PETROLEUM SPECIALITIES PTE. LTD.

(Incorporated in Singapore) (Co. Reg. No.: 200403112K)

SPECIAL PURPOSE ANNUAL REPORT FOR GROUP REPORTING PURPOSE ONLY

For the financial year ended 31 March 2018

Audit Alliance LLP
Public Accountants
Chartered Accountants

PETROLEUM SPECIALITIES PTE. LTD.
(Incorporated in Singapore) (Co. Reg. No.: 200403112K)

SPECIAL PURPOSE ANNUAL REPORT FOR GROUP REPORTING PURPOSE ONLY
For the financial year ended 31 March 2018

Contents

The directors present their report to the member together with the audited financial statements of the Company for the financial year ended **31 March 2018**.

In the opinion of the directors,

(a) the financial statements of the Company as set out on pages **7 to 36** are drawn up so as to give a true and fair view of the financial position of the Company at **31 March 2018** and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this report are as follows:

Kushal Narendra Desai
Gajjala Sai Sudhakar
Yeow Hong Soon

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related corporations, except as follows:

	Holdings registered in name of director or nominee	
	At 31.3.2018	At 1.4.2017
Apar Industries Ltd.		
(No. of ordinary shares)		
Kushal Narendra Desai	**9,187,974**	6,415,899

Directors' interests in shares and debentures (continued)

	Holdings registered in name of director or nominee (continued)	
	At 31.3.2018	At 1.4.2017
Apar Corporation Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**1,381,901**	915,846
Scope Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**3,375**	2,250
Apar Technologies Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**1**	1
Catalis World Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**5,000**	5,000
Cema Optilinks Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**50**	-
Apar Transmission & Distribution Products Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai (Nominee for Apar Industries Limited)	**1**	1

None of the directors holding office at 31 March 2018 had any interest in the debentures of the Company or any related corporations.

Share options

There were no options granted during the financial year to subscribe for unissued share of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of financial year.

Independent Auditor

The independent auditor, **Audit Alliance LLP**, has expressed its willingness to accept re-appointment.

On behalf of the directors

Gajjala Sai Sudhakar
Director

Kushal Narendra Desai
Director

Date: 28 MAY 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PETROLEUM SPECIALITIES PTE LTD
Co. Reg. No.: 200403112K

Special Purpose Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of **Petroleum Specialities Pte. Ltd.** and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Company Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the balance sheet of the Company as at 31 March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows of the Company for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Emphasis of matter – Basis of accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for Group Reporting to Holding Corporation of the Company. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Audit Alliance LLP

AUDIT ALLIANCE LLP
Public Accountants and Chartered Accountants

Singapore,

Date: 28 MAY 2018

PETROLEUM SPECIALITIES PTE. LTD.
Co. Reg. No.: 200403112K

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2018

	Note	Company	
		2018	2017
		US$	US$
Revenue	4	**6,858,411**	9,310,564
Other income	5	**225,556**	489,122
Other gains / (losses) - net	6	**38,907**	(25,881)
Expenses:			
- Purchases of inventories		**(5,322,199)**	(8,265,337)
- Depreciation		**(4,174)**	(4,290)
- Employee compensation	7	**(116,035)**	(112,467)
- Rental		**(17,718)**	(17,341)
- Professional fees		**(35,844)**	(44,227)
- Discount allowed		**-**	(46,711)
- Insurance charges		**267**	(34,316)
- Testing / survey fees		**(10,661)**	(20,655)
- Sales commission		**(17,363)**	(26,471)
- Tank storage charges		**(209,665)**	(242,855)
- Bank charges		**(30,610)**	(31,098)
- Other operating expenses		**(131,364)**	(245,330)
- Changes in inventories		**(739,943)**	146,768
Total expenses		**(6,635,309)**	(8,944,330)
Profit before income tax		**487,565**	829,475
Income tax expense	8(a)	**(54,365)**	(6,971)
Net profit and total comprehensive income		**433,200**	822,504

PETROLEUM SPECIALITIES PTE. LTD.
Co. Reg. No.: 200403112K

BALANCE SHEET
As at 31 March 2018

	Note	Company 2018 US$	Company 2017 US$
ASSETS			
Current assets			
Cash and cash equivalents	9	**3,493,859**	3,230,222
Trade and other receivables	10	**2,669,142**	9,388,880
Inventories	11	**-**	739,943
		6,163,001	13,359,045
Non-current assets			
Investment in subsidiary	12	**9,536,784**	3,405,995
Plant and equipment	13	**8,863**	12,779
		9,545,647	3,418,774
Total assets		**15,708,648**	16,777,819
LIABILITIES			
Current liabilities			
Trade and other payables	14	**314,129**	1,607,500
Provisions	15	**36,389**	245,067
Current income tax liabilities	8(b)	**49,658**	49,980
Total liabilities		**400,176**	1,902,547
NET ASSETS		**15,308,472**	14,875,272
EQUITY			
Share capital	16	**59,101**	59,101
Retained earnings		**15,249,371**	14,816,171
Shareholders' equity		**15,308,472**	14,875,272

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2018

Company	Note	Share capital US$	Retained earnings US$	Total US$
2018				
Beginning of financial year		**59,101**	**14,816,171**	**14,875,272**
Net profit and total comprehensive income for the year		-	433,200	433,200
End of financial year		**59,101**	**15,249,371**	**15,308,472**
2017				
Beginning of financial year		**59,101**	**13,993,667**	**14,052,768**
Net profit and total comprehensive income for the year		-	822,504	822,504
End of financial year		**59,101**	**14,816,171**	**14,875,272**

PETROLEUM SPECIALITIES PTE. LTD.
Co. Reg. No.: 200403112K

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2018

	Note	**2018** **US$**	2017 US$
Cash flows from operating activities			
Profit before income tax		**487,565**	829,475
Adjustments for:			
- Depreciation	13	**4,174**	4,290
- Interest income		**(45,514)**	(70,807)
Operating cash flow before working capital changes		**446,225**	762,958
Change in working capital:			
- Inventories		**739,943**	(146,768)
- Trade and other receivables		**2,405,427**	(1,726,168)
- Trade and other payables		**(1,518,074)**	912,102
Cash generated from / (used in) operations		**2,073,521**	(197,876)
Income tax paid	8(b)	**(54,687)**	(68,026)
Net cash provided by / (used in) operating activities		**2,018,834**	(265,902)
Cash flows from investing activities			
Disposal of subsidiary corporation		**-**	156,585
Addition to subsidiary corporation		**(6,130,789)**	-
Interest received		**45,514**	70,807
Advance from / (to) related parties		**5,414,311**	(2,738,839)
Loan to non-related parties		**(1,100,000)**	-
Additions to property, plant and equipment		**(258)**	-
Net cash used in investing activities		**(1,771,222)**	(2,511,447)
Cash flows from financing activities			
Advance to / (from) related parties		**16,025**	(13,272)
Net cash provided by / (used in) financing activities		**16,025**	(13,272)
Net increase / (decrease) in cash and cash equivalents		**263,637**	(2,790,621)
Cash and cash equivalents at beginning of financial year	9	**3,230,222**	6,020,843
Cash and cash equivalents at end of financial year	9	**3,493,859**	3,230,222

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Petroleum Specialities Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 4 Shenton Way, #08-03 SGX Centre 2, Singapore 068 807.

The principal activities of the Company consist of trading in petroleum based products and all kind of commodities and securities and general wholesale trade (including general importers and exporters). Principal activities of the subsidiaries are disclosed in Note 12.

There have been no significant changes in the nature of these activities during the financial year.

2. Significant accounting policies

2.1 Basis preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. The financial statements are prepared solely for Group Reporting to Holding Corporation of the Company. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2017

On 1 April 2017, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue for the Company comprises the fair value of the consideration received or receivable for the sales of goods, net of goods and services tax, rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follow:

(i) Sales of goods

Revenue from these sales is recognised when a Company has delivered products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Other income

Other income is recognised when the right to receive payment is established.

2.3 Plant and equipment

(i) Measurement

(a) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(b) Component of costs

The cost of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserve.

2. Significant accounting policies (continued)

2.3 Plant and equipment (continued)

(ii) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computers	5 years
Plant & Equipment	5 – 10 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other losses – net". Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2.4 Investment in subsidiary corporations

Investment in subsidiary corporations is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiary, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Significant accounting policies (continued)

2.5 Impairment of non-financial assets

Plant and equipment
Investments in subsidiary corporations

Plant and equipment and investment in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2. Significant accounting policies (continued)

2.6 Financial assets

(i) Classification

Loan and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in other comprehensive income relating to that asset is reclassified to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(iv) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

2.6 Financial assets (continued)

(v) Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a company of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.7 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

2.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.9 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiary, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

2. Significant accounting policies (continued)

2.10 Provisions

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.11 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an assets.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Employee leave entitlement

Employee entitlement to annual leave is recognised when they accrue to employee. No provision is made for the estimated liability for annual leave as all untilised leave are forfeited and it is not the Company’s policy to permit unutilised leave to be carried forward.

2. Significant accounting policies (continued)

2.12 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded in the income statement. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

4. Revenue

	2018	2017
	US$	US$
Sales of goods	**6,858,411**	9,310,564

5. Other income

	2018	2017
	US$	US$
Profit from licensee	**172,662**	-
Interest income	**45,514**	70,807
Dividend income	**-**	408,400
Miscellaneous income	**7,380**	9,915
	225,556	489,122

6. Other gains / (losses) - net

	2018	2017
	US$	US$
Gain / (loss) on exchange difference	**38,907**	(25,881)

7. Employee compensation

	2018	2017
	US$	US$
Wages and salaries	**116,035**	112,467

Key management personnel compensation is disclosed in Note 18(c).

8. Income taxes

(a) *Income tax expense*

	2018	2017
	US$	US$
Tax expense attributable to profit is made up of:		
- Current income tax	**49,658**	49,980
Under / (over) provision in the preceding financial year:		
- Current income tax	**4,707**	(43,009)
	54,365	6,971

8. **Income taxes** (continued)

(a) *Income tax expense* (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2018 US$	2017 US$
Profit before income tax	**487,565**	829,475
Tax calculated at a tax rate of 17% (2017: 17%)	**82,886**	141,011
Effect of :		
- Expenses not deductible for tax purposes	**710**	729
- Income not subject to tax	**(6,614)**	(65,028)
- Singapore statutory stepped income exemption	**(19,718)**	(18,443)
- Utilisation of capital allowance	**-**	(1,175)
- Under / (over) provision in prior financial year	**4,707**	(43,009)
Tax rebate	**(7,606)**	(7,114)
Tax charge	**54,365**	6,971

(b) *Movements in current income tax liabilities*

	2018 US$	2017 US$
Beginning of financial year	**49,980**	111,035
Income tax paid	**(54,687)**	(68,026)
Tax expense on profit for current financial year	**49,658**	49,980
Under / (over) provision in prior financial year	**4,707**	(43,009)
End of financial year	**49,658**	49,980

9. Cash and cash equivalents

	2018 US$	2017 US$
Cash at bank and on hand	**3,493,859**	3,230,222

The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents are denominated in the following currencies:

	2018 US$	2017 US$
Singapore Dollar	**813,527**	86,089
United States Dollar	**2,680,332**	3,144,133
	3,493,859	3,230,222

10. Trade and other receivables

	2018 US$	2017 US$
Trade receivables:		
- non-related parties	**1,547,629**	3,940,391
Other receivables:		
- related parties	**-**	520,307
- non-related parties	**7,953**	-
	7,953	520,507
Loan to subsidiary	**-**	4,894,004
Loan to third party	**1,100,000**	-
Prepayments	**1,184**	22,591
Deposits	**12,376**	11,587
	2,669,142	9,388,880

Trade receivables due from non-related parties are unsecured, non interest bearing and are generally on 30 to 120 days term.

Other receivables due from related parties and non-related parties are unsecured, interest free and repayable on demand.

Loan to subsidiary corporations are 1.5% on monthly average balance.

Loan to third party is 6-month LIBOR + 100 Points basis per annum with quarterly rests (accompanying 2.9% per annum).

The carrying amounts of trade and other receivables approximate their fair value.

10. Trade and other receivables (continued)

Trade and other receivables are denominated in the following currencies:

	2018 US$	2017 US$
Singapore Dollar	**-**	520,307
United States Dollar	**2,669,142**	8,868,573
	2,669,142	9,388,880

11. Inventories

	2018 US$	2017 US$
At cost		
Finished goods	**-**	739,943

The cost of inventories recognised as an expense and included in "cost of sales" amounts to **US$6,062,142** (2017: US$8,118,569).

12. Investments in subsidiary corporations

	2018 US$	2017 US$
Equity investments at cost		
Petroleum Specialities FZE	**9,536,784**	3,405,995

Details of significant subsidiary corporations are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Percentage of equity held 2018 %	Percentage of equity held 2017 %
Petroleum Specialities FZE [(a)]	Manufacturing and marketing of petroleum based speciality products, all kinds of oil, lubricant and chemicals	United Arab Emirates	**100**	100

(a) Audited by AL Maqtari Auditing, United Arab Emirates.

13. Plant and equipment

	Computers	Plant and equipment	Total
	US$	US$	US$
2018			
Cost			
Beginning of financial year	10,982	98,608	109,590
Additions	258	-	258
End of financial year	11,240	98,608	109,848
Accumulated depreciation			
Beginning of financial year	10,982	85,829	96,811
Depreciation charge	26	4,148	4,174
End of financial year	11,008	89,977	100,985
Net book value			
End of financial year	**232**	**8,631**	**8,863**
2017			
Cost			
Beginning of financial year	10,982	77,877	88,859
Additions	-	20,731	20,731
End of financial year	10,982	98,608	109,590
Accumulated depreciation			
Beginning of financial year	10,840	81,681	92,521
Depreciation charge	142	4,148	4,290
End of financial year	10,982	85,829	96,811
Net book value			
End of financial year	**-**	**12,779**	**12,779**

14. Trade and other payables

	2018 US$	2017 US$
Trade payables:		
- non-related parties	**53,235**	1,387,215
Other payables:		
- holding corporation	**175,070**	174,945
- related parties	**29,297**	13,272
	204,367	188,217
Accrued charges	**56,527**	32,068
	314,129	1,607,500

Trade payables due to non related parties are unsecured, non-interest bearing and are generally on 30 to 90 days term.

Other payables due to holding corporation and related parties are unsecured, interest free and repayable on demand.

The carrying amounts of trade and other payables approximate their fair value.

Trade and other payables are denominated in the following currencies:

	2018 US$	2017 US$
Singapore Dollar	**56,527**	32,068
United States Dollar	**257,602**	1,562,160
Australian Dollar	**-**	13,272
	314,129	1,607,500

15. Provisions

	Company	
	2018	2017
	US$	US$
Current		
Sales commission (Note (a))	**17,363**	26,471
Provision for profit sharing (Note (b))	**19,026**	218,596
	36,389	245,067

(a) Sales commission

Movement in sales commission is as follows:

	Company	
	2018	2017
	US$	US$
Beginning of financial year	**26,471**	30,469
Provision made	**17,363**	26,471
Provision utilised	**(26,471)**	(30,469)
End of financial year	**17,363**	26,471

(b) Provision for profit sharing

Movement in provision for profit sharing is as follows:

	Company	
	2018	2017
	US$	US$
Beginning of financial year	**218,596**	37,376
Provision made	**101,578**	181,220
Provision utilised	**(301,148)**	-
End of financial year	**19,026**	218,596

16. Share capital

	No. of ordinary shares		Amount	
	2018	2017	**2018**	2017
			US$	US$
Issued share capital				
Beginning and end of financial year	**100,000**	100,000	**59,101**	59,101

All issued ordinary share are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

17. Financial risk management

Financial risk factor

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Director is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by treasury personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by key management.

(a) Market risk

(i) Currency risk

The Company operates in Singapore. Entities in the Company regularly transact in their respective functional currencies ("foreign currencies").

The Company business is exposed to Singapore Dollar ("SGD"). Currency risk arises when future commercial transactions recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company manages this risk by monitoring the foreign currency exchange rate movements closely to ensure that exposure is minimised.

17. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure to the SGD is as follows:

	Company	
	2018	2017
	US$	US$
Financial assets		
Cash and cash equivalents (Note 9)	**813,527**	86,089
Trade and other receivables (Note 10)	**-**	520,307
	813,527	606,396
Financial liabilities		
Trade and other payables (Note 14)	**56,527**	32,068
Net financial assets	**757,000**	574,328
Currency exposure	**757,000**	574,328

At 31 March 2018, if the SGD had strengthened / weakened by **1%** (2017: 2%) against the USD with all other variables including tax rate being held constant, the Company's profit after tax for the financial year would have been **US$7,570** (2017: US$11,487) higher / lower a result of currency translation gains / losses on the un-hedged SGD denominated net financial assets.

(ii) Price risk

The Company has insignificant exposure to equity price risk as it does not hold significant equity financial assets.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

17. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash and cash equivalent and trade receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customer's payment profile and credit exposure are continuously monitored by credit controller and reported to the management and Board of Directors. The Company trade receivables comprise 4 debtors (2017: 5 debtors) that individually represented 1% to 48% of trade receivables at balance sheet date.

The credit risk for trade receivables based on the information provided to key management is as follow:

	2018	2017
	US$	US$
By geographical areas		
Australia	**87,591**	39,327
Turkey	**1,460,038**	3,271,272
Africa	**-**	629,792
	1,547,629	3,940,391

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which high credit-ratings as determined by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

17. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The aging analysis of trade receivables past due but not impaired as follow:

	Company	
	2018	2017
	US$	US$
30 or less	**58,401**	1,533,649
31 to 60 days	**-**	431,088
61 to 90 days	**511,836**	1,476,392
91 days or more	**977,392**	499,262
	1,547,629	3,940,391

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and marketable securities, and available funding through as adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of financial liabilities of the Company based on contractual undiscounted cash flows.

	Less than 1 year
Company	
At 31 March 2018	
Trade and other payables (Note 14)	**314,129**
At 31 March 2017	
Trade and other payables (Note 14)	1,607,500

17. Financial risk management (continued)

(d) Capital risk

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The management monitors its capital based on net debts and total capital. Net debts are calculated as trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratio is calculated as net debt divided by total capital.

	2018	2017
	US$	US$
Net debt	**-**	-
Total equity	**15,308,472**	14,875,272
Total capital	**15,308,472**	14,875,272
Gearing ratio	**NIL**	NIL

The Company is in compliance with all externally imposed capital requirements for the financial year ended 31 March 2017 and 2018.

(e) Financial instruments by category

	2018	2017
	US$	US$
Loans and receivables	**6,161,817**	12,596,511
Financial liabilities at amortised cost	**314,129**	1,607,500

18. Related party transactions

The following transactions took place between the Company and related parties during the financial year:

(a) Purchase and operating expenses

	2018 **US$**	2017 US$
Interest received from subsidiary corporation	**-**	40,278
Rental expense charged by related parties	**-**	17,341
Dividend paid by subsidiary corporation	**-**	408,000
Addition of investment in share of the subsidiary corporation	**6,130,789**	-

(b) Payment on behalf

	2018 **US$**	2017 US$
Payment of Director's salary on behalf of related parties	**-**	144,584

(c) Key management personnel compensation

Key management personnel compensation is as follows:

	2018 **US$**	2017 US$
Wages and salaries	**36,969**	36,157
Director fee – Yeow Hong Soon	**2,229**	2,155
	39,198	38,312

19. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is Apar Industries Ltd., incorporated in India.

20. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2018 and which the Company has not early adopted:

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

• Step 1: Identify the contract(s) with a customer
• Step 2: Identify the performance obligations in the contract
• Step 3: Determine the transaction price
• Step 4: Allocate the transaction price to the performance obligations in the contract
• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The adoption of this standard (FRS 115) is not expected to have any significant impact on the financial statements of the Company.

20. New or revised accounting standards and interpretations (continued)

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

  FRS 109 replaces FRS 39 *Financial instruments: Recognition and Measurement* and its relevant interpretations.

  FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

  Under FRS 109, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

  There is also now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts.

  The adoption of this standard (FRS 109) is not expected to have any significant impact on the financial statements of the Company.

20. New or revised accounting standards and interpretations (continued)

- INT FRS 122 *Foreign Currency Transactions and Advance Considerations* (effective for annual periods beginning on or after 1 January 2018)

  INT FRS 122 *Foreign Currency Transactions and Advance Considerations* considers how to determine the date of transactions when applying the standard on foreign currency transactions, FRS 21 *The Effects of Changes in Foreign Exchange Rates*. The Interpretation applies where the Company either pays or receives consideration in advance for foreign currency-denominated contracts.

  For single upfront payment/receipt, the Interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity should determine the date of the transaction for each payment or receipt.

  The Interpretation is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company does not expect a material impact on the financial statement upon adoption of the Interpretation.

21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of **Petroleum Specialities Pte. Ltd.** on 2 8 MAY 2018 .

PETROLEUM SPECIALITIES PTE. LTD.
Co. Reg. No.: 200403112K

DETAILED INCOME STATEMENT
For the financial year ended 31 March 2018

	2018 US$	2017 US$
REVENUE		
Sales of goods	**6,858,411**	9,310,564
LESS : COST OF SALES		
Opening stock	**(739,943)**	(593,175)
Purchases	**(5,322,199)**	(8,265,337)
Clearing & custom charges	**(4,519)**	(10,177)
Discount allowed	**-**	(46,711)
Ergon Alliance - profit / loss	**(101,578)**	(181,220)
Inspection charges	**(7,372)**	(13,833)
Insurance charge	**(5,168)**	(34,316)
Loss of stock in transit	**267**	(15,686)
Sales commission account	**(17,363)**	(26,471)
Tank storage charge	**(209,665)**	(242,855)
Testing fee	**(10,661)**	(20,655)
Vehicle unloading charges	**(4,876)**	(9,302)
Closing stock	**-**	739,943
	(6,423,077)	(8,719,795)
GROSS PROFIT	**435,334**	590,769
ADD: OTHER INCOME		
Interest received	**45,514**	70,807
Dividend income	**-**	408,400
Miscellaneous income	**7,380**	9,915
Profit share from licensee	**172,662**	-
	225,556	489,122
LESS: OTHER GAINS / (LOSSES) - NET		
Exchange difference	**38,907**	(25,881)
TOTAL INCOME	**699,797**	1,054,010

PETROLEUM SPECIALITIES PTE. LTD.
Co. Reg. No.: 200403112K

DETAILED INCOME STATEMENT
For the financial year ended 31 March 2018

	2018 US$	2017 US$
LESS : EXPENSES		
Bank charges	**(4,902)**	(5,545)
Bank guarantee charges	**(25,708)**	(25,553)
Conveyance expense	**(334)**	(317)
Courier charges	**(2,779)**	(3,604)
Depreciation	**(4,174)**	(4,290)
Director	**(2,229)**	(2,155)
Miscellaneous expenses	**(353)**	(547)
Rent for office suite	**(17,718)**	(17,341)
Postage expense	**(9)**	(6)
Professional fees	**(35,844)**	(44,227)
Rates & taxes	**-**	(6,473)
Printing & stationary expenses	**(37)**	(37)
Salary & wages	**(115,838)**	(112,219)
Skill development levy	**(197)**	(248)
Telephone expenses	**(509)**	(583)
Travelling expense	**(1,601)**	(1,390)
	(212,232)	(224,535)
Profit before income tax	**487,565**	829,475
Income tax expense	**(54,365)**	(6,971)
Net profit	**433,200**	822,504

CORPORATE DATA
As at 31 March 2018

PETROLEUM SPECIALITIES PTE. LTD.
(Incorporated in Singapore)

Registration number: 200403112K

Board of Directors

Kushal Narendra Desai
Gajjala Sai Sudhakar
Yeow Hong Soon

Auditor

Audit Alliance LLP
Chartered Accountants
No 20 Maxwell Road,
#11-09,
Singapore 069 113.
Telephone : (65) 6227 5428
Auditor-In-Charge : Lee Tai Wai

Registered Office

4 Shenton Way,
#08-03, SGX Centre 2,
Singapore 068 807.

Company Secretary

So Yuk Kee Minerva

Principal Bankers

DBS Bank
Credit Agricole Corporate and Investment Bank

PETROLEUM SPECIALITIES FZE
HAMRIYAH, SHARJAH – UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

PETROLEUM SPECIALITIES FZE
HAMRIYAH, SHARJAH – UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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OFFICE :
P. O. BOX : 42180,
HAMRIYAH FREE ZONE,
SHARJAH,
UNITED ARAB EMIRATES.

PETROLEUM SPECIALITIES FZE

Directors' Report

The Directors submit their report together with the audited financial statements of PETROLEUM SPECIALITIES FZE ("the Establishment") for the year ended 31 March 2018.

Principal activities
The principal activities of the Establishment are unchanged since the previous year and consist of manufacturing and marketing of petroleum based speciality products, all kinds of oils, lubricants and chemicals.

Financial results
Revenue of the Establishment for the year 2018 is USD 39,455,152 (2017 : USD 1,068,897) and net loss amounted to USD 519,717 (2017 : USD 1,010,385).

Directors
The Board of Directors comprised of:

Mr. Rishabh Kushal Desai
Mr. Kushal Narendra Desai
Mr. Sanjay Moreshwar Abhyankar
Mr. Sai Sudhakar Gajjala

Auditors
The financial statements for the year ended 31 March 2018 have been audited by M/s. Al Maqtari Auditing, Dubai, United Arab Emirates, who is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

These financial statements were approved by the Board and signed on behalf by the authorized representatives of the Establishment on 23 April 2018.

Mr. Rishabh Kushal Desai
Director

Mr. Kushal Narendra Desai
Director

INDEPENDENT AUDITORS' REPORT

To

The Directors,
M/S. PETROLEUM SPECIALITIES FZE,
Hamriyah Free Zone, Sharjah – United Arab Emirates

Report on the Audit of Financial Statements

Opinion
We have audited the financial statements of **M/S. PETROLEUM SPECIALITIES FZE, Hamriyah Free Zone, Sharjah, United Arab Emirates** (the "Establishment"), which comprise the statement of financial position as at 31 March 2018 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and their preparation in compliance with the applicable provisions issued by Hamriyah Free Zone Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or have no realistic alternative but to do so.

The management is responsible for overseeing the Establishment's financial reporting process.

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ص.ب: ١٨٢٦٢٣، مكتب ١٩٠٢ برج كلوفر الخليج، الخليج التجاري، دبي، الإمارات العربية المتحدة
دبي: ٢٧٦٣٨٨٨ ٤ ٩٧١+، ٣٦٨٦٣٩٤ ٤ ٩٧١+، ٢٣٦٤٦٦٠ ٤ ٩٧١+
مكاتبنا في عمان و أبو ظبي و الشارقة منطقة سيف و المنطقة الحرة الحمرية و
مسجلة في المناطق الحرة الكبرى في الإمارات العربية المتحدة.
البريد الإلكتروني: info@agnalmaqtariauditing.com
الموقع على الإنترنت: www.almaqtariauditing.com

PCAOB

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditors' report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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ص.ب: ١٨٢٦٢٣، مكتب ١٩٠٢ برج كلوفر الخليج، الخليج التجاري، دبي، الإمارات العربية المتحدة
دبي: ٢٧٦٣٨٨٨ ٤ ٩٧١+، ٣٦٨٦٣٩٤ ٤ ٩٧١+، ٢٣٦٤٦٦٠ ٤ ٩٧١+
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Reports on Other Legal and Regulatory Requirements

Further, as required by Hamriyah Free Zone Authority, we report that:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and complied, in all material respects, with the applicable provisions of the Establishment's Memorandum and Articles of Association and provisions issued by Hamriyah Free Zone Authority;

iii) the Establishment has maintained proper books of account;

iv) the financial information included in the Directors' report, in so far as it relates to these financial statements, is consistent with the books of account of the Establishment;

v) the Establishment has not purchased any shares during the financial year ended 31 March 2018;

vi) note 7 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Establishment has contravened during the financial year ended 31 March 2018 any of the applicable provisions issued by Hamriyah Free Zone Authority or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2018.

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Mohandas Balakrishnan
Auditors' Registration No: 507

29 May 2018

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Financial Position
At 31 March 2018

(In United States Dollars)

	Notes	31 March 2018 USD	31 March 2017 USD
Assets			
Non-current assets			
Property, plant and equipment	3	16,000,797	16,375,065
Capital work in progress	4	-	-
Advance for capital assets	5	59,993	116,507
Total non-current assets		16,060,790	16,491,572
Current assets			
Other receivables and prepayments	6	696,862	659,465
Due from a related party	7	29,297	-
Inventories	8	10,879,955	8,235,495
Accounts receivables	9	5,263,377	918,281
Bank balances and cash	10	2,483,331	835,052
Total current assets		19,352,822	10,648,293
Total Assets		35,413,612	27,139,865
Equity and Liabilities			
Equity			
Share capital	11	9,536,784	3,405,995
Accumulated losses		(1,544,873)	(1,025,156)
Total Equity		7,991,911	2,380,839
Non-current liabilities			
Loan from a related party	7	-	4,894,004
Due to banks	12	8,600,400	9,000,000
Provision for end-of-service benefits	13	41,134	7,197
Total non-current liabilities		8,641,534	13,901,201
Current liabilities			
Other payables and accruals	14	2,844,977	379,859
Due to banks	12	399,600	-
Due to a related party	7	1,262	1,812,605
Accounts payables	15	15,534,328	8,665,361
Total current liabilities		18,780,167	10,857,825
Total Liabilities		27,421,701	24,759,026
Total Equity and Liabilities		35,413,612	27,139,865

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on pages 2 to 4.

The financial statements on pages 5 to 28 were approved by the Board and signed on 23 April 2018 by the authorized representatives of the Establishment.

Mr. Rishabh Kushal Desai

Mr. Kushal Narendra Desai

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Comprehensive Income
For the year ended 31 March 2018

(In United States Dollars)

	Notes	For the year ended 31 March 2018 USD	2017 USD
Sales	16	**39,455,152**	1,068,897
Cost of sales	17	**31,719,786**	844,678
Gross profit		**7,735,366**	224,219
General and administrative expenses	18	**2,569,207**	551,704
Selling and distribution expenses		**3,710,606**	187,308
Finance charges		**1,007,006**	273,616
Depreciation of property, plant and equipment	3	**970,199**	221,976
Total operating expenses		**(8,257,018)**	(1,234,604)
(Loss) from operating activities		**(521,652)**	(1,010,385)
Other income	19	**1,935**	-
(Loss) for the year		**(519,717)**	(1,010,385)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		**(519,717)**	(1,010,385)

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on pages 2 to 4.

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RK Desai

Mr. Rishabh Kushal Desai **Mr. Kushal Narendra Desai**

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Cash Flows
For the year ended 31 March 2018

(In United States Dollars)

	For the year ended 31 March	
	2018	2017
	USD	USD
Cash flows from/(used in) operating activities:		
(Loss) for the year	(519,717)	(1,010,385)
Adjustments for:		
Provision for end-of-service benefits	34,202	7,197
Depreciation of property, plant and equipment	970,199	221,976
Finance charges	1,007,006	273,616
Operating profit/(loss) before changes in	1,491,690	(507,596)
Operating assets and liabilities		
(Increase) in other receivables and prepayments	(66,694)	(354,052)
(Increase) in inventories	(2,644,460)	(8,235,495)
(Increase) in accounts receivables	(4,345,096)	(918,281)
Increase in accounts and other payables	7,522,742	8,235,663
End-of-service benefits paid during the year	(265)	-
Net cash flows from/(used in) operating activities	1,957,917	(1,779,761)
Cash flows from/(used in) investing activities:		
Purchase of property, plant and equipment	(172,160)	(11,245,890)
Additions to capital work in progress	(423,771)	-
Advance for capital assets	56,514	4,550,577
Net cash flows (used in) investing activities	(539,417)	(6,695,313)
Cash flows from/(used in) financing activities:		
Increase in share capital	6,130,789	-
(Decrease)/Increase in loan from related party	(4,894,004)	3,546,016
Term loan acquired during the year	-	5,500,000
Finance charges paid	(1,007,006)	(273,616)
Net cash flows from financing activities	229,779	8,772,400
Net Increase in cash and cash equivalents	1,648,279	297,326
Cash and cash equivalents, beginning of the year	835,052	537,726
Cash and cash equivalents, end of the year	2,483,331	835,052
Represented by:		
Cash on hand (Note 10)	501	9,932
Bank balances (Note 10)	2,482,830	825,120
	2,483,331	835,052

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on pages 2 to 4.

The financial statements on pages 5 to 28 were approved by the Board and signed on 23 April 2018 by the authorized representatives of the Establishment.

Mr. Rishabh Kushal Desai **Mr. Kushal Narendra Desai**

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Changes in Equity
For the year ended 31 March 2018

(In United States Dollars)

	Share Capital	Accumulated Losses	Total
	USD	USD	USD
Balance at 1 April 2016	3,405,995	(14,771)	3,391,224
Changes in Equity:			
Total comprehensive (loss) for the year	-	(1,010,385)	(1,010,385)
Balance at 31 March 2017	3,405,995	(1,025,156)	2,380,839
Changes in Equity:			
a. Total comprehensive (loss) for the year	-	(519,717)	(519,717)
b. Increase in share capital	6,130,789	-	6,130,789
Balance at 31 March 2018	9,536,784	(1,544,873)	7,991,911

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on pages 2 to 4.

The financial statements on pages 5 to 28 were approved by the Board and signed on 23 April 2018 by the authorized representatives of the Establishment.

Mr. Rishabh Kushal Desai | **Mr. Kushal Narendra Desai**

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Notes to the Financial Statements
At 31 March 2018

1 Legal Status and Activities

PETROLEUM SPECIALITIES FZE, ("the Establishment") is registered with the Hamriyah Free Zone Authority, Sharjah, United Arab Emirates as a free zone establishment and operates under industrial license no. 13326 issued on 18 November 2014. The Establishment's registered office is at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

The Establishment is engaged in the business of manufacturing and marketing of petroleum based speciality products, all kinds of oils, lubricants and chemicals. The management and control of the Establishment are vested with Mr. Rishabh Kushal Desai.

2 Significant Accounting Policies

Basis of preparation
The financial statements have been prepared on a historical cost basis except for derivative financial instruments and financial assets at fair value through other comprehensive income that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in United States Dollars (USD), being the functional and presentation currency of the Establishment.

Basis of compliance
The financial statements of the Establishment are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of the United Arab Emirates laws.

IAS 10 Events After The Reporting Period contains requirements for when events after the end of the reporting period should be adjusted in the financial statements. Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. [IAS 10.3]

These events can be broadly classified as:
(a) **Adjusting event** – an event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the enterprise is not appropriate. [IAS 10.3]
(b) **Non-adjusting event** – an event after the reporting period that is indicative of a condition that arose after the reporting period. [IAS 10.3]

Accounting
An entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period. [IAS 10.8]

An entity shall not adjust the amounts recognized in its financial statements to reflect non-adjusting events after the reporting period. [IAS 10.10]

There are no events that occur between the end of the reporting period and the date when the financial statements are authorised for issue that require adjustments or special disclosures in the financial statements as on the statement of financial position date.

2 **Significant Accounting Policies (continued)**

New standards, interpretations and amendments adopted by the Establishment

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Establishment's most recent financial statements, except for the adoption of the new standards, interpretations and amendments effective as of 1 January 2018. Although these new standards and amendments apply for the first time in 2018, they do not have a material impact on the financial statements of the Establishment.

IFRS 15 Revenue from contracts with customers

The standard replaces IAS 11, 'Construction Contracts', IAS 18, 'Revenue' and related interpretations. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services. IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Amendment to IFRS 15 Revenue from contracts with customers

The amendments comprise clarifications on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Establishment's financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Establishment has no share-based payment transactions, therefore these amendments do not have any impact on the Establishment's financial statements.

Amendments to IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments do not have any impact on the Establishment's financial statements.

2 Significant Accounting Policies (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Establishment's financial statements.

IFRS 9 Financial Instruments

The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Establishment's financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments do not have any impact on the Establishment's financial statements.

2 Significant Accounting Policies (continued)

Standards, amendments and interpretations in issue but not effective

At the date of authorisation of these financial statements, other that the standards and interpretations adopted by the Establishment, the following standards, amendments and interpretations were in issue but not yet effective.

IFRS 16 Leases

Issued on January 2016. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations. It becomes effective for periods beginning on or after 1 January 2019. Earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture. Effective date is deferred indefinitely.

IFRS 17 Insurance Contracts

IFRS 17 will replace IFRS 4 Insurance Contracts (effective for reporting periods beginning or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17).

Annual Improvements to IFRSs 2014-2017 cycles (issued in December 2017)

These improvements include: IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (effective for annual reporting periods beginning on or after 1 January 2019)

The Establishment does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future financial statements of the Establishment.

Revenue Recognition

The Establishment has adopted IFRS 15 and has applied the following accounting policy in the preparation of its financial statements.

Revenue from contracts with customers

The Establishment recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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2 Significant Accounting Policies (continued)

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Establishment satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
2. The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Establishment's performance does not create an asset with an alternative use to the Establishment and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied. When the Establishment satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties. The Establishment assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Establishment has concluded that it is acting as a principal in all its revenue arrangements.

Revenue is recognized in the statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Establishment and the revenue and costs, if applicable, can be measured reliably.

Interest income
Interest income is recognized as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Current versus non-current classification
The Establishment presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Establishment classifies all other assets as non-current.

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2 Significant Accounting Policies (continued)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Establishment classifies all other liabilities as non-current.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	30-60 Years
Plant and Machinery	10-20 Years
Motor Vehicles	8 Years
Furniture, Fixtures and Office Equipment	5-10 Years

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognized in the statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the property, plant and equipment no longer exist or have reduced.

Inventories
Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items.

Costs are those expenses incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

2 Significant Accounting Policies (continued)

Financial assets
All financial assets are recognized and derecognized on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets
For the purposes of classifying financial assets, an instrument is an "equity instrument" if it is a non-derivative and meets the definition of "equity" for the issuer (under IAS 32: *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are "debt instruments".

Equity investments
All financial assets that are equity investments are measured at fair value either through other comprehensive income or through profit or loss. This is an irrevocable choice that the Establishment has made an early adoption of IFRS 9 – Phase 1 or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity instruments is recorded through the statement of comprehensive income.

Debt instruments
Debt instruments are also measured at fair value through profit or loss unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalent consist of cash at hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Accounts receivables
Accounts receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. When accounts receivables are uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

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2 Significant Accounting Policies (continued)

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Establishment retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- The Establishment has transferred its rights to receive cash flows from the asset either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Establishment has transferred its rights to receive cash flows from an asset or has entered in a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Establishment's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Establishment could be required to repay.

Impairment of financial assets
The Establishment assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Impairment of non-financial assets
The Establishment assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Establishment estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted shares prices for publicly traded entities or other available fair value indicators.

2 Significant Accounting Policies (continued)

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exits, the Establishment estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

Financial liabilities and equity instruments issued by the Establishment
Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Establishment determines the classification of its financial liabilities at initial recognition.

Accounts and other payables
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings
Term loans are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortisation process.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Derecognition of financial liabilities
The Establishment derecognized financial liabilities when, and only when, the Establishment's obligations are discharged, cancelled or they expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2 Significant Accounting Policies (continued)

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if,

- There is currently enforceable legal right to offset the recognized amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

End-of-service benefits
The Establishment provides end-of-service benefits to its employees. The entitlement of these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Provisions
Provisions are recognized when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Establishment expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

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2 Significant Accounting Policies (continued)

Fair value measurement
The Establishment measures financial instruments at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming the 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.

For investments traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using the interest rates for items with similar terms and risk characteristics.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

Use of estimates and judgments
The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies (that have the most significant effect on the amount recognized in the financial statements) are discussed in note 23.

3 Property, plant and equipment

	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fixtures and Office Equipment	Total
	USD	USD	USD	USD	USD
Cost:					
At 1 April 2016	-	-	18,761	9,999	28,760
Additions	4,330,400	11,993,175	110,955	139,482	16,574,012
At 31 March 2017	4,330,400	11,993,175	129,716	149,481	16,602,772
Cost:					
At 1 April 2017	4,330,400	11,993,175	129,716	149,481	16,602,772
Additions	5,381	576,410	-	14,140	595,931
At 31 March 2018	**4,335,781**	**12,569,585**	**129,716**	**163,621**	**17,198,703**
Accumulated Depreciation:					
At 1 April 2016	-	-	4,162	1,569	5,731
Depreciation	24,907	150,798	24,678	21,593	221,976
At 31 March 2017	24,907	150,798	28,840	23,162	227,707
Accumulated Depreciation:					
At 1 April 2017	24,907	150,798	28,840	23,162	227,707
Depreciation	125,185	763,837	31,504	49,673	970,199
At 31 March 2018	**150,092**	**914,635**	**60,344**	**72,835**	**1,197,906**
Net carrying amount:					
At 31 March 2017	4,305,493	11,842,377	100,876	126,319	16,375,065
Net carrying amount:					
At 31 March 2018	**4,185,689**	**11,654,950**	**69,372**	**90,786**	**16,000,797**

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4 Capital work in progress

	31 March	
	2018	2017
	USD	USD
Balance at 1 April	**-**	5,328,122
Additions during the year	**423,771**	-
Transfer to property, plant and equipment	**(423,771)**	(5,328,122)
Balance at 31 March	**-**	-

Note: Capital work in progress represents cost incurred in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kinds of oils, lubricants and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

5 Advance for capital assets

	31 March	
	2018	2017
	USD	USD
Advances to suppliers and contractors	**59,993**	116,507

Note: The above represents the advances given to the suppliers and contractors in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kinds of oils, lubricants and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

6 Other receivables and prepayments

	31 March	
	2018	2017
	USD	USD
Prepayments and deferrals	**441,359**	540,619
Refundable deposits	**40,227**	90,081
Advances	**32,038**	15,311
Other receivables	**183,238**	13,454
	696,862	659,465

7 Related party transactions

Related parties represent the directors and key management personnel, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Establishment's management.

Balances with related party included in the statement of financial position are as follows:

(a) Due from a related party

	31 March	
	2018	2017
	USD	USD
M/s. Petroleum Specialities PTE LTD, Singapore	**29,297**	-

(b) Loan from a related party

	31 March	
	2018	2017
	USD	USD
M/s. Petroleum Specialities PTE LTD, Singapore	-	4,894,004

(c) Due to a related party

	31 March	
	2018	2017
	USD	USD
M/s. Apar Industries Limited, India	**1,262**	1,812,605

(d) Compensation of key management personnel

The remuneration of member of key management during the year were as follows:

	31 March	
	2018	2017
	USD	USD
Short-term benefits	**53,950**	41,525
End-of-service benefits	**5,485**	2,381
	59,435	43,906

8 Inventories

	31 March	
	2018	2017
	USD	USD
Raw materials	**9,916,760**	7,921,081
Work in progress	**471,324**	16,148
Finished goods	**340,982**	243,199
Consumables	**150,889**	55,067
	10,879,955	8,235,495

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9 Accounts receivables

	31 March	
	2018	2017
	USD	USD
Debtors (due for less than 6 months and unimpaired)	**5,263,377**	918,281

Unimpaired accounts receivables are expected, on the basis of past experience, to be fully recoverable.

As at 31 March 2018, there were no impaired accounts receivables (2017 : Nil).

10 Bank balances and cash

	31 March	
	2018	2017
	USD	USD
Cash on hand	**501**	9,932
Bank balances - Current accounts	**2,482,830**	825,120
	2,483,331	835,052

11 Share capital

On 22 January 2018, authorised, issued and paid up capital of the Establishment has been changed to AED 35,000,000 (USD 9,536,784) divided into 35,000 shares of AED 1,000 each, fully paid and held by M/s. Petroleum Specialities PTE LTD, Singapore.

12 Due to banks

	31 March	
	2018	2017
	USD	USD
Term loan	**9,000,000**	9,000,000
Less: Non-current portion	**(8,600,400)**	(9,000,000)
Current portion of term loan	**399,600**	-

Note: The term loan USD 9,000,000 is to be repaid in unequal quarterly installments up to 29 June 2022.

Bank facilities granted to the Establishment are secured by the following:

a. Joint and several guarantees of M/s. Petroleum Specialities PTE LTD, Singapore and M/s. Apar Industries Limited, India, related parties.

b. Mortgage over fixed assets (plant and machinery) situated at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

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13 Provision for end-of-service benefits

	31 March 2018 USD	31 March 2017 USD
Provision for end-of-service benefits, 1 April	**7,197**	-
Provided during the year	**34,202**	7,197
Paid during the year	**(265)**	-
Provision for end-of-service benefits, 31 March	**41,134**	7,197

14 Other payables and accruals

	31 March 2018 USD	31 March 2017 USD
Accruals and provisions	**2,626,474**	298,859
Advances	**205,000**	-
Other payables	**13,503**	81,000
	2,844,977	379,859

15 Accounts payables

	31 March 2018 USD	31 March 2017 USD
Trade payables	**2,531,887**	5,188,333
Acceptances	**13,002,441**	3,477,028
	15,534,328	8,665,361

16 Sales

	For the year ended 31 March 2018 USD	For the year ended 31 March 2017 USD
Export sales	**38,253,161**	1,051,362
Other direct income	**1,201,991**	17,535
	39,455,152	1,068,897

17 Cost of sales

	For the year ended 31 March 2018 USD	For the year ended 31 March 2017 USD
Direct costs	**31,719,786**	844,678

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18 General and administrative expenses

	For the year ended 31 March	
	2018	2017
	USD	USD
Salaries and other related benefits	**1,017,786**	276,261
Land rent	**360,851**	70,778
Staff and labour accommodation	**144,852**	10,486
Legal and professional, municipal and visa charges	**140,910**	25,483
Insurance	**142,638**	20,764
Communication	**58,890**	8,638
Travelling and conveyance	**149,855**	38,203
Other general and administrative expenses	**553,425**	101,091
	2,569,207	551,704

19 Other income

	For the year ended 31 March	
	2018	2017
	USD	USD
Miscellaneous receipts	**1,935**	-

20 Guarantees and contingencies

	31 March	
	2018	2017
	USD	USD
Letters of guarantee	**5,000,000**	-

The above guarantees are issued in the ordinary course of business from which it is anticipated that no material liability will arise. In addition to the above, the Establishment has provided labour guarantees.

21 Risk Management

Risk is inherent in the Establishment's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Establishment's continuing profitability and each individual within the Establishment is accountable for the risk exposures relating to his or her responsibilities.

The Establishment's Director oversees the management of these risks. The Directors review and agree policies for managing each of these risks which are summarised below.

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The Establishment's principal financial liabilities consist of accounts payables, due to a related party, loan from a related party, due to banks and other payables. The Establishment's financial assets are bank balances and cash, accounts receivables, due from a related party, deposits and other receivables.

The Establishment's financial risk management process and policies relating to these risks are discussed in detail below.

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 Establishment is not currently exposed to any significant interest rate risk.

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Establishment is exposed to credit risk from its operating activities (primarily for accounts receivables), including deposits with banks and financial institutions, and other financial instruments.

The Establishment is exposed to credit risk on its bank balances and receivables as follows:

	31 March	
	2018	2017
	USD	USD
Bank balances	**2,482,830**	825,120
Accounts receivables	**5,263,377**	918,281
Advance for capital assets	**59,993**	116,507
Refundable deposits	**40,227**	90,081
Advances	**32,038**	15,311.00
Other receivables	**183,238**	13,454
	8,061,703	1,978,754

Bank balances

The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

Accounts receivables

Credit risks related to receivables are managed subject to the Establishment's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for all customers.

The Establishment has taken credit insurance with respect to its accounts receivables.

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Liquidity risk

Liquidity risk is the risk that the Establishment will encounter difficulty in meeting obligations from its financial liabilities.

The Establishment's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. The Establishment limits its liquidity risk by ensuring adequate funds from the Owner or other related parties are available.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Establishment is not exposed to any significant currency risk as most of the transactions are in United States Dollars (USD).

Capital Management

The primary objective of the Establishment's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize value to the owner.

The Establishment manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Establishment may adjust the profit payment to the owner, return capital to the owner or issue new shares. No changes were made in the objectives, policies, or processes during the year ended 31 March 2018 and 31 March 2017. Capital comprises share capital and accumulated losses and is measured at USD 7,991,911 (2017 : USD 2,380,839).

22 Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances and cash, accounts receivables, due from a related party, deposits and other receivables. Financial liabilities consist of accounts payables, due to a related party, loan from a related party, due to banks and other payables.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

23 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of accounts receivables

An estimate of the collectible amount of accounts receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis.

Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. At the statement of financial position date, gross accounts receivables were USD 5,263,377 (2017 : USD 918,281). No allowance for doubtful debts was required during the year ended 31 March 2018 and 31 March 2017. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Useful lives and depreciation of property, plant and equipment

The Establishment's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Impairment of non-financial assets

The Establishment assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

24 Comparative figures

Certain accounts of the previous year were reclassified to conform to current year presentation.

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SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W / W100218

INDEPENDENT AUDITOR'S REPORT

To the Members of Apar Transmission & Distribution Projects Private Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Apar Transmission & Distribution Projects 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 Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, (hereinafter referred to as 'financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting Policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 2286 9900 Fax (22) 2286 9949 E-mail : admin.mumbai@stllp.in
Shreedhar T. Kunte Edwin P. Augustine Raghunath P. Acharya Firdosh D. Buchia Tirtharaj A. Khot
Also at Goa

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 Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order,

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 it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows 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 financial statements comply with the Indian Accounting Standards specified 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 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 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. In our opinion and to the best of our information and according to the explanation given to us;

      (1) the Company does not have any pending litigations which would impact its financial position;

      (2) the Company did not have any long-term contracts including derivative contracts for which there are no material foreseeable losses; and

      (3) there are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by the hand of

SHARP & TANNAN LLP MUMBAI SCT CHARTERED ACCOUNTANTS

Edwin P. Augustine
Partner
Membership No.: 043385

Mumbai, 21st May, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

(i) The Company did not have fixed assets during the year. Accordingly, the Paragraph 3(i) (a),(b) and (c) of the Order is not applicable to the Company.

(ii) The Company did not carry inventory during the year. Accordingly, the Paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured, to the Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security are not applicable. Accordingly, the Paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, the Paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year 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 as at 31st March, 2018 which have not been deposited on account of any dispute pending.

(viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from banks, financial institutions and Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and by way of term loan. Accordingly, the Paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, the Company has not paid / provided any managerial remuneration. Accordingly, the Paragraph 3(xi) of the Order is not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the

SHARP & TANNAN LLP MUMBAI S.T CHARTERED ACCOUNTANTS relevant details have been disclosed in the financial statements etc., as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.

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

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by the hand of

SHARP & TANNAN LLP MUMBAI CHARTERED ACCOUNTANTS

Edwin P. Augustine
Partner
Membership No.: 043385

Mumbai, 21st May, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **Apar Transmission & Distribution Projects Private Limited** (the 'Company') as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on issued by the ICAI.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by the hand of

SHARP & TANNAN LLP
MUMBAI
SIT
CHARTERED ACCOUNTANTS

Edwin P. Augustine
Partner
Membership No.: 043385

Mumbai, 21st May, 2018

Apar Transmission & Distribution Projects Private Limited

Balance sheet as at March 31, 2018

	Note	As at March 31, 2018 ₹	As at March 31, 2017 ₹
ASSETS			
Non-current assets			
Property, Plant and Equipment		-	-
Other Intangible assets		-	-
Financial Assets			
Trade receivables		-	-
Other non-current assets	2	20,000	20,000
Other non-current assets		-	-
Other Tax Assets	3	10,20,000	-
Total non current assets		10,40,000	20,000
Current Assets			
Inventories		-	-
Financial Assets		-	-
Investments		-	-
Trade receivables	4	8,19,90,045	-
Cash and cash equivalents	5	1,14,162	80,000
Bank balances other than above		-	-
Short-term loans and advances		-	-
Derivatives		-	-
Other current assets	6	1,27,89,829	32,597
Total current assets		9,48,94,036	1,12,597
TOTAL ASSETS		9,59,34,036	1,32,597

	Note	As at March 31, 2018 ₹	As at March 31, 2017 ₹
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7	1,00,000	1,00,000
(b) Other equity			
Reserves & Surplus	8	1,14,97,666	(80,693)
Other reserves		-	-
Total equity		1,15,97,666	19,307
Non current liabilities			
Financial liabilities		-	-
Long term borrowings		-	-
Other financial liabilities		-	-
Provisions		-	-
Deferred tax liabilities (net)		-	-
Other non-current liabilities		-	-
Total non current liabilities		-	-
Current liabilities			
Financial liabilities			
Borrowings		-	-
Trade and other payables	9	7,09,84,635	11,700
Other financial liabilities		-	-
Derivatives		-	-
Other current liabilities	10	93,36,345	1,01,590
Short term provisions		-	-
Liabilities for current tax	11	40,15,390	-
Total current liabilities		8,43,36,370	1,13,290
Total liabilities		8,43,36,370	1,13,290
Total Equity and Liabilities		9,59,34,036	1,32,597

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai
21st May, 2018

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
21st May, 2018

H. S. Dhanjal
Director
DIN : 07561561

SHARP & TANNAN LLP MUMBAI CHARTERED ACCOUNTANTS

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED Vadodara 390 007

Apar Transmission & Distribution Projects Private Limited

Statement of profit and loss for the year ended March 31, 2018

	Note	For the year ended March 31, 2018 ₹	For the year ended March 31, 2017 ₹
Revenue			
I. Revenue from Operations	12	12,51,27,325	-
II. Other income		-	-
III. Total Revenue		**12,51,27,325**	**-**
IV. Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-	-
Excise Duty		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	13	10,95,33,576	80,693
Total Expenses		**10,95,33,576**	**80,693**
Less : Transfer to capital assets		-	-
Net total expenses		**10,95,33,576**	**80,693**
V. Profit Before Exceptional Items and Tax		1,55,93,749	**(80,693)**
VI. Exceptional Items		-	-
VII. Profit Before Tax		1,55,93,749	**(80,693)**
VIII. Tax expense:			
1. Current Tax		40,15,390	-
2. Deferred Tax		-	-
3. Taxes of earlier years		-	-
		40,15,390	**-**
IX. Net Profit for the year (IX+X)		**1,15,78,359**	**(80,693)**
X.Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
XI. Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,55,93,749	(80,693)
XII. Earnings per equity share	14		
Basic		1,559	(12.97)
Diluted		1,559	(12.97)
Significant Accounting Policies	**1**		

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Transmission & Distribution Projects Private Limited
Vadodara
390 007

Edwin P. Augustine
Partner
Membership No. 043385
Mumbai

SHARP & TANNAN LLP
MUMBAI
CHARTERED ACCOUNTANTS

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,

H .S. Dhanjal
Director
DIN : 07561561

Apar Transmission & Distribution Projects Private Limited

Statement of cash flows for the year ended March 31, 2018

	For the year ended March 31, 2018 ₹	For the year ended March 31, 2017 ₹
Cash flow from operating activities		
Profit before tax	1,55,93,749	(80,693)
Adjustments for		
Depreciation on non current assets	-	-
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	(9,57,67,276)	(52,597)
(Increase)/ Decrease in inventories		
Increase/ (Decrease) in trade and other payables	7,09,72,935	11,700
(Decrease)/ Increase in other liabilities	92,34,755	1,500
Tax paid		
Net cash generated by / (used in) operating activities	34,163	(1,20,090)
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings	-	1,00,090
Proceeds/(repayments) shares	-	1,00,000
Net cash (used in) / generated by financing activities	-	**2,00,090**
Net increase / (decrease) in cash and cash equivalents	34,163	80,000
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	80,000	-
Cash and cash equivalents at the end of the year	**1,14,163**	**80,000**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED
Vadodara
390 007

Edwin P Augustine
Partner
Membership No. 043385
Mumbai
21st May, 2018

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
21st May, 2018

H .S. Dhanjal
Director
DIN : 07561561

SHARP & TANNAN LLP
MUMBAI
CHARTERED ACCOUNTANTS

Apar Transmission & Distribution Projects Private Limited

Statement of changes in equity

(a) Equity share capital

	As at March 31, 2018	
	No. of Shares	**Amount**
Balance at the beginning of the reporting period Balance	10,000	1,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	10,000	1,00,000

(b) Other equity

₹

	Reserves & Surplus				
For the year ended	**Retained earnings - Surplus**	**General reserve**	**Securities premium reserve**	**OCI**	**Total**
Balance at March 31, 2017	(80,693)	-	-	-	(80,693)
Total comprehensive income for the year					
Profit for the year	1,15,78,359	-	-	-	1,15,78,359
Other comprehensive income for the year					-
Total comprehensive income for the year	1,15,78,359	-	-	-	1,15,78,359
Transactions with the owners of the Company					
Contributions and distributions					
Dividends					
Transfer / Receipt					
Buy back of shares					-
Balance at March 31, 2018	1,14,97,666	-	-	-	1,14,97,666

Note

i) The nature and purpose of each of the Reserves have been explained under Note 5 Other Equity

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Edwin P Augustine
Partner
Membership No. 043385
Mumbai
21st May, 2018

For and on behalf of the Board of Directors

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
21st May, 2018

H .S. Dhanjal
Director
DIN : 07561561

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED ★ Vadodara 390 007

SHARP & TANNAN LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Apar Transmission & Distribution Projects Private Limited
Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note: 1 – Significant Accounting Policies

1. General information

The Company was incorporated as Wholly owned Subsidiary of Apar Industries Limited on 26th August, 2016 to carry out the business of stringing / re-stringing etc. of Conductors and cables. Apar Industries Limited holds 100% of the Equity Share Capital of the Company i.e. 10,000 Equity Shares of Rs. 10/- each.

2. Basis of accounting

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act and rules made thereunder.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

3. Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest rupee, unless otherwise indicated.

4. Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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CHARTERED ACCOUNTANTS

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED
Vadodara
390 007

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Fair value of financial instruments**

Derivatives and investments in mutual funds are carried at fair value. Derivatives includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

SHARP & TANNAN LLP MUMBAI CHARTERED ACCOUNTANTS

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED Vadodara 390 007

Apar Transmission & Distribution Projects Private Limited

Notes To The Financial Statement as at and for the Year Ended March 31, 2018

6 Recent accounting pronouncements

i) Ind AS 115 Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible method of transition:

• Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The effective date of adoption of IND AS 115 is financial period beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2018 will not be retrospectively adjusted. As at the date of this report, the Company management does not expect that the impact of the Company's results of operations and financial position will be material upon adoption of IND AS 115.

ii) Amendments to Ind AS

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences.

7 Significant accounting policies followed by the company

A. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

SHARP & TANNAN LLP MUMBAI CHARTERED ACCOUNTANTS

DISTRIBUTION PROJECTS PRIVATE LIMITED Vadodara 390 007 APAR TRANSMISSION &

Recent Accounting pronouncements – Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

B. Revenue

i. Sale of goods and Services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks, rewards and controls of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

In respect of service activities, income is recognised as and when services are rendered. For erection services, it is recognised on percentage completion basis.

C. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

- **Superannuation Scheme**

The Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss .

D. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

Share issue expenses are written off against share premium account, if any, or amortized over a period of 5 years.

E. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if the Company:

a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

· temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

· temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

· taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

F. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average method.

G. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written Down Value based on the method consistently followed by the respective entities in the Company.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital expenditure in respect of which ownership does not vest with the Company is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Machinery	15 Years	20 Years

H. Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

I. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, Commodity future Contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

K. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised 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 the financial asset. Purchases or sales 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 that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts 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 recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

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L. Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

ii. Lease assets

Assets held by the Company under leases that transfer to the Company's substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

M. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.
The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.
When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

N. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

O. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 2 Other Non current Finacial Assets	31 March 2018 ₹	31 March 2017 ₹
Unsecured, considered good		
Security deposits	20,000	20,000
	20,000	20,000

Note 3 Other Tax Assets	31 March 2018 ₹	31 March 2017 ₹
Curren Year Tax details		
Advance Income tax	10,20,000	-
Tax Deducted		
	10,20,000	-

Note 4 Trade Receivable	31 March 2018 ₹	31 March 2017 ₹
Debts outstanding for a period exceeding six months :		
Secured		
Un Secured		
Other debts:		
Secured		-
Un-Secured		
Considered good	8,19,90,045	
	8,19,90,045	-

Note 5 Cash and cash equivalents	31 March 2018 ₹	31 March 2017 ₹
On current accounts	1,14,162	80,000
Cash on hand		-
Cheques on hand		-
	1,14,162	80,000

Note 6 Other current assets	31 March 2018 ₹	31 March 2017 ₹
Balances with statutory/government authorities	96,83,203	32,597
Prepayments and others	31,06,626	-
Others		-
	1,27,89,829	32,597

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

	Note 7 Equity share capital	31 March 2018	31 March 2017
a	**Authorised :**		
	20,000 (Previous year Nil) Equity shares of ₹ 10 each	2,00,000	2,00,000
	TOTAL	2,00,000	2,00,000
b	**Issued :**		
	10,000 (Previous year Nil) Equity shares of ₹ 10 each	1,00,000	1,00,000
	TOTAL	1,00,000	1,00,000
c	**Subscribed and Paid up :**		
	10,000 (Previous year Nil) Equity shares of ₹ 10 each	1,00,000	1,00,000
		1,00,000	1,00,000

d	Reconciliation of number of shares outstanding at the beginning and end of the year :	31 March 2018	31 March 2017
	Outstanding at the beginning of the year	10,000	-
	Issued during the year	-	10,000
	Outstanding at the end of the year	10,000	10,000

e **Terms/rights attached to equity shares**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

f	Shareholders holding more than 5% shares in the company is set out below:	31 March 2018		31 March 2017	
		No of shares	%	No of shares	%
	Apar Industries Limited	9,999	99.99%	9,999	99.99%

g **Shares Reserved for issue under options**

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Apar Transmission & Distribution Projects Private Limited

Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 8 Other Equity

	31 March 2018 ₹	31 March 2017 ₹
Retained earnings - Surplus	1,14,97,666	(80,693)
General reserve	-	-
Securities premium reserve	-	-
Capital reserve	-	-
Capital Redemption Reserve	-	-
	1,14,97,666	(80,693)
As per Last Balance Sheet		-
Increase/(Decrease) during the year	-	-
Closing Balance	1,14,97,666	(80,693)

Nature and purpose of reserves

i. General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Note 9 Trade and other payables	31 March 2018 ₹	31 March 2017 ₹
Due to Micro, Small and Medium Enterprises	-	-
Due to other than micro and small and medium enterprises	7,09,84,635	11,700
Total	7,09,84,635	11,700

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 10 Other current liabilities	31 March 2018 ₹	31 March 2017 ₹
Statutory dues towards Government	93,36,345	1,500
Other payables	-	1,00,090
	93,36,345	1,01,590

Note 11 Provision for Tax	31 March 2018 ₹	31 March 2017 ₹
Provision for Tax for Current Year	40,15,390	-
Total	40,15,390	-

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Apar Transmission & Distribution Projects Private Limited
Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 12 Revenue from operations	**2017-18** ₹	**2016-17** ₹
Sale of services	12,51,27,325	-
Other operating revenue	-	-
Total	**12,51,27,325**	-
Revenue from operations (gross)	12,51,27,325	-

Note 13 Other expenses	**2017-18** ₹	**2016-17** ₹
Processing charges, fabrication and labour charges	9,28,09,032	-
Rates and taxes	190	262
Legal and professional fees	24,000	51,061
Payment to auditors:		
Statutory audit fees	25,000	
Lease rental	-	20,000
Miscellaneous expenses	1,66,75,354	9,370
	10,95,33,576	80,693

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Note 14 Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

	March 31, 2018 ₹	March 31, 2017 ₹
Profit (loss) for the year, attributable to the owners of the Company	1,15,78,359	(80,693)
Profit (loss) for the year, attributable to ordinary shareholders	1,15,78,359	(80,693)

ii. Weighted average number of ordinary shares (basic)

	March 31, 2018	March 31, 2017
Issued ordinary shares 17-18	10,000	6,219
Effect of share options exercised		
Weighted average number of shares at March 31	**10,000**	**6,219**

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2018 and as at 31/03/2017, hence diluted earnings per share is same as basic earnings per share.

Note 15: Related party relationships, transactions and balances

A. List of Related Parties

Holding Company: Apar Industries Limited

B. Related Party Transactions

Transactions	**2018**	**2017**
	₹ Cr	₹ Cr
1. Sales of services	5.84	-
2. Purchase of goods or services	1.65	-
3. Balance outstanding for sales of services	1.40	(0.01)

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CEMA OPTILINKS PRIVATE LIMITED

FINANCIALS

FY 2017-18

INDEPENDENT AUDITOR'S REPORT
To the Members of CEMA Optilinks Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **CEMA Optilinks 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 Statement of Changes in Equity for the period ended as that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting Policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives 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 reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and Statement of changes in equity for the period ended.

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 Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order,

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 it appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows 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 financial statements comply with the Indian Accounting Standards specified 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 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 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) Rule, 2014. In our opinion and to the best of our information and according to the explanation given to us;

      (1) the Company does not have any pending litigations which would impact its financial position;

      (2) the Company did not have any long-term contracts including derivative contracts for which there are no material foreseeable losses; and

      (3) there are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by the hand of

SHARP & TANNAN LLP MUMBAI S.T CHARTERED ACCOUNTANTS

Edwin P. Augustine
Partner
Membership No.:043385

Mumbai, 29th May, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 of our report of even date)

(i) The Company did not own any fixed assets during the period. However, the Company has capital work-in-progress. Accordingly, the Paragraph 3(i) (a) to (c) of the Order is not applicable to the Company.

(ii) As explained to us, inventories have been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.

(iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security is not applicable. Accordingly, the Paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the period. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, the Paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including income tax, goods and services tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial period 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 as at 31st March, 2018 which have not been deposited on account of any dispute pending.

(viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from banks, financial institutions and Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and by way of term loan. Accordingly, the Paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the period nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, the Company has not paid / provided any managerial remuneration. Accordingly, the Paragraph 3(xi) of the Order is not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.

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(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the relevant details have been disclosed in the financial statements etc., as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.

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

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by the hand of

SHARP & TANNAN LLP MUMBAI CHARTERED ACCOUNTANTS

Edwin P. Augustine
Partner
Membership No.: 043385

Mumbai, 29th May, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **CEMA Optilinks Private Limited** (the 'Company') as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by the hand of

SHARP & TANNAN LLP MUMBAI CHARTERED ACCOUNTANTS

Edwin P Augustine
Partner
Membership No.: 043385

Mumbai, 29th May, 2018

CEMA OPTILINKS PVT. LTD

BALANCE SHEET AS AT 31ST MARCH 2018

	Note No.	As at March 31, 2018 ₹
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible assets		-
Intangible Assets		-
Capital work in progress	2	42,21,688
Financial Assets		
Trade receivables		-
Other non-current assets	3	16,48,424
Other Non Current Assets		-
Deferred Tax Assets	4	6,17,206
Other Tax Assets		-
Total non current assets		22,65,630
Current Assets		
Inventories	5	1,21,327
Financial Assets		
Current investments		-
Trade Recivables	6	28,77,166
Cash and Cash equivalents	7	4,75,380
Bank balances other than above		-
Short-term loans and advances		-
Derivatives		-
Other Current assets	8	7,19,209
Total current assets		41,93,082
Total Assets		1,06,80,400
EQUITY AND LIABILITIES		
Shareholders' funds		
EquityShare Capital	9	1,00,000
Share Suspense Account		
Other Equity :- Reserves and surplus	10	(17,79,712)
Other Equity :- Items of OCI		
Total Equity		(16,79,712)
Non-Current liabilities		
Financial liabilities		
Borrowings		-
Other financial liabilities		-
Long-term Provision		-
Deferred Taxation Liability		-
Total non current liabilities		-
Current liabilities		
Financial Liabilities		
Borrowings	11	-
Trade Payable	12	51,74,517
Other financial liabilities		-
Derivatives		-
Other Current Liabilities	13	71,85,595
Short-Term provisions		-
Liabilities for current tax		-
Total current liabilities		1,23,60,112
Total Equity and Liabilities		1,06,80,400

As per our report of even date attached
Sharp & Tannan LLP
Chartered Accountants
Firm Registration No.127145W/W100218
by the hand of

Augustine

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 29th May, 2018

SHARP & TANNAN LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Kushal N. Desai
Director
DIN : 00008084
Mumbai, 29th May, 2018

CNDesai

Chaitanya N. Desai
Director
DIN : 00008091

CEMA OPTILINKS PVT. LTD

Statement of profit and loss for the year ended March 31, 2018

	Note	For the year ended March 31, 2018 ₹
Revenue		
I. Revenue from Operations	14	24,38,795
II. Other income		-
III. Total Revenue		**24,38,795**
IV. Expenses		
Cost of materials consumed	15	23,97,611
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-
Employee benefits expense		-
Finance costs		-
Depreciation and amortization expense		-
Other expenses	16	24,38,101
Total Expenses		**48,35,712**
V. Profit Before Exceptional Items and Tax		(23,96,917)
VI. Exceptional Items		-
VII. Profit Before Tax		(23,96,917)
VIII. Tax expense:		
1. Current Tax		-
2. Deferred Tax		6,17,206
3. Taxes of earlier years		
		6,17,206
IX. Net Profit for the year (IX+X)		**(17,79,711)**
X.Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Items that will not be reclassified to profit or loss		-
Income tax relating to items that will not be reclassified to profit or loss		-
Items that will be reclassified to profit or loss		
Items that will not be reclassified to profit or loss		-
Income tax relating to items that will not be reclassified to profit or loss		-
XI. Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(17,79,711)**
XII. Earnings per equity share	17	
Basic		(222)
Diluted		(222)
Significant Accounting Policies	1	

As per our report of even date attached
Sharp & Tannan LLP
Chartered Accountants
Firm Registration No.127145W/W100218
by the hand of

Augustine

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

Kushal N. Desai
Director
DIN : 00008084
Mumbai, 29th May, 2018

Cdesai

Chaitanya N. Desai
Director
DIN : 00008091

SHARP & TANNAN LLP
MUMBAI
CHARTERED ACCOUNTANTS

CEMA OPTILINKS PVT. LTD

Statement of cash flows for the year ended March 31, 2018

	For the year ended March 31, 2018 ₹
Cash flow from operating activities	
Loss before tax	(23,96,917)
Adjustments for	
Depreciation on non current assets	-
Advance, Deposits, Prepayments and Other Receivables	(16,48,424)
Movement in working capital	
(Increase)/ Decrease in trade and other receivables	(35,96,375)
(Increase)/ Decrease in inventories	(1,21,327)
Increase/ (Decrease) in trade and other payables	51,74,517
Increase/(Decrease) in other liabilities	18,979
Tax paid	
Net cash generated by / (used in) operating activities	(25,69,547)
Cash flow from investing activities	
Acquisition of property, plant and equipment	(42,21,688)
Acquisition of intangibles	
Net cash generated by / (used in) investing activities	(42,21,688)
Cash flow from financing activities	
Proceeds/(repayments) from short-term borrowings	71,66,616
Proceeds/(repayments) of long-term borrowings	-
Proceeds/(repayments) shares	1,00,000
Net cash (used in) / generated by financing activities	72,66,616
Net increase / (decrease) in cash and cash equivalents	4,75,380
Effect of exchanges rate changes on cash and cash equivalents	-
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	**4,75,380**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.

As per our report of even date attached
Sharp & Tannan LLP
Chartered Accountants
Firm Registration No.127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 29th May, 2018

Kushal N. Desai
Director
DIN : 00008084
Mumbai, 29th May, 2018

Chaitanya N. Desai
Director
DIN : 00008091

SHARP & TANNAN LLP
MUMBAI
CHARTERED ACCOUNTANTS

CEMA OPTILINKS PVT. LTD

Statement of changes in equity

(a) Equity share capital

	As at March 31, 2018	
	No. of Shares	**Amount ₹**
Balance at the beginning of the reporting period Balance	-	-
Changes in equity share capital during the year	10,000	1,00,000
Balance at the end of the reporting period	10,000	1,00,000

(b) Other equity	**Reserves & Surplus ₹**				
For the year ended	**Retained earnings - Surplus**	**General reserve**	**Securities premium reserve**	**OCI**	**Total**
Balance at March 31, 2017	-	-	-	-	-
Total comprehensive income for the year					
Profit for the year	(17,79,712)	-	-	-	(17,79,712)
Other comprehensive income for the year					-
Total comprehensive income for the year	**(17,79,712)**	-	-	-	**(17,79,712)**
Transactions with the owners of the Company					
Contributions and distributions					
Dividends	-	-	-	-	-
Transfer / Receipt	-	-	-	-	-
Balance at March 31, 2018	**(17,79,712)**	-	-	-	**(17,79,712)**

Note

i) The nature and purpose of each of the Reserves have been explained under Note 10 Other Equity

As per our report of even date attached
Sharp & Tannan LLP
Chartered Accountants
Firm Registration No.127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 29th May, 2018

Kushal N. Desai
Director
DIN : 00008084
Mumbai, 29th May, 2018

Chaitanya N. Desai
Director
DIN : 00008091

SHARP & TANNAN LLP
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CHARTERED ACCOUNTANTS

CEMA OPTILINKS PVT. LTD

Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note: 1 – Significant Accounting Policies

1. **General information**

The Company was incorporated as Majority owned Subsidiary of Apar Industries Limited on 12th June, 2017 to manufacture and Fiber Optic cables (Unarmoured, Armoured, ADSS, Aerial etc), Telecom cables, LAN Networking cables (Cat 5, Cat 5e, Cat 6, Cat 7, Cat 8 etc.), Radio Frequency RF Cables, High frequency cables, Copper wires, Drop Wires and Cables, FTTH cables and accessories, OPGW and ADSS cables, Communication & screened cables, Modbus & Fieldbus cables, Speaker cables, Fiber Optic & Copper Hybrid cables, Copper Telephone cables, Cable jointing and termination accessories (Connectors, Straight through joint closures, Branching joint closures, Tee Joints, Patchcords, Pigtails, Fiber & Copper cable Distribution Boards, Routers, Splitters, signal boosters etc), and any other types of communication devices and cables. Apar Industries Limited holds 99% of the Equity Share Capital of the Company i.e. 9,900 Equity Shares of Rs. 10/- each

2. **Basis of accounting**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act and rules made thereunder.

3. **Functional and presentation currency**

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest rupee, unless otherwise indicated.

4. **Key estimates and assumptions**

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition of deferred tax assets**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Fair value of financial instruments**

Derivatives and investments in mutual funds are carried at fair value. Derivatives includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

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5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 Recent accounting pronouncements

i) Ind AS 115 "Revenue from Contracts with Customers"

Ind AS 115 Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible method of transition:

• Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The effective date of adoption of IND AS 115 is financial period beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2018 will not be retrospectively adjusted. As at the date of this report, the Company management does not expect that the impact of the Company's results of operations and financial position will be material upon adoption of IND AS 115.

ii) Amendments to Ind AS

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.
Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences.

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CHARTERED ACCOUNTANTS

CEMA OPTILINKS PVT. LTD

Notes To The Financial Statement as at and for the Year Ended March 31, 2018

7 Significant accounting policies followed by the company

A. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

Recent Accounting pronouncements – Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

B. Revenue

i. Sale of goods and Services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks, rewards and controls of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

In respect of service activities, income is recognised as and when services are rendered. For erection services, it is recognised on percentage completion basis.

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CHARTERED ACCOUNTANTS

CEMA OPTILINKS PVT. LTD

Notes To The Financial Statement as at and for the Year Ended March 31, 2018

C. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

- **Superannuation Scheme**

The Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss .

D. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

Share issue expenses are written off against share premium account, if any, or amortized over a period of 5 years.

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E. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if the Company:

a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

· temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

· temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

· taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

F. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average method.

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

G. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written Down Value based on the method consistently followed by the respective entities in the Company.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

H. Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

I. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, Commodity future Contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

K. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised 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 the financial asset. Purchases or sales 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 that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

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The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts 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 recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

L. Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

ii. Lease assets

Assets held by the Company under leases that transfer to the Company's substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

M. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

N. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

O. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 2 Capital Work in Progress	**March 31, 2018 ₹**
Capital Work in Progress	42,21,688
	42,21,688

Note 3 Deferred Tax Assets	**March 31, 2018 ₹**
Deferred Tax Assets	6,17,206
	6,17,206

Note 4 Other Non current Finacial Assets	**March 31, 2018 ₹**
Unsecured, considered good	
Security deposits	16,48,424
	16,48,424

Note 5 Inventories	**March 31, 2018 ₹**
Stores and Spare parts	28,450
Raw materials and components	92,877
	1,21,327

Note 6 Trade Receivable	**March 31, 2018 ₹**
Un-Secured	
Considered good	28,77,166
	28,77,166

Note 7 Cash and cash equivalents	**March 31, 2018 ₹**
On current accounts	4,75,380
Cash on hand	
	4,75,380

Note 8 Other current assets	**March 31, 2018 ₹**
Balances with statutory/government authorities	6,83,809
Prepayments and others	35,400
Others	
	7,19,209

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

	Note 9 Equity share capital	March 31, 2018
a	**Authorised :**	
	Authorised (2,50,000/- Equity Shares of Rs 10/- each)	25,00,000
	TOTAL	25,00,000
b	**Issued :**	
	9900 Equity shares of Rs. 10/- Each	99,000
	50 shares of Rs. 10/- each - Shri. Kushal Narendra Desai	500
	50 shares of Rs. 10/- each - Shri Chaitanya Narendra Desai	500
	TOTAL	**1,00,000**
c	**Subscribed and Paid up :**	
	9900 Equity shares of Rs. 10/- each	99,000
	50 shares of Rs. 10/- each - Shri. Kushal Narendra Desai	500
	50 shares of Rs. 10/- each - Shri Chaitanya Narendra Desai	500
		1,00,000

d	**outstanding at the beginning and end of the**	**March 31, 2018**
	Outstanding at the beginning of the year	-
	Issued during the year	1,00,000
	Outstanding at the end of the year	1,00,000

e Terms/rights attached to equity shares

i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

ii) The Company declares and pays dividends in Indian rupees.

ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f	**outstanding at the beginning and end of the**	**March 31, 2018**
	Outstanding at the beginning of the year	10,000
	Forfeited during the year	-
	Issued during the year	-
	Outstanding at the end of the year	10,000

g	**Shareholders holding more than 5% shares in**	**March 31, 2018**	
		No of shares	**%**
	Apar Industries Limited	9,900	99%

h Shares Reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 10 Other Equity

	March 31, 2018 ₹
Retained earnings - Surplus	(17,79,712)
General reserve	-
	(17,79,712)
Retained earnings - Surplus	
As per Last Balance Sheet	-
Increase/(Decrease) during the year	(17,79,712)
Closing Balance	(17,79,712)

Nature and purpose of reserves

i. General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Note 11 Short term borrowings	March 31, 2018 ₹
Unsecured Loans	
Loans and Advances From Related Parties	
	-

Note 12 Trade and other payables	March 31, 2018 ₹
Due to Micro, Small and Medium Enterprises	-
Due to other than micro and small and medium enterprises	51,74,517
Total	**51,74,517**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 13 Other current liabilities	March 31, 2018 ₹
Statutory dues towards Government	18,979
Other payables	71,66,616
	71,85,595

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 14 Revenue from operations	2017-18 ₹
Sale of products (Gross)	
Finished goods	-
Raw materials	24,38,795
Total	**24,38,795**
Other operating revenue	-
Revenue from operations (gross)	24,38,795

Note 15 Cost of materials consumed	2017-18 ₹
Inventory at the beginning of the year	-
Add : Purchases	24,90,488
Less: Closing Inventory	92,877
Total	**23,97,611**

Note 16 Other expenses	2017-18 ₹
Power, electricity and fuel	9,78,426
Rates and taxes	1,21,290
Repairs and maintenance	
Plant and machinery	1,94,010
Testing charges and inspection fees	10,56,520
Tender and registration fees	7,165
Postage/telegram/telephone/telex	629
Legal and professional fees	22,950
Bank charges and commission	3,914
Miscellaneous expenses	53,197
	24,38,101

Note : Miscellaneous Expenses (includes Auditors' Remuneration)

Auditor remuneration	2017-18 ₹
Audit fees	50,000
Cost auditor's remuneration	-
Other services	-
Reimbursement of expenses	-
Total	**50,000**

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 17 Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

	March 31, 2018 ₹
Profit (loss) for the year, attributable to the owners of the Company	(17,79,711)
Profit (loss) for the year, attributable to ordinary shareholders	**(17,79,711)**

ii. Weighted average number of ordinary shares (basic)

	Note	**March 31, 2018**
Issued ordinary shares 17-18		8,027
Weighted average number of shares at March 31		**8,027**

Basic Earning per share (₹)	(221.70)
Face Value per share	10

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2018, hence diluted earnings per share is same as basic earnings per share.

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Notes To The Financial Statement as at and for the Year Ended March 31, 2018

Note 18: Related party relationships, transactions and balances

A. List of Related Parties

Apar Industries Limited - (Majority Holding Company - 99%)

B. Related Party Transactions

Transactions	2017-18
	₹
1. Sales of goods or services	24,38,795
2. Purchase of goods or services	24,90,488
3. Balance outstanding as on	
a) Receivable for supply of raw material, finished goods, capital goods & services	24,38,795
b) Payable for supply of raw material, finished goods, capital goods, services & others	71,66,616

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