 31, 2017

Particulars	Rs. in lakhs	
	As at 31/03/2017	
Profit After Tax as per Indian GAAP	342.82	
Total Comprehensive income as per Ind AS	342.82	

III. Adjustments to Statement of Cash Flows for the year ended March 31, 2017

There is no differences between the Statement of Cash Flows presented under Ind AS and previous GAAP

iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

Property, plant and equipment and intangible assets were carried in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.



(iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:

a. Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments [other than investment in subsidiaries] have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition. Investment in Mutual Funds classified as non-current under previous GAAP and carried at cost as on 31st March, 2016, have been measured at Fair Value through Profit or Loss (FVTPL).

b. Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.

Note 30

Balances of loans and advances, banks, current liabilities as on 31.03.2018 are subject to confirmation and reconciliation.

Note 31

Disclosures in respect of related parties pursuant to Ind AS 21

(i) Holding Company

01) Sat Industries Limited

(ii) Fellow Subsidiary :

Sah Polymers Limited

(iii) Director

01) Mr. Hakim S Tidiwala

02) Mr. Asad Daud

During the year following transactions were carried out with the related parties in the ordinary course of business at arm's length price

		Rs. in lakhs		
Name of related party	Nature of relation	2017-2018	2016-2017	Nature of transaction
Park Continental Private Limited	An enterprise over which the director's mother has control	-	436.41	Loan Taken
		-	1,056.30	Loan Repayment
		2,096.39	-	Loan Given
		2,500.00	-	Loan Receive Back
Sat Industries Limited	Holding Company	1,204.75	677.88	Loan Taken
		1,117.50	428.03	Loan repayment
		-	0.48	Interest Paid
Hakim S Tidiwala	Director	-	30.00	Loan Given
		-	30.00	Loan Receive Back
Sah Polymers Limited	Fellow subsidiary	-	15.82	Interest Received
		0.24	0.24	Office Rent paid
		1.89	180.00	Loan Given
		1.89	309.75	Loan Receive Back
Mr. Daud Ali	Director's Father	-	6.40	Consultancy Charges paid

Closing balances

Name	31.03.2018	31.03.2017
Park Continental Private Limited	1846.39DR	-
Sat Industries Limited	406.75CR	319.50Cr

Closing balances in the case of other parties is NIL.

No amount in respect of the related parties have been written off/back are provided for during the year. Related party relationship has been identified by the Management and relied upon by the auditors.

Note 32

Disclosures under subsection (4) of section 186 of the Company Act, 2013				
Loan :				
Name of Person/Body Corporate	Amount	Purpose for Loan	Rate of Interest (per annum)	Tenure
01. Fibcorp Polyweave Private Limited	25.00	Business	18%	2 years
02. Park Continental Private limited	1,846.39	Business	0%	2 years

Investment : refer to annexure



Note 33 : Impairment of assets

In the opinion of the Management ,there is no impairment of assets in accordance with the Ind AS -36 as on the Balance Sheet date.

Note 34 : Subsequent Event

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 35

The financial statements were authorised for issue by the Board of Directors on May 07,2018.

Note 36 : General

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

Note 37

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with Financial Statements prepared under Ind AS.

Note 38

Rs. In Lakh

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Not later than one year	106.68	106.68	105.88
Later than one year and not later than five years	307.44	414.12	533.40
Later than five years		0	0.00

The Notes referred to above form an integral part of the Financial Statements.

As per our Report Attached

Signatures to the Financial Statements and Notes

for and on behalf of
A MODI & CO.,
Chartered Accountants
FRN : 005753C

ASHOK MODI
Proprietor
M.No. 074488



for and on behalf of the Board

HAKIM S. TIDIWALA
Director
DIN :- 00119156

ASAD DAUD
Director
DIN:-02491539

Udaipur, May 07,2018