

ANNUAL REPORT OF SUBSIDIARY COMPANY

ACRYSIL STEEL LIMITED

ACRYSIL APPLIANCES LIMITED

STERNHAGEN BATH PRIVATE LIMITED

ACRYSIL STEEL LIMITED

Leader in Innovative Steel Kitchen Sink

6TH ANNUAL REPORT 2015-16

**WE ARE "STEEL" FOR GROWTH AND
INNOVATION**

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Sixth Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended March 31, 2016.

1. Financial summary/Performance of the Company

The summary of operating results for the financial year under review along with the figures for previous year are as follows:

(₹ In Lacs)

| Particulars | 2015-16 | 2014-15 |
|---|---------|---------|
| 1. Net Sales / Income from Operations | 1197.19 | 1060.68 |
| 2. Other Income | 78.80 | 7.53 |
| 3. Total Income (1+2) | 1205.07 | 1068.21 |
| 4. Total Expenditure | 959.07 | 863.73 |
| 5. Operating Profit before Finance Cost, Depreciation and Tax (3-4) | 245.99 | 204.480 |
| 6. Finance Cost | 99.07 | 93.16 |
| 7. Depreciation | 73.46 | 65.86 |
| 8. Profit before Tax (5-6-7) | 73.46 | 45.45 |
| 9. Provision for Taxation | 28.30 | 11.76 |
| 10. Net Profit after Tax (8-9) | 45.17 | 33.69 |

Notes: 1 The Previous year figures has been regrouped wherever necessary

2. Performance Review:

Once again, sales are the highest ever. During the current financial year, your Company took various growth initiatives to improve its volumes which helped the Company in posting an impressive performance for the year. Sales turnover for the year was Rs. 1197.19 Lacs against Rs. 1060.68 Lacs in the previous year. The net profit for the year was Rs. 45.17 Lacs compares to Rs. 33.69 Lacs in the previous year.

3. Dividend

To strengthen the financial position and ploughing back of profit due to future expansion plans, Board of Directors do not recommend any dividend.

4. Material Changes, Transaction and Commitment /Change in the nature of business, if any:

There is no change in the nature of the business of the Company for the year under review.

During the year under review, no significant or material order was passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

5. Share Capital

During the year under review, the Company has not increased its paid up capital. The paid up equity share capital of the Company as on 31st March, 2016 is Rs. 4,90,00,000/-.

6. Transfer to Reserves

The Company has not proposed to transfer any amount to the general reserve out of the amount available for appropriation and full amount is proposed to be retained in the profit and loss account.

7. Deposit

During the year under review, the Company has neither accepted nor renewed any deposits from the public. None of the deposits, if any earlier issued to the public by the Company remained unpaid or unclaimed as on 31st March, 2016.

8. Holding company

Acrysil Limited owns 93.84% share capital of the Company.

9. Directors and Key Managerial Personnel

The Board of Directors of the Company is comprises of Executive and Non-Executive Directors who have wide and varied experience in different disciplines of corporate functioning.

Mrs. Shetal C. Parekh (DIN: 03018222), Director of the Company retires by rotation at the forthcoming Annual General Meeting, and being eligible offers herself for re-appointment.

During the year under review, Mr. Pradeepkumar H. Gohil (DIN: 03022804) is appointed as Independent Director of the Company w.e.f. February 4, 2016.

Apart from this, there were no changes in the Directors or Key Managerial Personnel during the year under review.

a. Board meetings:

During the year, 5 (Five) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. A detailed presentation is also made to apprise the Board of important developments in industry, segments, business operations, marketing, products etc.

10. Auditors

a. Statutory Auditors

Your Company's statutory auditors, M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, retire at the conclusion of ensuing Annual General Meeting. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 139 & 141 of the Act, and are eligible for re-appointment, holding peer review certificate.

The Board recommends their reappointment.

The remarks as contained in the Auditor's Report read with Notes forming part of the accounts are self-explanatory.

11. Auditors' Report:

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

The notes of the auditors are self explanatory in the nature.

12. Risk Management and Policy on Risk Management

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges.

Major risks identified for the Company by the management are Currency fluctuation, Compliance, Regulatory changes, Manufacturing & Supply, Litigation, Information Technology and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialise.

13. Related party transactions and Policy on Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Details on Related Party Transactions in Form AOC - 2 has been enclosed as *Annexure II*.

14. Managerial Remuneration and Particulars of Employees:

The Company had no employee during the year covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

15. Insurance

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which are considered necessary by the management. In addition to this coverage, a statutory Public Liability Insurance Policy has been taken to cover the company for providing against the Public liability arising out of Industrial accidents for employees working in plants.

16. Loans, Guarantees Or Investments

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

17. Deposits

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

18. Extract of the Annual Return

The extract of the Annual Return is annexed herewith as *Annexure I*.

19. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm:

- a. that in the preparation of the annual accounts for the year ended 31st March 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2015 and of the profit of the Company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts/financial statements have been prepared on a going concern basis;
- e. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year;

The Company does not have any subsidiary, joint venture or associate company during the year under review.

21. Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "*Annexure III*".

22. Human Resource

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building programs are conducted to enhance employee skills, motivation as also to foster team spirit. Company also conducts in-house training programs to develop leadership as well as technical/functional capabilities in order to meet future talent requirements. Industrial relations were cordial throughout the year.

23. The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

There has been no complaint related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year.

24. Disclosures under Section 134(3)(l) of the Companies Act, 2013

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

25. Gratitude & Acknowledgments

Your Directors place on record their earnest appreciation for the unstinted commitment, dedication, hard work and significant contribution made by employees across the globe in ensuring sustained growth of the Company.

Your Directors also sincerely thanks all the stakeholders, business partners, government, other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

By order of the Board of Directors
For **ACRYSIL STEEL LIMITED**

**AHMEDABAD
AUGUST 8, 2016**

**CHIRAG A. PAREKH
DIRECTOR
(DIN: 00298807)**

**ASHWIN M. PAREKH
DIRECTOR
(DIN: 00295001)**

Registered Office:

B-307, CityPoint,
J.B. Nagar, Andheri – Kurla Road,
Andheri (East), Mumbai - 400 059
Tel:(91-22) 4015 7817 / 7818 / 7819
Fax: (91-22) 2825 8052.
CIN: U28910MH2010PLC202493

ANNEXURE INDEX

| Annexure | Content |
|----------|--|
| I. | Annual Return Extracts in MGT 9 |
| II. | Related Party Transactions disclosure in AOC - 2 |
| III. | Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo |

Annexure I

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | U28910MH2010PLC202493 |
| 2. | Registration Date | 28/04/2010 |
| 3. | Name of the Company | ACRYSIL STEEL LIMITED |
| 4. | Category/Sub-category of the Company | Public Company limited by Shares |
| 5. | Address of the Registered office & contact details | B-307, City Point, J. B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. Ph.: (91-22) 4015 7817 / 7818 / 7819 |
| 6. | Whether listed company | No |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | N.A. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Stainless Steel Kitchen Sinks | 28994 | 99.00% |

| | | | | | | | | | |
|---|---|---------|---------|-----|---|---------|---------|-----|---|
| Sub Total (A)(2): | 0 | 0 | 0 | 0 | 0 | 00 | 0 | 0 | 0 |
| Total shareholding of Promoter (A)=(A)(1) + (A)(2) | 0 | 4899997 | 4899997 | 100 | 0 | 4899997 | 4899997 | 100 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Government (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FI's | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Qualified Foreign Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Any others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individual | | | | | | | | | |
| i) Individual shareholder holding nominal share Capital upto Rs. 1 Lakh | 0 | 3 | 3 | 0 | 0 | 3 | 3 | 0 | 0 |
| ii) Individual shareholder holding nominal share Capital excess of Rs. 1 Lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C) Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Any others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B) (2): | 0 | 3 | 3 | 0 | 0 | 3 | 3 | 0 | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 0 | 3 | 3 | 0 | 0 | 3 | 3 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 4900000 | 4900000 | 100 | 0 | 4900000 | 4900000 | 100 | 0 |

(ii) Shareholding of Promoters-

| S N | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % chang e in shareh olding durin g the year |
|--------|-----------------------|--|---|---|--|---|---|--|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumb ered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbe red to total shares | |
| 1 | Acrysil Limited | 4598000 | 93.84 | 0 | 4598000 | 93.84 | 0 | 0 |
| 2 | Chirag A. Parekh | 200000 | 4.08 | 0 | 200000 | 4.08 | 0 | 0 |
| 3 | Shetal C Parekh | 100000 | 2.04 | 0 | 100000 | 2.04 | 0 | 0 |
| 4 | Ashwin M. Parekh | 1997 | 0.04 | 0 | 1997 | 0.04 | 0 | 0 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|----|------------------|--|--|--|--|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Acrysil Limited | 4598000 | 93.84 | 4598000 | 93.84 |
| 2 | Chirag A. Parekh | 200000 | 4.08 | 200000 | 4.08 |
| 3 | Shetal C Parekh | 100000 | 2.04 | 100000 | 2.04 |
| 4 | Ashwin M. Parekh | 1997 | 0.04 | 1997 | 0.04 |

**(iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SN | For Each of the Top 10 Shareholders* | Shareholding at the beginning of the year 01-04-2015 | | Cumulative Shareholding end of the year 31-03-2016 | |
|----|---|--|---|--|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | MANISH CHUNILAL THAKKAR | 1 | 0.00 | 1 | 0.00 |
| 2. | JAGDISH RAMANLAL NAIK | 1 | 0.00 | 1 | 0.00 |
| 3. | RUSTAM NAVEL MULLA | 1 | 0.00 | 1 | 0.00 |

(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | ASHWIN MOHANLAL PAREKH | 1997 | 0.04 | 1997 | 0.04 |
| 2. | CHIRAG ASHWIN PAREKH | 200000 | 4.08 | 200000 | 4.08 |
| 3. | SHETAL CHIRAG PAREKH | 100000 | 2.04 | 100000 | 2.04 |
| 4. | PRADEEPKUMAR H. GOHIL | 0 | 0 | 0 | 0 |

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 38474496 | 30000000 | 0 | 68474496 |
| ii) Interest due but not paid | 0 | 4556428 | 0 | |
| iii) Interest accrued but not due | 0 | 8444027 | 0 | 8444027 |
| Total (i+ii+iii) | 38474496 | 38444027 | 0 | 76918523 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 92364479 | 10000000 | 0 | 102364479 |
| * Reduction | 101655017 | 0 | 0 | 101655017 |
| Net Change | 29183958 | 48444027 | 0 | 77627985 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 29183958 | 48444027 | 0 | 77627985 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 29183958 | 48444027 | 0 | 77627985 |

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

| SN. | Particulars of Remuneration | Mrs. Shetal C. Parekh | Mr. Chirag A. Parekh | Mr. Ashwin M. Parekh | Total Amount |
|-----|---|---|----------------------|----------------------|--------------|
| 1 | Gross salary | 0 | 0 | 0 | 0 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961* | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 |
| 4 | Commission - as % of profit - others specify | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Contribution to PF & FPF | 0 | 0 | 0 | 0 |
| | Contribution to Super Annuation | 0 | 0 | 0 | 0 |
| | Contribution to EDLI | 0 | 0 | 0 | 0 |
| | Total (A) | 0 | 0 | 0 | 0 |
| | Ceiling as per the Act | It is within ceiling limit prescribed under Companies Act, 2013 | | | |

* Does not include premium for group personal accident and group mediclaim policy

B. Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | Total Amount in Rs. |
|-----|---|-----------------------|---------------------|
| | Independent Directors | Not Applicable | |
| 1 | Fee for attending board / committee meetings | | |
| | Commission | | |
| | Others, please specify | | |
| | Total (1) | | |
| 2 | Other Non-Executive Directors | | |
| | Fee for attending board / committee meetings | | |
| | Commission | | |
| | Others, please specify | | |
| | Total (2) | | |
| | Total (B)=(1+2) | | |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act | | |

C. Remuneration to key managerial personnel other than MD/Manager/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel |
|----|---|--------------------------|
| 1 | Gross salary | Not Applicable |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | |
| 2 | Stock Option | |
| 3 | Sweat Equity | |
| 4 | Commission | |
| | - as % of profit | |
| | others, specify... | |
| 5 | Others, please specify | |
| | Total | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

By order of the Board of Directors
For **ACRYSIL STEEL LIMITED**

AHMEDABAD
AUGUST 8, 2016

CHIRAG A. PAREKH
DIRECTOR
(DIN: 00298807)

ASHWIN M. PAREKH
DIRECTOR
(DIN: 00295001)

Annexure - II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------|
| 1. | Name (s) of the related party & nature of relationship | NA |
| 2. | Nature of contracts/arrangements/transactions | NA |
| 3. | Duration of the contracts/arrangements/transactions | NA |
| 4. | Salient terms of the contracts or arrangements or transactions including the value, if any | NA |
| 5. | Justification for entering into such contracts or arrangements or transactions | NA |
| 6. | Date(s) of approval by the Board | NA |
| 7. | Amount paid as advances, if any | NA |
| 8. | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA |

2. Details of material contracts or arrangements or transactions at Arm's length basis.

| Name (s) of the related party & nature of relationship | Nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid in advance (Rs.) |
|--|------------------------|---|---|--|----------------------------------|------------------------------|
| Acrysil Limited | Holding | Sale of Goods and Services | Ongoing | Arm's length basis | 25.02.2015 | -- |

By order of the Board of Directors
For **ACRYSIL STEEL LIMITED**

AHMEDABAD
AUGUST 8, 2016

CHIRAG A. PAREKH
DIRECTOR
(DIN: 00298807)

ASHWIN M. PAREKH
DIRECTOR
(DIN: 00295001)

Annexure III

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

A. CONSERVATION OF ENERGY

| | 2015-16 | 2014-15 |
|---|------------------------------|------------|
| The Company endeavors to conserve energy wherever possible | | |
| 1.Power Consumption : | | |
| Purchased Units (KHW '000) | 186094 | 192326 |
| Total Cost (In `) | 1504199 | 1497563 |
| Rate per Unit (Rupees) | 8 | 8 |
| Consumption in Units (Per unit of production) | 6 per unit | 7 per unit |
| Product | Stainless Steel Sinks | |
| 2. Fuel Consumption : | | |
| Purchased Units | N.A. | |
| Total Cost (In ₹) | | |
| Rate per Unit (Rupees) | | |
| Consumption in Units (Per unit of production) | | |
| Product | Stainless Steel Sinks | |
| 2. Coal and Wooden Dust | | |
| Quantity Consumed (M.T) | N.A. | |
| Total Cost (` In Lacs) | | |
| Rate per M.T (Rupees) | | |
| Consumption in Kgs. (Per unit of production) | | |
| Product | | |
| Production (Tons) | | |
| Purchased Units (KHW '000) | | |
| Unit Per Ton(KWH) | | |

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Research and Development:

The Company continues its research and development activity in the areas of product concept development, design development, raw material usage and product quality improvement to attain global benchmarks. Specific areas in which R & D is carried out by the company:-

- (a) Continuous innovation in product design and quality from all angles including optimizing raw material waste and development of innovative products are on-going activities.
- (b) Innovate and improve process capability, attain global benchmarks with carried out by the Company consistent focus on the operational excellence to cater export market.

- (c) Analytical steps to improve the efficiency and productivity by adopt innovative and emerging technologies as future growth drivers and improvement of existing products.
- (d) Design and development of special products such as new models of Kitchen Sinks during the year 2015-16. These developments will be helpful to the Company to develop offshore markets for long term.

Technology absorption, adoption and innovation:

- a) Up gradation of product and processes to save cycle time, energy consumption and overall operational efficiency.
- b) Improve the quality of the product and upgrade the Manufacturing Process of all the products of the Company.
- c) Development of an innovative and scratch resistant sinks by utilizing a new and an unconventional raw material initiated at R & D with promising result.
- d) The Company adapts the new technologies on a continuous basis to meet its specific product needs from time to time.
- e) Constant efforts are made to improve and upgrade the new technology for higher productivity, better quality & cost reduction.
- f) Development of process of improving its quality control methods and testing facilities.

Technology imported during the last 5 years:

The company has not imported any technology during the last 5 years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used and earned

- Earnings in foreign currency – Rs. 209.12 Lacs, previous year Rs. 216.96 Lacs.
- Outgo in foreign currency – Rs. 168.98 Lacs, previous year Rs. 38.34 Lacs.

By order of the Board of Directors
For **ACRYSIL STEEL LIMITED**

AHMEDABAD
AUGUST 8, 2016

CHIRAG A. PAREKH
DIRECTOR
(DIN: 00298807)

ASHWIN M. PAREKH
DIRECTOR
(DIN: 00295001)

INDEPENDENT AUDITORS' REPORT

To
The Members of
[ACRYSIL STEEL LIMITED](#)

Report on the Financial Statements

We have audited the accompanying financial statements of [Acrysil Steel Limited](#) ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and of the profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent possible.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B; and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Mumbai
May 23, 2016

MANOJ GANATRA
Partner
Membership No. 043485

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.
 - c. The title deeds of immovable properties are held in the name of the Company.
- 2 The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties in the register maintained under section 189 of the Companies Act, 2013.
- 4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- 5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7 In respect of statutory and other dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
 - b. There are no amounts outstanding, which have not been deposited on account of dispute.

- 8 The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.
- 9 Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- 11 No managerial remuneration has been paid or provided by the Company during the year. Provisions of paragraph 3(xi) of the Order are, therefore, not applicable.
- 12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Mumbai
May 23, 2016

MANOJ GANATRA
Partner
Membership No. 043485

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Acrysil Steel Limited** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Mumbai
May 23, 2016

MANOJ GANATRA
Partner
Membership No. 043485

ACRYSIL STEEL LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

(Amounts in Indian ₹)

| Particulars | Note No. | 31st March, 2016 | | 31st March 2015 | |
|--|----------|--------------------|---------------------------|--------------------|---------------------------|
| <u>EQUITY AND LIABILITIES ::</u> | | | | | |
| Shareholders' Funds | | | | | |
| Share Capital | 2 | 49,000,000 | | 49,000,000 | |
| Reserves and Surplus | 3 | <u>(3,530,444)</u> | 45,469,556 | <u>(8,047,014)</u> | 40,952,986 |
| Non-Current Liabilities | | | | | |
| Long-term Borrowings | 4 | 48,465,782 | | 40,529,704 | |
| Other Long Term Liabilities | | - | | - | |
| Long-term Provisions | 5 | <u>395,541</u> | 48,861,323 | <u>184,843</u> | 40,714,547 |
| Current Liabilities | | | | | |
| Short-term Borrowings | 6 | 17,357,766 | | 17,362,268 | |
| Trade Payables | | 31,847,463 | | 23,261,899 | |
| Other Current Liabilities | 7 | 16,765,927 | | 19,048,633 | |
| Short-term Provisions | 8 | <u>259,079</u> | 66,230,235 | <u>97,895</u> | 59,770,695 |
| Total... | | | <u><u>160,561,114</u></u> | | <u><u>141,438,228</u></u> |
| <u>ASSETS ::</u> | | | | | |
| Non-Current Assets | | | | | |
| <u>Fixed Assets</u> | | | | | |
| | 9 | | | | |
| Tangible Assets | | 75,315,740 | | 66,711,899 | |
| Intangible Assets | | 184,214 | | 319,670 | |
| Capital Work-in-Progress | | <u>113,718</u> | | <u>14,441,851</u> | |
| | | 75,613,672 | | 81,473,420 | |
| Deferred Tax Assets | | 9,546,000 | | 12,388,000 | |
| Long-term Loans and Advances | 10 | 1,116,347 | | 1,333,315 | |
| Other Non-current Assets | | <u>-</u> | 86,276,019 | <u>-</u> | 95,194,735 |
| Current Assets | | | | | |
| Current Investments | | - | | - | |
| Inventories | 11 | 46,190,165 | | 28,332,989 | |
| Trade Receivables | 12 | 21,358,841 | | 11,102,538 | |
| Cash and Bank Balances | 13 | 3,772,703 | | 3,606,734 | |
| Short-term Loans and Advances | 14 | 2,963,386 | | 3,201,232 | |
| Other Current Assets | | <u>-</u> | 74,285,095 | <u>-</u> | 46,243,493 |
| Total... | | | <u><u>160,561,114</u></u> | | <u><u>141,438,228</u></u> |
| The accompanying notes 1 to 30 are an integral part of these financial statements. | | | | | |

As per our report of even date

For and on behalf of the Board of Directors

For SANGHAVI & COMPANY
Chartered Accountants

A. M. PAREKH

MANOJ GANATRA
Partner

C. A. PAREKH

Directors

Mumbai
23rd May, 2016

Mumbai
23rd May, 2016

ACRYSIL STEEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amounts in Indian ₹)

| Particulars | Note No. | 2015-2016 | 2014-2015 |
|--|----------|--------------------|--------------------|
| REVENUE : | | | |
| Revenue from Operations (Gross) | 15 | 140,784,225 | 124,161,807 |
| Less: Excise Duty | | <u>21,065,478</u> | <u>18,093,907</u> |
| Revenue from Operations (Net) | | 119,718,747 | 106,067,900 |
| Other Income | 16 | 787,951 | 752,784 |
| Total Revenue | | <u>120,506,698</u> | <u>106,820,684</u> |
| EXPENSES : | | | |
| Cost of Materials Consumed | 17 | 56,308,256 | 56,834,250 |
| Purchases of Stock-in-Trade | | 7,656,671 | - |
| Changes in Inventories | 18 | (14,545,936) | (7,270,836) |
| Employee Benefits Expense | 19 | 9,519,175 | 9,592,270 |
| Finance Costs | 20 | 9,906,824 | 9,316,378 |
| Depreciation and Amortization | | 7,346,221 | 6,585,897 |
| Other Expenses | 21 | 36,969,329 | 27,217,490 |
| Total Expenses | | <u>113,160,540</u> | <u>102,275,449</u> |
| Profit before exceptional and extraordinary items and tax | | 7,346,158 | 4,545,235 |
| Exceptional Items | | - | - |
| Extraordinary Items | | - | - |
| Profit Before Tax | | 7,346,158 | 4,545,235 |
| Tax Expenses | | | |
| Current tax | | - | - |
| Earlier years' tax | | (12,412) | - |
| Deferred Tax | | <u>2,842,000</u> | <u>1,176,203</u> |
| Net Profit for the year | | <u>4,516,570</u> | <u>3,369,032</u> |
| Face Value per Equity Share | | 10.00 | 10.00 |
| Earnings per Equity Share | | | |
| Basic / Diluted | | 0.92 | 0.69 |
| The accompanying notes 1 to 30 are an integral part of these financial statements. | | | |

As per our report of even date

For and on behalf of the Board of Directors

For SANGHAVI & COMPANY
Chartered Accountants

A. M. PAREKH

MANOJ GANATRA
Partner

C. A. PAREKH

Directors

Mumbai
23rd May, 2016

Mumbai
23rd May, 2016

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING:

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

USE OF ESTIMATES:

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

FIXED ASSETS:

All tangible assets are stated at cost less depreciation. All the costs incurred till the date the assets are put to use, have been capitalized and included in the cost of the respective assets. Depreciation is provided on Written Down Value method except for Buildings, Plant and Machinery and Dies and Moulds where depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013.

INVENTORIES:

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

- Raw materials, traded goods and stores and spares – on a first-in first-out (FIFO) basis;
- Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.

REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

Revenue from services are recognized as and when the services are rendered in terms of the agreements with the customers. Service tax, wherever applicable, is collected on behalf of the Government and therefore, excluded from the revenue.

EXCISE AND CUSTOM DUTY:

Excise duty in respect of goods manufactured by the Company is, according to the method consistently followed by the Company, accounted for at the time of removal of goods from the factory for sale.

However, excise duty payable on the closing stock of Finished Goods is provided for in the account. Purchases of goods and fixed assets are accounted for net of excise cenvat credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

EMPLOYEE BENEFITS:

Post-employment benefit plans

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the Company is made in accordance with the scheme with Life Insurance Corporation of India.
- ii. Defined Benefit Plan: The liabilities in respect of leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

FOREIGN CURRENCY TRANSACTIONS:

Foreign Currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit and loss account. Current assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising therefrom is dealt with in the profit and loss account.

BORROWING COSTS:

Net costs of borrowed funds for the projects are capitalized and included in the cost of fixed assets till its completion and other borrowing costs are recognized as expenses in the period in which they are incurred.

TAXATION:

Provisions are made for current income tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

EARNING PER SHARE:

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

PROVISION AND CONTINGENCIES:

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

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

| | 31st March 2016 | 31st March 2015 |
|--|--------------------------|------------------------|
| | ₹ | ₹ |
| <u>Authorised</u> | | |
| 9,000,000 (5,000,000) equity shares of ₹ 10 each | 90,000,000 | 50,000,000 |
| | <u>90,000,000</u> | <u>50,000,000</u> |
| <u>Issued, Subscribed and Paid up</u> | | |
| 4,900,000 equity shares of ₹ 10 each fully paid up | 49,000,000 | 49,000,000 |
| | <u>49,000,000</u> | <u>49,000,000</u> |

a. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years: Nil

2.2 Share Capital Reconciliation:

| Particulars | Equity Shares | |
|---|---------------|------------|
| | No. of shares | ₹ |
| Shares outstanding at the beginning of the year | 4,900,000 | 49,000,000 |
| Shares issued during the year | - | - |
| Shares bought back during the year | - | - |
| Shares outstanding at the end of the year | 4,900,000 | 49,000,000 |

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

| Name of Shareholder | 31st March 2016 | | 31st March 2015 | |
|---------------------|-----------------|--------------|-----------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Acrysil Limited | 4,598,000 | 93.84% | 4,598,000 | 93.84% |
| | | | | |

2.4 Rights, preferences and restrictions attached to shares

Equity Shares:

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

Note No. 3
Reserves and Surplus

| Particulars | 31st March | 31st March |
|---------------------------------------|--------------------|--------------------|
| | 2016 | 2015 |
| | ₹ | ₹ |
| Surplus | | |
| Balance at the beginning of the year | (8,047,014) | (11,376,063) |
| Adjustment on account of depreciation | - | (39,983) |
| Net Profit for the year | 4,516,570 | 3,369,032 |
| Balance at the end of the year | (3,530,444) | (8,047,014) |
| | (3,530,444) | (8,047,014) |

Note No. 4
Long Term Borrowings

| Particulars | 31st March | 31st March |
|---|------------------|-------------------|
| | 2016 | 2015 |
| | ₹ | ₹ |
| a. Secured | | |
| Term loans from banks (Indian rupee accounts) | 8,465,782 | 10,529,704 |
| | 8,465,782 | 10,529,704 |

Notes:

Term loan from a bank is secured by exclusive charge on movable properties excluding vehicles and hypothecation of all current assets both present and future and further secured by personal guarantees of some of the directors and corporate guarantee of the holding company, Acrysil Limited

Period of default NA

Amount Nil

b. Unsecured

| | | |
|---------------------------------------|-------------------|-------------------|
| From Holding Company, Acrysil Limited | 30,000,000 | 30,000,000 |
| From Directors | 10,000,000 | - |
| | 40,000,000 | 30,000,000 |
| | 48,465,782 | 40,529,704 |

Note No. 5
Long Term Provisions

| Particulars | 31st March | 31st March |
|--------------------------------|----------------|----------------|
| | 2016 | 2015 |
| | ₹ | ₹ |
| Provision for leave encashment | 395,541 | 184,843 |
| | 395,541 | 184,843 |

Note No. 6
Short Term Borrowings

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|---|-------------------------|-------------------------|
| a. Secured | | |
| Working capital finance from banks (Indian rupee accounts) | 17,357,766 | 17,362,268 |
| | 17,357,766 | 17,362,268 |

Working capital finance from a bank is secured by hypothecation of all current assets and exclusive charge on movable properties excluding vehicles, both present & future and further secured by the personal guarantees of some of the directors and corporate guarantee of the holding company, Acrysil Limited.

Period of default NA
Amount Nil

Note No. 7
Other Current Liabilities

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|--|-------------------------|-------------------------|
| Current maturities of long-term debt | 3,360,410 | 10,582,524 |
| Interest accrued and due on borrowings | 8,444,027 | 4,556,428 |
| Advances from customers | 11,516 | 1,078,871 |
| Statutory liabilities | 2,843,148 | 1,867,056 |
| Due to holding company | 996,776 | 436,776 |
| Other liabilities | 1,110,050 | 526,978 |
| | 16,765,927 | 19,048,633 |

Note No. 8
Short Term Provisions

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|--------------------------------|-------------------------|-------------------------|
| Provision for bonus | 212,776 | 94,804 |
| Provision for leave encashment | 46,303 | 3,091 |
| | 259,079 | 97,895 |

Note No. 9
Fixed Assets

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|--------------------------|----------------------|------------|------------|-----------------------|--------------------------|---------------------------|---------------|-----------------------|-----------------------|-----------------------|
| | As at 1st April 2015 | Additions | Deductions | As at 31st March 2016 | As at 1st April 2015 | Depreciation For the Year | On Deductions | As at 31st March 2016 | As at 31st March 2016 | As at 31st March 2015 |
| Tangible Assets | | | | | | | | | | |
| Freehold Land | 5,648,091 | - | - | 5,648,091 | - | - | - | - | 5,648,091 | 5,648,091 |
| Buildings | 26,200,181 | 15,550,863 | - | 41,751,044 | 3,297,068 | 1,009,378 | - | 4,306,446 | 37,444,598 | 22,903,113 |
| Plant & Equipment | 43,309,876 | 198,330 | - | 43,508,206 | 12,893,824 | 4,442,479 | - | 17,336,303 | 26,171,903 | 30,416,052 |
| Moulds and Dies | 10,231,800 | - | - | 10,231,800 | 4,227,926 | 871,609 | - | 5,099,535 | 5,132,265 | 6,003,874 |
| Vehicles | 1,329,968 | - | - | 1,329,968 | 501,617 | 301,982 | - | 803,599 | 526,369 | 828,351 |
| Furniture & Fixtures | 608,054 | 27,000 | - | 635,054 | 271,474 | 106,775 | - | 378,249 | 256,805 | 336,580 |
| Office Equipment | 1,676,788 | 38,413 | - | 1,715,201 | 1,100,950 | 478,542 | - | 1,579,492 | 135,709 | 575,838 |
| | 89,004,758 | 15,814,606 | - | 104,819,364 | 22,292,859 | 7,210,765 | - | 29,503,624 | 75,315,740 | 66,711,899 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 905,376 | - | - | 905,376 | 585,706 | 135,456 | - | 721,162 | 184,214 | 319,670 |
| | 905,376 | - | - | 905,376 | 585,706 | 135,456 | - | 721,162 | 184,214 | 319,670 |
| Total... | 89,910,134 | 15,814,606 | - | 105,724,740 | 22,878,565 | 7,346,221 | - | 30,224,786 | 75,499,954 | 67,031,569 |
| Previous Year | 87,244,883 | 3,349,769 | 684,518 | 89,910,134 | 16,715,175 | 6,585,897 | 481,695 | 22,878,565 | 67,031,569 | 70,529,708 |

Note No. 10
Long-term Loans and Advances

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|------------------------------------|-------------------------|-------------------------|
| <u>Unsecured (considered good)</u> | | |
| Capital advances | 757,419 | 1,000,872 |
| Security deposits | 358,928 | 332,443 |
| | 1,116,347 | 1,333,315 |

Note No. 11
Inventories

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|-------------------|-------------------------|-------------------------|
| Raw materials | 8,196,451 | 6,328,480 |
| Work-in-progress | 10,674,238 | 10,373,208 |
| Stock in trade | 4,312,892 | - |
| Finished goods | 18,281,867 | 8,349,853 |
| Stores & spares | 1,578,550 | 1,542,245 |
| Packing materials | 1,062,653 | 820,628 |
| Bought-out items | 2,083,514 | 918,575 |
| | 46,190,165 | 28,332,989 |

Note No. 12
Trade Receivables

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|------------------------------------|-------------------------|-------------------------|
| <u>Unsecured (considered good)</u> | | |
| Over six months | 346,299 | 124,628 |
| Others | 21,012,542 | 10,977,910 |
| | 21,358,841 | 11,102,538 |

includes -

| | More than Six Months | Others |
|--------------------------|-------------------------|-----------|
| due from holding company | - | 2,692,377 |

Note No. 13
Cash and Bank Balances

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|--|-------------------------|-------------------------|
| <u>I. Cash and Cash Equivalents</u> | | |
| a. Balances with Banks: | | |
| Current accounts | 677,964 | 1,133,717 |
| Short term deposits | 2,516,550 | 664,700 |
| | 3,194,514 | 1,798,417 |
| b. Cash on Hand | 578,189 | 4,105 |
| | 3,772,703 | 1,802,522 |
| <u>II. Other Bank Balances</u> | | |
| Dividend accounts | - | - |
| Terms deposits with more than 12 months maturity | | 1,804,212 |
| Other terms deposits | - | - |
| | - | 1,804,212 |
| | 3,772,703 | 3,606,734 |

Note No. 14
Short-term Loans and Advances

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|---|-------------------------|-------------------------|
| <u>Unsecured (considered good)</u> | | |
| Trade advances to suppliers | 890,842 | 790,698 |
| Loans and advances to staff (including officers of the company Nil (₹ 40,000)) | 113,560 | 83,760 |
| Input credits receivable | 1,537,083 | 1,184,777 |
| Advance payment of taxes (net of provision) | 12,352 | 68,150 |
| Prepaid expenses | - | 773,123 |
| Other loans and advances | 409,549 | 300,724 |
| | 2,963,386 | 3,201,232 |

Note No. 15
Revenue from Operations

| Particulars | 2015-2016 ₹ | | 2014-2015 ₹ | |
|--|--------------------|-------------|--------------------|-------------|
| <u>Sale of Products</u> | | | | |
| Domestic sales | 109,754,615 | | 91,251,105 | |
| Export sales | 20,845,058 | 130,599,673 | 22,022,601 | 113,273,706 |
| <u>Other Operating Revenue</u> | | | | |
| Foreign currency fluctuation gain/(loss) | 228,588 | | 61,363 | |
| Other operational income | 9,955,964 | 10,184,552 | 10,826,738 | 10,888,101 |
| | <u>140,784,225</u> | | <u>124,161,807</u> | |

Note No. 16
Other Income

| Particulars | 2015-2016 ₹ | | 2014-2015 ₹ | |
|----------------------|----------------|--|----------------|--|
| Interest receipts | 84,073 | | 250,450 | |
| Miscellaneous income | 703,878 | | 502,334 | |
| | <u>787,951</u> | | <u>752,784</u> | |

Note No. 17
Cost of Materials Consumed

| Particulars | 2015-2016 ₹ | | 2014-2015 ₹ | |
|-------------------------------|----------------|-------------------|----------------|-------------------|
| <u>Raw Materials Consumed</u> | | | | |
| Opening stock | 6,328,480 | | 11,081,645 | |
| Purchase and direct expenses | 51,691,163 | | 47,045,234 | |
| | 58,019,643 | | 58,126,879 | |
| Closing stock | 8,196,451 | 49,823,192 | 6,328,480 | 51,798,399 |
| | | 49,823,192 | | 51,798,399 |
| Bought out items consumption | | 6,485,064 | | 5,035,851 |
| | | <u>56,308,256</u> | | <u>56,834,250</u> |

Note No. 18
Changes in Inventories

| Particulars | 2015-2016 | | 2014-2015 | |
|----------------------|------------|---------------------|------------|--------------------|
| | ₹ | | ₹ | |
| <u>Opening Stock</u> | | | | |
| Finished goods | 8,349,853 | | 8,439,788 | |
| Stock in trade | - | | - | |
| Work-in-progress | 10,373,208 | 18,723,061 | 3,012,437 | 11,452,225 |
| <u>Closing Stock</u> | | | | |
| Finished goods | 18,281,867 | | 8,349,853 | |
| Stock in trade | 4,312,892 | | - | |
| Work-in-progress | 10,674,238 | 33,268,997 | 10,373,208 | 18,723,061 |
| | | <u>(14,545,936)</u> | | <u>(7,270,836)</u> |

Note No. 19
Employee Benefit Expenses

| Particulars | 2015-2016 | | 2014-2015 | |
|--|-----------|------------------|-----------|------------------|
| | ₹ | | ₹ | |
| Salaries, wages, allowances and bonus | | 8,591,502 | | 8,889,673 |
| Contribution to employee benefit funds | | 496,733 | | 349,826 |
| Staff welfare expenses | | 430,940 | | 352,771 |
| | | <u>9,519,175</u> | | <u>9,592,270</u> |
| Includes remuneration to directors | | - | | 365,250 |

Note No. 20
Finance Costs

| Particulars | 2015-2016 | | 2014-2015 | |
|-------------------------|-----------|------------------|-----------|------------------|
| | ₹ | | ₹ | |
| <u>Interest</u> | | | | |
| Working capital finance | | 2,034,364 | | 2,949,268 |
| Term loans | | 2,045,355 | | 2,177,014 |
| Others | | 5,568,790 | 9,648,509 | 3,838,676 |
| | | <u>9,648,509</u> | | 8,964,958 |
| Other borrowing costs | | 258,315 | | 351,420 |
| | | <u>9,906,824</u> | | <u>9,316,378</u> |

22. Balances for trade receivables, trade payables and for loans and advances are subject to confirmations from the respective parties.
23. In the opinion of the directors, current assets, loans and advances are of the value stated in the balance sheet, if realized in the normal course of the business and also provisions for all known liabilities have been made.
24. Based on the confirmed orders on hand and the future projected profits of the company, balance in deferred tax assets of ₹ 9,546,000 is on account of carried forward business loss and unabsorbed depreciation under the Income Tax Act.
25. **Auditors' Remuneration:**

| | 2015-2016 | 2014-2015 |
|----------------|-----------|-----------|
| Audit Fees | 60,000 | 50,000 |
| Tax Audit Fees | 20,000 | 15,000 |
| Other Matters | 20,000 | 15,000 |

26. **Related Party Disclosures:**

| | |
|---------------------------------|--|
| Key Managerial Personnel | Smt. Shetal C. Parekh Shri Chirag A. Parekh |
| Holding Company | Acrysil Limited |

Transactions with related parties:

| Particulars | Key Managerial Personnel | Holding Company |
|----------------------|--------------------------|-----------------|
| (a) Remuneration | --- | -- |
| | (365,250) | (--) |
| (b) Loan taken | 10,000,000 | -- |
| | (--) | (--) |
| (c) Interest paid | 587,089 | 4,319,554 |
| | (--) | (3,750,000) |
| (d) Sales | -- | 39,009,844 |
| | (--) | (75,414,726) |
| (e) Job Work Income | -- | 272,216 |
| | (--) | (2,507,485) |
| (f) Office Rent paid | -- | 60,000 |
| | (--) | (60,000) |

| | | |
|---------------------------|--------------------|----------------------------|
| (g) Outstanding Balances | | |
| Unsecured Loans | 10,000,000 (--) | 30,000,000 (30,000,000) |
| Trade Receivable | -- (--) | 2,692,377 (4,246,554) |
| Other Current Liabilities | (--) (--) | 9,440,803 (4,993,204) |
| Other Loans and Advances | (--) (--) | 50,000 (50,000) |

27. **Additional information (as certified by the management)**

• **Opening and Closing Stock of Finished and Traded Goods :**

| Class of Goods | Opening Stock | Closing Stock |
|------------------|------------------|-------------------|
| Finished Goods : | | |
| Kitchen Sinks | 8,349,853 | 18,281,867 |
| Total | 8,349,853 | 18,281,867 |

• **Sales :**

| Class of Goods | 2015-2016 | 2014-2015 |
|-------------------------------|--------------------|--------------------|
| Manufactured Goods : | | |
| Stainless Steel Kitchen Sinks | 117,804,833 | 109,240,826 |
| Accessories | 12,794,840 | 4,032,880 |
| Total | 130,599,673 | 113,273,706 |

• **Raw Material Consumed :**

| Raw Materials: | 2015-2016 | 2014-2015 |
|-----------------|-------------------|-------------------|
| Stainless Steel | 49,823,192 | 51,798,399 |
| Total | 49,823,192 | 51,798,399 |

• **Consumption of Raw Materials, Components and Spare Parts :**

| | 2015-2016 | % | 2014-2015 | % |
|------------------------------------|-------------------|---------------|------------|--------|
| Raw Materials : | | | | |
| Imported | 4,487,485 | 9.01 | - | - |
| Indigenous | 45,335,707 | 90.99 | 51,798,399 | 100.00 |
| | 49,823,192 | 100.00 | 51,798,399 | 100.00 |
| Components and Spares Parts | | | | |
| Accessories Imported | 3,464,725 | 100.00 | 3,044,683 | 100.00 |

• **Value of Imports C.I.F. basis :**

| | 2015-2016 | 2014-2015 |
|------------------------------------|-----------|-----------|
| Raw Material | 4,487,485 | -- |
| <u>Components and Spares Parts</u> | | |
| Store & Spares | -- | 671,629 |
| Accessories | 4,773,226 | 3,000,493 |
| Hobs & Chimney | 4,926,849 | -- |
| Food Waste Disposer | 2,710,697 | -- |

• **Earnings in Foreign Exchange :**

FOB value of Exports ₹ 20,683,273 (21,696,478)

28. Figures in the brackets are the figures for the previous year, unless otherwise stated.
29. All the amounts are stated in Indian Rupees, unless otherwise stated.
30. Previous year's figures are regrouped and rearranged, wherever necessary.

Signatures to Notes 1 to 30

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A. M. PAREKH

C. A. PAREKH

Directors

Mumbai
23rd May, 2016

Mumbai
23rd May, 2016

ACRYSIL APPLIANCES LIMITED

3RD

ANNUAL REPORT

2015-16

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Third Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended March 31, 2016.

1. Financial summary/Performance of the Company

The summary of operating results for the financial year under review along with the figures for previous year are as follows:

(Amount in Rs.)

| Particulars | 2016-16 | 2015-15 |
|---|---------|---------|
| 1. Net Sales / Income from Operations | 0 | 0 |
| 2. Other Income | 0 | 0 |
| 3. Total Income (1+2) | 0 | 0 |
| 4. Total Expenditure | 42037 | 58823 |
| 5. Operating Profit before Finance Cost, Depreciation and Tax (3-4) | (42037) | (58823) |
| 6. Finance Cost | 0 | 0 |
| 7. Depreciation | 0 | 0 |
| 8. Profit before Tax (5-6-7) | (42037) | (58823) |
| 9. Provision for Taxation | 0 | 0 |
| 10. Net Profit after Tax (8-9) | (42037) | (58823) |

Notes: 1 The Previous year figures has been regrouped wherever necessary

2. Performance Review:

The expenditure incurred during the period under review is Rs. 42037/-.

3. Dividend

As your company has not started commercial activity and project is under implementation, the directors do not recommend any dividend.

4. Material Changes, Transaction and Commitment /Change in the nature of business, if any:

There is no change in the nature of the business of the Company for the year under review.

During the year under review, no significant or material order was passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

5. Share Capital

During the year under review, the Company has not increased its paid up capital. The paid up equity share capital of the Company as on 31st March, 2016 is Rs. 1,00,00,000/-.

6. Transfer to Reserves

The Company has not proposed to transfer any amount to the general reserve out of the amount available for appropriation and full amount is proposed to be retained in the profit and loss account.

7. Deposit

During the year under review, the Company has neither accepted nor renewed any deposits from the public. None of the deposits, if any earlier issued to the public by the Company remained unpaid or unclaimed as on 31st March, 2016.

8. Holding company

Acrysil Limited owns 100.00% share capital of the Company.

9. Directors and Key Managerial Personnel

Mrs. Shetal C. Parekh(DIN:03018222), Director of the Company retires by rotation at the forthcoming Annual General Meeting, and being eligible offers herself for re-appointment.

During the year under review, Mr. Pradeepkumar H. Gohil (DIN: 03022804) is appointed as Independent Director of the Company w.e.f. February 4, 2016.

Apart from this, there were no changes in the Directors or Key Managerial Personnel during the year under review.

a. Board meetings:

During the year, 4 (Four) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. A detailed presentation is also made to apprise the Board of important developments in industry, segments, business operations, marketing, products etc.

10. Auditors

a. Statutory Auditors

Your Company's statutory auditors, M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, retire at the conclusion of ensuing Annual General Meeting. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 139 & 141 of the Act, and are eligible for re-appointment, holding peer review certificate.

The Board recommends their reappointment.

The remarks as contained in the Auditor's Report read with Notes forming part of the accounts are self-explanatory.

11. Auditors' Report:

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

The notes of the auditors are self explanatory in the nature.

12. Risk Management and Policy on Risk Management

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges.

13. Related party transactions and Policy on Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Details on Related Party Transactions in Form AOC – 2 have been enclosed as **Annexure II**.

14. Managerial Remuneration and Particulars of Employees:

The Company had no employee during the year covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015.

15. Insurance

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which are considered necessary by the management. In addition to this coverage, a statutory Public Liability Insurance Policy has been taken to cover the company for providing against the Public liability arising out of Industrial accidents for employees working in plants.

16. Loans, Guarantees Or Investments

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

17. Deposits

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2015.

18. Extract of the Annual Return

The extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure I**.

19. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm:

- a. that in the preparation of the annual accounts for the year ended 31st March 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2016 and of the profit of the Company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts/financial statements have been prepared on a going concern basis;
- e. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year;

The Company does not have any subsidiary, joint venture or associate company during the year under review.

21. Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 are not applicable as the Commercial Production has not yet commenced. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There is no foreign exchange income or outgo.

22. Human Resource

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building programs are conducted to enhance employee skills, motivation as also to foster team spirit. Company also conducts in-house training programs to develop leadership as well as technical/functional capabilities in order to meet future talent requirements. Industrial relations were cordial throughout the year.

23. The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

There has been no complaint related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year.

24. Disclosures under Section 134(3)(l) of the Companies Act, 2013

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

25. Gratitude & Acknowledgments

Your Directors place on record their earnest appreciation for the unstinted commitment, dedication, hard work and significant contribution made by employees across the globe in ensuring sustained growth of the Company.

Your Directors also sincerely thanks all the stakeholders, business partners, government, other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

By order of the Board of Directors
For **ACRYSIL APPLIANCE LIMITED**

**AHMEDABAD
AUGUST 8, 2016**

**CHIRAG A. PAREKH
DIRECTOR
(DIN: 00298807)**

**A. M. PAREKH
DIRECTOR
(DIN: 00295001)**

Registered Office:

B-307, Citi Point, J.B. Nagar,
Andheri Kurla Road, Andheri (East).
Mumbai – 400 059.
Tel:(91-22) 4015 7817 / 7818 / 7819
Fax: (91-22) 2825 8052.

CIN: U51101MH2013PLC241702

Annexure I

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2015.

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|--|
| 1. | CIN | U51101MH2013PLC241702 |
| 2. | Registration Date | 28/04/2010 |
| 3. | Name of the Company | ACRYSIL APPLIANCES LIMITED |
| 4. | Category/Sub-category of the Company | Public Company limited by Shares |
| 5. | Address of the Registered office & contact details | B-307, Citi Point, J.B. Nagar, Andheri Kurla Road, Andheri (East). Mumbai – 400 059. Tel:(91-22) 4015 7817 / 7818 / 7819 Fax: (91-22) 2825 8052. |
| 6. | Whether listed company | NO |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | - | - | - |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | ACRYSIL LIMITED B-307, City Point, Andheri-Kurla Road, J.B. Nagar, Andheri(East), Mumbai – 400 059 | L26914MH1987PLC042283 | Holding | 100% | 2(46) |

| | | | | | | | | | |
|---|---|---------|---------|-----|---|---------|---------|-----|---|
| i) Any others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individual | | | | | | | | | |
| i) Individual shareholder holding nominal share Capital upto Rs. 1 Lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Individual shareholder holding nominal share Capital excess of Rs. 1 Lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Any others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B) (2): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 1000000 | 1000000 | 100 | 0 | 1000000 | 1000000 | 100 | 0 |

(ii) Shareholding of Promoters-

| S N | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-----|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Acrysil Limited | 1000000 | 100 | 0 | 1000000 | 100 | 0 | 0 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Increase / Decrease in Shareholding during the year* | | Cumulative Shareholding during the year | |
|---------|-----------------------------|---|----------------------------------|--|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | No. of Shares | No. of shares | % of total shares of the company |
| | Total Promoter Shareholding | 1000000 | 100% | There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2016 | | | |

**(iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SN | For Each of the Top 10 Shareholders* | Shareholding at the beginning of the year 01-04-2015 | | Cumulative Shareholding end of the year 31-03-2016 | |
|----|--------------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | - | - | - | - | - |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Ashwin Mohanlal Parekh | 0 | 0 | 0 | 0 |
| 2. | Chirag Ashwin Parekh | 0 | 0 | 0 | 0 |
| 3. | Shetal Chirag Parekh | 0 | 0 | 0 | 0 |

V) Indebtedness -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| Indebtedness | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 0 | 0 | 0 |
| * Reduction | 0 | 0 | 0 | 0 |
| Net Change | 0 | 0 | 0 | 0 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

| SN. | Particulars of Remuneration | Mrs. Shetal C. Parekh | Mr. Chirag A. Parekh | Mr. Ashwin M. Parekh | Total Amount |
|-----|--|---|----------------------|----------------------|--------------|
| 1 | Gross salary | 0 | 0 | 0 | 0 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961* | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 |
| 4 | Commission - as % of profit - others, specif | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Contribution to PF & FPF | 0 | 0 | 0 | 0 |
| | Contribution to Super Annuation | 0 | 0 | 0 | 0 |
| | Contribution to EDLI | 0 | 0 | 0 | 0 |
| | Total (A) | 0 | 0 | 0 | 0 |
| | Ceiling as per the Act | It is within ceiling limit prescribed under Companies Act, 2013 | | | |

* Does not include premium for group personal accident and group mediclaim policy

B. Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | Total Amount in Rs. |
|-----|---|-----------------------|---------------------|
| | Independent Directors | | |
| 1 | Fee for attending board / committee meetings | Not Applicable | |
| | Commission | | |
| | Others, please specify | | |
| | Total (1) | | |
| 2 | Other Non-Executive Directors | | |
| | Fee for attending board/ committee meetings | | |
| | Commission | | |
| | Others, please specify | | |
| | Total (2) | | |
| | Total (B)=(1+2) | | |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act | | |

C. Remuneration to key managerial personnel other than MD/Manager/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel |
|----|---|--------------------------|
| 1 | Gross salary | Not Applicable |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | |
| 2 | Stock Option | |
| 3 | Sweat Equity | |
| 4 | Commission | |
| | - as % of profit | |
| | others, specify... | |
| 5 | Others, please specify | |
| | Total | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

By order of the Board of Directors
For **ACRYSIL APPLIANCE LIMITED**

AHMEDABAD
AUGUST 8, 2016

CHIRAG A. PAREKH
DIRECTOR
(DIN: 00298807)

A. M. PAREKH
DIRECTOR
(DIN: 00295001)

Annexure - II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2015)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| Sr. No. | Particulars | Details |
|---------|---|-----------|
| 1. | Name (s) of the related party & nature of relationship | NA |
| 2. | Nature of contracts/arrangements/transactions | |
| 3. | Duration of the contracts/arrangements/transactions | |
| 4. | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| 5. | Justification for entering into such contracts or arrangements or transactions | |
| 6. | Date(s) of approval by the Board | |
| 7. | Amount paid as advances, if any | |
| 8. | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangements or transactions at Arm's length basis.

| Name (s) of the related party & nature of relationship | Nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount in (Rs.) |
|--|------------------------|---|---|--|----------------------------------|-----------------|
| -- | -- | -- | -- | -- | -- | -- |

By order of the Board of Directors
For **ACRYSIL APPLIANCE LIMITED**

AHMEDABAD
AUGUST 8, 2016

CHIRAG A. PAREKH
DIRECTOR
(DIN: 00298807)

A. M. PAREKH
DIRECTOR
(DIN: 00295001)

ACRYSIL APPLIANCES LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

(Amounts in Indian ₹)

| Particulars | Note No. | 31st March 2016 | 31st March 2015 |
|--|----------|--------------------------|--------------------------|
| <u>EQUITY AND LIABILITIES ::</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 10,000,000 | 10,000,000 |
| Reserves and Surplus | 3 | <u>(471,647)</u> | <u>(429,610)</u> |
| | | 9,528,353 | 9,570,390 |
| Non-Current Liabilities | | | |
| Long-term Borrowings | | - | - |
| Other Long Term Liabilities | | - | - |
| Long-term Provisions | | <u>-</u> | <u>-</u> |
| | | - | - |
| Current Liabilities | | | |
| Short-term Borrowings | | - | - |
| Trade Payables | | 52,347 | 28,472 |
| Other Current Liabilities | 4 | 419,300 | 418,700 |
| Short-term Provisions | | <u>-</u> | <u>-</u> |
| | | 471,647 | 447,172 |
| Total... | | <u><u>10,000,000</u></u> | <u><u>10,017,562</u></u> |
| <u>ASSETS ::</u> | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | | - | - |
| Intangible Assets | | - | - |
| Capital Work-in-Progress | | <u>-</u> | <u>-</u> |
| | | - | - |
| Non-current Investments | | - | - |
| Long-term Loans and Advances | | - | - |
| Other Non-current Assets | | <u>-</u> | <u>-</u> |
| | | - | - |
| Current Assets | | | |
| Current Investments | | - | - |
| Inventories | | - | - |
| Trade Receivables | | - | - |
| Cash and Bank Balances | 5 | - | 17,562 |
| Short-term Loans and Advances | 6 | 10,000,000 | 10,000,000 |
| Other Current Assets | | <u>-</u> | <u>-</u> |
| | | 10,000,000 | 10,017,562 |
| Total... | | <u><u>10,000,000</u></u> | <u><u>10,017,562</u></u> |
| The accompanying notes 1 to 14 are an integral part of these financial statements. | | | |

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
PartnerA.M. Parekh
DirectorChirag A Parekh
DirectorMumbai
May 23, 2016Mumbai
May 23, 2016

ACRYSIL APPLIANCES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

(Amounts in Indian ₹)

| Particulars | Note No. | 2015-2016 | 2014-2015 |
|--|----------|-----------------|-----------------|
| REVENUE : | | | |
| Revenue from Operations | | - | - |
| Other Income | | - | - |
| Total Revenue | | <u>-</u> | <u>-</u> |
| EXPENSES : | | | |
| Cost of Materials Consumed | | - | - |
| Purchases of Stock-in-Trade | | - | - |
| Changes in Inventories | | - | - |
| Employee Benefits Expenses | | - | - |
| Finance Costs | | - | - |
| Depreciation and Amortization | | - | - |
| Other Expenses | 7 | 42,037 | 58,823 |
| Total Expenses | | <u>42,037</u> | <u>58,823</u> |
| Profit / (Loss) before exceptional and extraordinary items and tax | | (42,037) | (58,823) |
| Exceptional Items | | - | - |
| Profit / (Loss) before extraordinary items and tax | | <u>(42,037)</u> | <u>(58,823)</u> |
| Extraordinary Items | | - | - |
| Profit / (Loss) Before Tax | | <u>(42,037)</u> | <u>(58,823)</u> |
| Tax Expenses | | | |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| | | <u>-</u> | <u>-</u> |
| Net Profit / (Loss) for the year | | <u>(42,037)</u> | <u>(58,823)</u> |
| Face Value per Equity Share | | 10.00 | 10.00 |
| Earnings per Equity Share | | | |
| Basic / Diluted | | (0.04) | (0.06) |
| The accompanying notes 1 to 14 are an integral part of these financial statements. | | | |

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A.M. Parekh
Director

Chirag A Parekh
Director

Mumbai
May 23, 2016

Mumbai
May 23, 2016

ACRYSIL APPLIANCES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

| | 2015-2016 | 2014-2015 |
|---|---|---------------|
| A | <u>CASH FLOW FROM OPERATING ACTIVITIES :</u> | |
| Net Profit (Loss) Before Tax And Extraordinary Items | (0.42) | (0.59) |
| Adjustments for - | | |
| Depreciation and Amortization | - | - |
| Dividend | - | - |
| Interest | - | - |
| Operating Profit Before Working Capital Changes | (0.42) | (0.59) |
| Adjustments for - | | |
| Trade and Other Receivables | - | 0.45 |
| Inventories | - | - |
| Trade and Other Payables | 0.24 | 0.07 |
| Cash Generated From Operations | (0.18) | (0.07) |
| Interest Paid | - | - |
| Direct Taxes Paid | - | - |
| NET CASH FROM OPERATING ACTIVITIES | (0.18) | (0.07) |
| B | <u>CASH FLOW FROM INVESTING ACTIVITIES :</u> | |
| Purchase of Fixed Assets | - | - |
| Sale of Fixed Assets | - | - |
| Sale of Investments | - | - |
| Interest Received | - | - |
| Dividend Received | - | - |
| NET CASH USED IN INVESTING ACTIVITIES | - | - |
| C | <u>CASH FLOW FROM FINANCING ACTIVITIES :</u> | |
| Proceeds from issuance of Share Capital | - | - |
| Proceeds from Long Term Borrowings (net) | - | - |
| Proceeds from Short Term Borrowings (net) | - | - |
| Dividend Paid | - | - |
| NET CASH USED IN FINANCING ACTIVITIES | (0.18) | - |
| Net Increase in Cash and Cash Equivalents | (0.18) | (0.07) |
| Cash and Cash Equivalents as at beginning of the year | 0.18 | 0.24 |
| Cash and Cash Equivalents as at end of the year | - | 0.18 |

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A.M. Parekh
Director

Chirag A Parekh
Director

Mumbai
May 23, 2016

Mumbai
May 23, 2016

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

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

Use of Estimates:

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

Provision and Contingencies:

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

Earning per Share:

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

Note No. 22.1 Share Capital:

| Particulars | 31st March 2016 | 31st March 2015 |
|--|-----------------|-----------------|
| | ₹ | ₹ |
| <u>Authorised</u> | | |
| 3,000,000 Equity Shares of ₹ 10 each | 30,000,000 | 30,000,000 |
| | 30,000,000 | 30,000,000 |
| <u>Issued, Subscribed and Paid up</u> | | |
| 1,000,000 Equity Shares of ₹ 10 each | 10,000,000 | 10,000,000 |
| | 10,000,000 | 10,000,000 |

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

b. The entire share capital is held by the holding company, Acrysil Limited.

2.2 Share Capital Reconciliation:

| Particulars | Equity Shares | |
|---|---------------|------------|
| | No. of shares | ₹ |
| Shares outstanding at the beginning of the year | 1,000,000 | 10,000,000 |
| Shares issued during the year | - | - |
| Shares bought back during the year | - | - |
| Shares outstanding at the end of the year | 1,000,000 | 10,000,000 |

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

| Name of Shareholder | 31st March 2016 | | 31st March 2015 | |
|---------------------|-----------------|--------------|-----------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Acrysil Limited | 1,000,000 | 100.00 | 1,000,000 | 100.00 |
| | | | | |

2.4 Rights, preferences and restrictions attached to shares

Equity Shares:

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

Note No. 3**Reserves and Surplus**

| Particulars | 31st March 2016 | 31st March 2015 |
|--------------------------------------|------------------|------------------|
| | ₹ | ₹ |
| Surplus | | |
| Balance at the beginning of the year | (429,610) | (370,787) |
| Net Profit / (Loss) for the year | (42,037) | (58,823) |
| Balance at the end of the year | <u>(471,647)</u> | <u>(429,610)</u> |

Note No. 4**Other Current Liabilities**

| Particulars | 31st March 2016 | 31st March 2015 |
|-------------------|-----------------|-----------------|
| | ₹ | ₹ |
| Other Liabilities | 419,300 | 418,700 |
| | <u>419,300</u> | <u>418,700</u> |

Note No. 5**Cash and Bank Balances**

| Particulars | 31st March 2016 | 31st March 2015 |
|--|-----------------|-----------------|
| | ₹ | ₹ |
| <u>I. Cash and Cash Equivalents</u> | | |
| <u>a. Balances with Banks:</u> | | |
| Current accounts | - | 17,562 |
| Short term deposits | - | - |
| | <u>-</u> | <u>17,562</u> |
| <u>b. Cash on Hand</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>17,562</u> |
| <u>II. Other Bank Balances</u> | | |
| Terms deposits with more than 12 months maturity | - | - |
| Other terms deposits | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>17,562</u> |

Note No. 6**Short-term loans and advances**

| Particulars | 31st March 2016 | 31st March 2015 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| Loan to the holding company (granted vide special resolution dated 29th June 2013) | 10,000,000 | 10,000,000 |
| | <u>10,000,000</u> | <u>10,000,000</u> |

Note No. 7**Other Expenses**

| Particulars | 2015-2016 | 2014-2015 |
|---------------------------|---------------|---------------|
| | ₹ | ₹ |
| Payments to auditors | 22,800 | 26,405 |
| Legal & professional fees | 17,958 | 31,800 |
| Bank charges | 1,204 | 618 |
| General expenses | 75 | - |
| | <u>42,037</u> | <u>58,823</u> |

- 8 Acrysil Appliances Limited was incorporated on 4th April 2013 and is a subsidiary company of Acrysil Limited.
- 9 The Company has not commenced any commercial activities till the date of these financial statements.

10 Auditors' Remuneration:

| | 2015-2016 | 2014-2015 |
|---------------|-----------|-----------|
| Audit Fees | 17,100 | 16,854 |
| Other Matters | 5,700 | 9,551 |

11 Related Party Disclosures:

| | |
|------------------------|-----------------|
| Holding Company | Acrysil Limited |
|------------------------|-----------------|

Transactions with related parties:

| Particulars | Holding Company |
|-------------------------------|----------------------------|
| <u>Outstanding Balances:</u> | |
| Short-term loans and advances | 10,000,000 (10,000,000) |
| Other Current Liabilities | 418,300 (418,300) |

- 12 Figures in the brackets are the figures for the previous year, unless otherwise stated.
- 13 All the amounts are stated in Indian Rupees, unless otherwise stated.
- 14 Previous year's figures are regrouped and rearranged wherever necessary.

Signatures to Notes 1 to 14

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A.M. Parekh
Director

Chirag A Parekh
Director

Mumbai
May 23, 2016

Mumbai
May 23, 2016

STERNHAGEN BATH PRIVATE LIMITED

Leader in Bath Segment
5th ANNUAL REPORT 2015-16



WE ARE INNOVATION

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Fifth Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended March 31, 2016.

1. Financial summary/Performance of the Company

The summary of operating results for the financial year under review along with the figures for previous year are as follows:

(In ₹)

| Particulars | 2015-16 | 2014-15 |
|---|---------|---------|
| 1. Net Sales / Income from Operations | - | - |
| 2. Other Income | - | - |
| 3. Total Income (1+2) | - | - |
| 4. Total Expenditure | 45395 | 79641 |
| 5. Operating Profit before Finance Cost, Depreciation and Tax (3-4) | (45395) | (79641) |
| 6. Finance Cost | - | - |
| 7. Depreciation | - | - |
| 8. Profit before Tax (5-6-7) | (45395) | (79641) |
| 9. Provision for Taxation | - | - |
| 10. Net Profit after Tax (8-9) | (45395) | (79641) |

Notes: 1 The Previous year figures has been regrouped wherever necessary

2. Performance Review:

The company has incurred expenditure during the period under review is Rs. 45395/-.

3. Dividend

The company has not started commercial activity and project is under implementation, the directors do not recommend any dividend.

4. Material Changes, Transaction and Commitment /Change in the nature of business, if any:

There is no change in the nature of the business of the Company for the year under review.

During the year under review, no significant or material order was passed by the

Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

5. Share Capital

The Company has not issued equity shares or any other securities during the financial year under review. The paid up equity share capital of the Company as on 31st March, 2016 is Rs. 1,000,000/-.

6. Transfer to Reserves

The Company has not proposed to transfer any amount to the general reserve out of the amount available for appropriation and full amount is proposed to be retained in the profit and loss account.

7. Deposit

During the year under review, the Company has neither accepted nor renewed any deposits from the public. None of the deposits, if any earlier issued to the public by the Company remained unpaid or unclaimed as on 31st March, 2016.

8. Holding company

Acrysil Limited owns 84.90% share capital of the Company.

9. Directors and Key Managerial Personnel

Mrs. Shetal C. Parekh (DIN: 03018222) Director, retires by rotation and being eligible, offer herself for re-appointment.

During the year under review, Mr. Pradeepkumar H. Gohil (DIN: 03022804) is appointed as Independent Director of the Company w.e.f. February 4, 2016.

Apart from this, there were no changes in the Directors or Key Managerial Personnel during the year under review.

a. Board meetings:

During the year, 4 (Four) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. A detailed presentation is also made to apprise the Board of important developments in industry, segments, business operations, marketing, products etc.

10. Auditors

a. Statutory Auditors

Your Company's statutory auditors, M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, retire at the conclusion of ensuing Annual General Meeting. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of Section 139 & 141 of the Act, and are eligible for re-appointment, holding peer review certificate.

The Board recommends their reappointment.

The remarks as contained in the Auditor's Report read with Notes forming part of the accounts are self-explanatory.

11. Auditors' Report:

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

The notes of the auditors are self explanatory in the nature.

12. Risk Management and Policy on Risk Management

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges.

13. Related party transactions and Policy on Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Details on Related Party Transactions in Form AOC - 2 has been enclosed as **Annexure II**.

14. Managerial Remuneration and Particulars of Employees:

The Company had no employee during the year covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

15. Insurance

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which are considered necessary by the management. In addition to this coverage, a statutory Public Liability Insurance Policy has been taken to cover the company for providing against the Public liability arising out of Industrial accidents for employees working in plants.

16. Loans, Guarantees Or Investments

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

17. Deposits

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

18. Extract of the Annual Return

The extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure I**.

19. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm:

- a. that in the preparation of the annual accounts for the year ended 31st March 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2015 and of the profit of the Company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts/financial statements have been prepared on a going concern basis;
- e. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year;

The Company does not have any subsidiary, joint venture or associate company during the year under review.

21. Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 are not applicable as the Commercial Production has not yet commenced. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There is no foreign exchange income or outgo.

22. Human Resource

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building programs are conducted to enhance employee skills, motivation as also to foster team spirit. Company also conducts in-house training programs to develop leadership as well as technical/functional capabilities in order to meet future talent requirements. Industrial relations were cordial throughout the year.

23. The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

There has been no complaint related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year.

24. Disclosures under Section 134(3)(l) of the Companies Act, 2013

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

25. Gratitude & Acknowledgments

Your Directors place on record their earnest appreciation for the unstinted commitment, dedication, hard work and significant contribution made by employees across the globe in ensuring sustained growth of the Company.

Your Directors also sincerely thanks all the stakeholders, business partners, government, other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

By order of the Board of Directors
For **STRENHAGEN BATH PRIVATE LIMITED**

AHMEDABAD
AUGUST 14, 2015

CHIRAG A. PAREKH
(DIN: 00298807)
DIRECTOR

ASHWIN M. PAREKH
(DIN: 00295001)
DIRECTOR

Registered Office:

B-307, Citi Point, J.B. Nagar,
Andheri Kurla Road,
Andheri (East).
Mumbai – 400 059.
Tel:(91-22) 4015 7817 / 7818 / 7819
Fax: (91-22) 2825 8052.
CIN: U25200MH2011PTC212405

Annexure I

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | U25200MH2011PTC212405 |
| 2. | Registration Date | 17/01/2011 |
| 3. | Name of the Company | STERNHAGEN BATH PRIVATE LIMITED |
| 4. | Category/Sub-category of the Company | Private Company limited by Shares |
| 5. | Address of the Registered office & contact details | B-307, Citi Point, J. B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059. Ph.: (91-22) 4015 7817 / 7818 / 7819 |
| 6. | Whether listed company | NO |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | - | - | - |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No | Name and address of the Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|--------|--|---------------------------|--------------------------------|------------------|--------------------|
| 1. | ACRYSIL LIMITED B-307, Citi Point, J.B. Nagar, Andheri-Kurla Road, J.B. Nagar, Andheri(East), Mumbai – 400 059 | L26914MH1987PL C042283 | Holding | 84.90% | 2(46) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-April -2015] | | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | | % Change during the year |
|---|--|---------------|---------------|-------------------|---|---------------|---------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter and Promoter Group | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 0 | 15100 | 15100 | 15.10 | 0 | 15100 | 15100 | 15.10 | 0 |
| b) Central | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corporate | 0 | 84900 | 84900 | 84.90 | 0 | 84900 | 84900 | 84.90 | 0 |
| e) Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other (Specify) | | | | | | | | | |
| (i) Directors /Relatives | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (ii) Group Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (A)(1) : | 0 | 100000 | 100000 | 100 | 0 | 100000 | 100000 | 100 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other-Individuals | | | | | | | | | |
| c) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (A)(2): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A)=(A)(1) + (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Government (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FII's | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Qualified Foreign Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| j) Any others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|----------|---------------|---------------|------------|----------|---------------|---------------|------------|----------|
| ii) Overseas | | | | | | | | | |
| b) Individual | | | | | | | | | |
| i) Individual shareholder holding nominal share Capital upto Rs. 1 Lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Individual shareholder holding nominal share Capital excess of Rs. 1 Lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C) Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Any others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B) (2): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 100000 | 100000 | 100 | 0 | 100000 | 100000 | 100 | 0 |

(ii) Shareholding of Promoters-

| S N | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-----|--------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | |
| 1 | Acrysil Limited | 84900 | 84.90 | 0 | 84900 | 84.90 | 0 | 0 |
| 2 | Chirag A. Parekh | 10000 | 10 | 0 | 10000 | 10 | 0 | 0 |
| 3 | Shetal C Parekh | 5000 | 5 | 0 | 5000 | 5 | 0 | 0 |
| 4 | Ashwin M. Parekh | 100 | 0.10 | 0 | 100 | 0.10 | 0 | 0 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Increase / Decrease in Shareholding during the year* | | Cumulative Shareholding during the year | |
|---------|-----------------------------|---|----------------------------------|--|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | No. of Shares | No. of shares | % of total shares of the company |
| | Total Promoter Shareholding | 100000 | 100% | There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2016 | | | |

**(iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SN | For Each of the Top 10 Shareholders* | Shareholding at the beginning of the year 01-04-2015 | | Cumulative Shareholding end of the year 31-03-2016 | |
|----|--------------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Nil | -- | -- | -- | -- |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Chirag A. Parekh | 10000 | 10 | 10000 | 10 |
| 2. | Shetal C Parekh | 5000 | 5 | 5000 | 5 |
| 3. | Ashwin M. Parekh | 100 | 0.10 | 100 | 0.10 |

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0 | 29500 | 0 | 29500 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 0 | 0 | 0 |
| * Reduction | 0 | 0 | 0 | 0 |
| Net Change | 0 | 0 | 0 | 0 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 0 | 29500 | 0 | 29500 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 29500 | 0 | 29500 |

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

| SN. | Particulars of Remuneration | Mrs. Shetal C. Parekh | Mr. Chirag A. Parekh | Mr. Ashwin M. Parekh | Total Amount |
|-----|--|---|----------------------|----------------------|--------------|
| 1 | Gross salary | 0 | 0 | 0 | 0 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961* | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 |
| 4 | Commission - as % of profit - others, specify... | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Contribution to PF & FPF | 0 | 0 | 0 | 0 |
| | Contribution to Super Annuation | 0 | 0 | 0 | 0 |
| | Contribution to EDLI | 0 | 0 | 0 | 0 |
| | Total (A) | 0 | 0 | 0 | 0 |
| | Ceiling as per the Act | It is within ceiling limit prescribed under Companies Act, 2013 | | | |

* Does not include premium for group personal accident and group mediclaim policy

B. Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | Total Amount in Rs. |
|-----|---|-----------------------|---------------------|
| | Independent Directors | | |
| 1 | Fee for attending board / committee meetings | Not Applicable | |
| | Commission | | |
| | Others, please specify | | |
| | Total (1) | | |
| 2 | Other Non-Executive Directors | | |
| | Fee for attending board/ committee meetings | | |
| | Commission | | |
| | Others, please specify | | |
| | Total (2) | | |
| | Total (B)=(1+2) | | |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act | | |

C. Remuneration to key managerial personnel other than MD/Manager/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel |
|----|--|--------------------------|
| 1 | Gross salary | Not Applicable |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | |
| 2 | Stock Option | |
| 3 | Sweat Equity | |
| 4 | Commission | |
| | - as % of profit | |
| | others, specify... | |
| 5 | Others, please specify | |
| | Total | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

By order of the Board of Directors
For **STRENHAGEN BATH PRIVATE LIMITED**

AHMEDABAD
AUGUST 8, 2016

CHIRAG A. PAREKH
(DIN: 00298807)
DIRECTOR

ASHWIN M. PAREKH
(DIN: 00295001)
DIRECTOR

Annexure - II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------------------------|
| 1. | Name (s) of the related party & nature of relationship | Not Applicable |
| 2. | Nature of contracts/arrangements/transactions | |
| 3. | Duration of the contracts/arrangements/transactions | |
| 4. | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| 5. | Justification for entering into such contracts or arrangements or transactions | |
| 6. | Date(s) of approval by the Board | |
| 7. | Amount paid as advances, if any | |
| 8. | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangements or transactions at Arm's length basis.

| Name (s) of the related party & nature of relationship | Nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount in (Rs.) |
|--|------------------------|---|---|--|----------------------------------|-----------------|
| -- | -- | -- | -- | -- | -- | -- |

By order of the Board of Directors
For **STRENHAGEN BATH PRIVATE LIMITED**

**AHMEDABAD
AUGUST 8, 2016**

**CHIRAG A. PAREKH
(DIN: 00298807)
DIRECTOR**

**ASHWIN M. PAREKH
(DIN: 00295001)
DIRECTOR**

INDEPENDENT AUDITORS' REPORT

To
The Members of
STERNHAGEN BATH PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Sternhagen Bath Private Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and of the loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent possible.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B; and
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Mumbai
May 23, 2016

MANOJ GANATRA
Partner
Membership No. 043485

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 Since no fixed assets are held by the company, the provisions of clause 3(i) of the Order are not applicable to the company.
- 2 Since no inventories are held by the Company during the year, provisions of clause 3(ii) of the Order are not applicable to the Company.
- 3 Since no loans granted to companies, firms or other parties in the register maintained under section 189 of the Companies Act, 2013 by the Company, provisions of clause 3(iii) of the Order are not applicable to the Company.
- 4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- 5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013.
- 7 In respect of statutory and other dues:
 - a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
 - b. There are no amounts outstanding, which have not been deposited on account of dispute.
- 8 Since the Company has not obtained any borrowings from any banks, financial institutions or government or by way of debentures, the provision of clause 3(viii) of the Order is not applicable to the company.

- 9 Since the Company has not raised any money, during the year, by way of public offer (including debt instruments) and term loan, the provision of clause 3(ix) of the Order is not applicable to the company.
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- 11 Since no managerial remuneration has paid or provided by the Company during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, the provision of clause 3(xi) of the Order is not applicable to the company.
- 12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Mumbai
May 23, 2016

MANOJ GANATRA
Partner
Membership No. 043485

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Sternhagen Bath Private Limited** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Bhavnagar
May 23, 2016

MANOJ GANATRA
Partner
Membership No. 043485

STERNHAGEN BATH PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

(Amounts in Indian ₹)

| Particulars | Note No. | 31st March 2016 | 31st March 2015 |
|--|----------|-----------------|-----------------|
| <u>EQUITY AND LIABILITIES ::</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 1,000,000 | 1,000,000 |
| Reserves and Surplus | 3 | (333,571) | (288,176) |
| | | 666,429 | 711,824 |
| Non-Current Liabilities | | | |
| Long-term Borrowings | 4 | 29,500 | 29,500 |
| Other Long Term Liabilities | | - | - |
| Long-term Provisions | | - | - |
| | | 29,500 | 29,500 |
| Current Liabilities | | | |
| Short-term Borrowings | | - | - |
| Trade Payables | | 92,572 | 61,472 |
| Other Current Liabilities | 5 | 1,250 | 750 |
| Short-term Provisions | | - | - |
| | | 93,822 | 62,222 |
| Total... | | 789,751 | 803,546 |
| <u>ASSETS ::</u> | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | | - | - |
| Intangible Assets | | - | - |
| Capital Work-in-Progress | | - | - |
| Non-current Investments | | - | - |
| Long-term Loans and Advances | | - | - |
| Other Non-current Assets | | - | - |
| | | - | - |
| Current Assets | | | |
| Current Investments | | - | - |
| Inventories | | - | - |
| Trade Receivables | | - | - |
| Cash and Bank Balances | 6 | 789,751 | 803,546 |
| Short-term Loans and Advances | | - | - |
| Other Current Assets | | - | - |
| | | 789,751 | 803,546 |
| Total... | | 789,751 | 803,546 |
| The accompanying notes 1 to 14 are an integral part of these financial statements. | | - | - |

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A.M. Parekh
Director

Chirag A Parekh
Director

Mumbai
May 23, 2016

Mumbai
May 23, 2016

STERNHAGEN BATH PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

(Amounts in Indian ₹)

| Particulars | Note No. | 2015-2016 | 2014-2015 |
|--|----------|-----------|-----------|
| REVENUE : | | | |
| Revenue from Operations | | - | - |
| Other Income | | - | - |
| Total Revenue | | - | - |
| EXPENSES : | | | |
| Cost of Materials Consumed | | - | - |
| Purchases of Stock-in-Trade | | - | - |
| Changes in Inventories | | - | - |
| Employee Benefits Expenses | | - | - |
| Finance Costs | | - | - |
| Depreciation and Amortization | | - | - |
| Other Expenses | 7 | 45,395 | 79,641 |
| Total Expenses | | 45,395 | 79,641 |
| Profit / (Loss) before exceptional and extraordinary items and tax | | (45,395) | (79,641) |
| Exceptional Items | | - | - |
| Profit / (Loss) before extraordinary items and tax | | (45,395) | (79,641) |
| Extraordinary Items | | - | - |
| Profit / (Loss) Before Tax | | (45,395) | (79,641) |
| Tax Expenses | | | |
| Current Tax | | - | - |
| Earlier Tax | | - | - |
| Deferred Tax | | - | - |
| | | - | - |
| Net Profit / (Loss) for the year | | (45,395) | (79,641) |
| Face Value per Equity Share | | 10.00 | 10.00 |
| Earnings per Equity Share | | | |
| Basic / Diluted | | (0.45) | (0.80) |
| The accompanying notes 1 to 14 are an integral part of these financial statements. | | | |

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A.M. Parekh
Director

Chirag A Parekh
Director

Mumbai
May 23, 2016

Mumbai
May 23, 2016

STERNHAGEN BATH PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

(Amounts ₹ in lacs)

| Particulars | 2015-2016 | 2014-2015 |
|---|---------------|---------------|
| A | | |
| <u>CASH FLOW FROM OPERATING ACTIVITIES :</u> | | |
| Net Profit (Loss) Before Tax And Extraordinary Items | (0.45) | (0.80) |
| Adjustments for - | | |
| Depreciation and Amortization | - | - |
| Dividend | - | - |
| Interest | - | - |
| Operating Profit Before Working Capital Changes | (0.45) | (0.80) |
| Adjustments for - | | |
| Trade and Other Receivables | - | - |
| Inventories | - | - |
| Trade and Other Payables | 0.32 | 0.45 |
| Cash Generated From Operations | (0.14) | (0.35) |
| Interest Paid | - | - |
| Direct Taxes Paid | - | - |
| NET CASH FROM OPERATING ACTIVITIES | (0.14) | (0.35) |
| B | | |
| <u>CASH FLOW FROM INVESTING ACTIVITIES :</u> | | |
| Purchase of Fixed Assets | - | - |
| Sale of Investments | - | - |
| Interest Received | - | - |
| Dividend Received | - | - |
| NET CASH USED IN INVESTING ACTIVITIES | - | - |
| C | | |
| <u>CASH FLOW FROM FINANCING ACTIVITIES :</u> | | |
| Proceeds from issuance of Share Capital | - | - |
| Proceeds from Long Term Borrowings (net) | - | - |
| Proceeds from Short Term Borrowings (net) | - | - |
| Dividend Paid | - | - |
| NET CASH USED IN FINANCING ACTIVITIES | - | - |
| Net Increase in Cash and Cash Equivalents | (0.14) | (0.35) |
| Cash and Cash Equivalents as at beginning of the year | 8.04 | 8.39 |
| Cash and Cash Equivalents as at end of the year | 7.90 | 8.04 |

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A.M. Parekh
Director

Chirag A Parekh
Director

Mumbai
May 23, 2016

Mumbai
May 23, 2016

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

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

Use of Estimates:

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

Provision and Contingencies:

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

Earning per Share:

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

Note No. 22.1 Share Capital:

| Particulars | 31st March 2016 | 31st March 2015 |
|--|-----------------|-----------------|
| | ₹ | ₹ |
| <u>Authorised</u> | | |
| 500,000 Equity Shares of ₹ 10 each | 5,000,000 | 5,000,000 |
| | 5,000,000 | 5,000,000 |
| <u>Issued, Subscribed and Paid up</u> | | |
| 100,000 Equity Shares of ₹ 10 each | 1,000,000 | 1,000,000 |
| | 1,000,000 | 1,000,000 |
| a. Equity shares issued as fully paid up bonus shares during the preceding five years: Nil | | |

2.2 Share Capital Reconciliation:

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

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

| Name of Shareholder | 31st March 2016 | | 31st March 2015 | |
|---------------------|-----------------|--------------|-----------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Acrysil Limited | 84,900 | 84.90 | 84,900 | 84.90 |
| Chirag A Parekh | 10,000 | 10.00 | 10,000 | 10.00 |

2.4 Rights, preferences and restrictions attached to shares

Equity Shares:

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

Note No. 3
Reserves and Surplus

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|--------------------------------------|----------------------|----------------------|
| Surplus | | |
| Balance at the beginning of the year | (288,176) | (208,535) |
| Net Profit / (Loss) for the year | (45,395) | (79,641) |
| Current year transfer | - | - |
| Balance at the end of the year | (333,571) | (288,176) |

Note No. 4
Long-term Borrowings

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|-------------------------------|----------------------|----------------------|
| <u>Secured Loans</u> | - | - |
| | - | - |
| Period of default : Nil | | |
| Amount : Nil | | |
| <u>Unsecured Loans</u> | | |
| From holding company | 29,500 | 29,500 |
| | 29,500 | 29,500 |
| | 29,500 | 29,500 |

Note No. 5
Other Current Liabilities

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|-------------------|----------------------|----------------------|
| Other Liabilities | 1,250 | 750 |
| | 1,250 | 750 |

Note No. 6
Cash and Bank Balances

| Particulars | 31st March 2016 ₹ | 31st March 2015 ₹ |
|--|----------------------|----------------------|
| <u>I. Cash and Cash Equivalents</u> | | |
| <u>a. Balances with Banks:</u> | | |
| Current accounts | 789,751 | 803,546 |
| Short term deposits | - | - |
| | 789,751 | 803,546 |
| <u>b. Cash on Hand</u> | - | - |
| | 789,751 | 803,546 |
| <u>II. Other Bank Balances</u> | | |
| Terms deposits with more than 12 months maturity | - | - |
| Other terms deposits | - | - |
| | - | - |
| | 789,751 | 803,546 |

Note No. 7
Other Expenses

| Particulars | 2015-2016 ₹ | 2014-2015 ₹ |
|-----------------------------|----------------|----------------|
| Payments to auditors | 28,500 | 22,472 |
| Legal & professional fees | 16,165 | 56,500 |
| Bank charges and commission | 630 | 669 |
| General expenses | 100 | - |
| | 45,395 | 79,641 |

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

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

10 **Auditors' Remuneration:**

| | 2015-2016 | 2014-2015 |
|---------------|-----------|-----------|
| Audit Fees | 22,800 | 16,854 |
| Other Matters | 5,700 | 5,618 |

11 **Related Party Disclosures:**

| | |
|------------------------|-----------------|
| Holding Company | Acrysil Limited |
|------------------------|-----------------|

Transactions with related parties:

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

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

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

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

Signatures to Notes 1 to14

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ GANATRA
Partner

A.M. Parekh
Director

Chirag A Parekh
Director

Mumbai
23rd May, 2016