

# **A D V & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

801, Empress Nucleus,  
Gaothan Road,  
Opp. Little Flower School,  
Andheri (East), Mumbai - 400 069.  
Tel. : 9325078807 / 9029059911  
Email : advassociates@gmail.com

### **Independent Auditor Report**

**To the Members of  
KML TRADELINK PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of KML TRADELINK PRIVATE LIMITED ("the Company") which comprise the Balance Sheet as at March 31 2018, the Statement of Profit and Loss, including the statement of other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made



by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit including other Comprehensive Income, its Cash Flow and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including statement of other comprehensive Income and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion Ind AS financial statements of the Company comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations 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 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 and on behalf of  
**ADV & Associates**  
Chartered Accountants  
FRN: - 128045W

*Ankit*

**Ankit Rathi**  
Partner  
M. No. - 162441  
Place: Mumbai  
Date: 18<sup>TH</sup> May, 2018



## **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018:

1. The Company does not own any fixed asset during the year. Accordingly, the provisions of clause 3 (i) of the Order are not applicable to the Company and hence not commented upon.
2. (a) The management has conducted the physical verification of inventory at reasonable intervals.  
  
(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. According to information & explanations given to us and based upon audit procedures conducted by us, The Company has not granted any loans, secured or unsecured to companies, firms, Limited liability Partnership or other parties covered in the register maintained under section 189 of the companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As per the details and information provided to us, the maintenance of cost records has been not prescribed by the Central Government under section 148(1) of the act. Hence, not commented upon.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, GST, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018.  
  
b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any disputes.
8. In our opinion and according to the information and explanations given to us, the Company has not accepted any loans or borrowing to a financial institution, bank or Government. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.



10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during theyear.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the CompaniesAct;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to theCompany.
13. Inouropinion,alltransactionswiththerelatedpartiesareincompliancewithsection177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accountingstandards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not madeany preferential allotmentor private placement of shares or fully or partly convertible debentures during the year under review. Accordingly provision of clause 3 (xiv) not applicable to the company and hence, not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commentedupon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commentedupon.

For and on behalf of  
**ADV & Associates**  
Chartered Accountants  
FRN: - 128045W

*Ankit*

**Ankit Rathi**  
Partner  
M. No. - 162441  
Place: Mumbai  
Date: 18<sup>TH</sup> May, 2018



**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of KML TRADELINK PRIVATE LIMITED “the Company “**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“theAct”)**

We have audited the internal financial controls over financial reporting of KML TRADELINK PRIVATE Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls .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 auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or



timely detection of unauthorized 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For and on behalf of  
**ADV & Associates**  
Chartered Accountants  
FRN: - 128045W

*Ankit*

**Ankit Rathi**  
Partner  
M. No. - 162441  
Place: Mumbai  
Date: 18<sup>TH</sup> May, 2018



**KML TRADELINK PVT LTD**

**Balance sheet as at March 31, 2018**

*(All amounts are in lakhs, except share data and as stated)*

| Particulars                      | Notes | As at March 31, 2018 | As at March 31, 2017 |
|----------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                    |       |                      |                      |
| <b>Current assets</b>            |       |                      |                      |
| <b>Financial assets</b>          |       |                      |                      |
| Trade receivables                | 1     | 960.62               | 751.38               |
| Cash and cash equivalents        | 2     | 4.21                 | 13.77                |
| Other financial assets           | 3     | 1.64                 | -                    |
| Other current assets             | 4     | 0.25                 | -                    |
|                                  |       | <b>966.72</b>        | <b>765.15</b>        |
| <b>TOTAL</b>                     |       |                      |                      |
|                                  |       | <b>966.72</b>        | <b>765.15</b>        |
| <b>EQUITY AND LIABILITIES</b>    |       |                      |                      |
| <b>EQUITY</b>                    |       |                      |                      |
| Equity share capital             | 5     | 1.00                 | 1.00                 |
| Other equity                     | 6     | 41.94                | 10.80                |
| <b>Total Equity</b>              |       | <b>42.94</b>         | <b>11.80</b>         |
| <b>LIABILITIES</b>               |       |                      |                      |
| <b>Non - current liabilities</b> |       |                      |                      |
| <b>Financial liabilities</b>     |       |                      |                      |
| Borrowings                       | 7     | 1.00                 | 11.00                |
| Income tax liabilities (Net )    | 8     | 12.47                | 3.31                 |
|                                  |       | <b>13.47</b>         | <b>14.31</b>         |
| <b>Current liabilities</b>       |       |                      |                      |
| <b>Financial liabilities</b>     |       |                      |                      |
| Trade payables                   | 9     | 908.32               | 739.04               |
| Other current liabilities        | 10    | 1.99                 | -                    |
|                                  |       | <b>910.31</b>        | <b>739.04</b>        |
| <b>TOTAL</b>                     |       |                      |                      |
|                                  |       | <b>966.72</b>        | <b>765.15</b>        |

Significant accounting policies  
Notes on Financial Statement

1  
2 to 17

As per our attached report of even date

**For A D V & Associates**  
Chartered Accountants  
Firm Registration No. 128045W

*Ankit*

**Ankit Rathi**  
Partner  
Membership No. 162441

Date:- May 18, 2018  
Place:- Mumbai



**For and on behalf of the Board of Directors of,**  
**KMLTradeLinks Pvt. Ltd.**

**Rishav S. Aggarwal**  
DIN: 05155607

*R.S.*  
Director

**Nishi Aggarwal**  
DIN: 00376875

*Nishi*  
Director



**KML TRADELINK PVT LTD**

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

*(All amounts are in lakhs, except share data and as stated)*

| Particulars   | Notes   | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|---------|--------------------------------------|--------------------------------------|
| <b>Income</b>   |         |                                      |                                      |
| Revenue from operations   | 11      | 8,896.85                             | 4,418.44                             |
| Other income  | 12      | -                                    | 8.50                                 |
| <b>Total Income</b>   |         | <b>8,896.85</b>                      | <b>4,426.94</b>                      |
| <b>Expenses</b>   |         |                                      |                                      |
| Purchases of stock-in-trade   | 13      | 8,831.92                             | 4,409.98                             |
| Employee benefits expense   | 14      | 1.62                                 | 0.28                                 |
| Finance costs   | 15      | 5.43                                 | -                                    |
| Other expenses  | 16      | 12.83                                | 2.15                                 |
| <b>Total Expenses</b>   |         | <b>8,851.80</b>                      | <b>4,412.41</b>                      |
| <b>Profit / (Loss) for the year before tax</b>                      |         | <b>45.05</b>                         | <b>14.53</b>                         |
| Tax expense:  |         |                                      |                                      |
| Current tax   |         | 13.91                                | 3.73                                 |
| Deferred tax charge / (credit)                                      |         | -                                    | -                                    |
| <b>Profit / (Loss) for the year (A)</b>                             |         | <b>31.14</b>                         | <b>10.80</b>                         |
| Earnings per equity share of face value of Rs. 5 each fully paid up |         |                                      |                                      |
| Basic Rs.   | 17      | 311.36                               | 108.00                               |
| Diluted Rs.   | 17      | 311.36                               | 108.00                               |
| Significant accounting policies                                     | 1       |                                      |                                      |
| Notes on Financial Statement  | 2 to 17 |                                      |                                      |

As per our attached report of even date

For A D V & Associates  
Chartered Accountants  
Firm Registration No. 128045W

For and on behalf of the Board of Directors of,  
KMLTradeLinks Pvt. Ltd.

*Ankit*

Ankit Rathi  
Partner  
Membership No. 162441



Date:- May 18, 2018  
Place:- Mumbai

Rishav S. Aggarwal  
DIN: 05155607

*R.S.*  
Director

Nishi Aggarwal  
DIN: 00376875

*Nishi*  
Director

KML TRADELINK PVT LTD

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

(All amounts are in lakhs, except share data and as stated)

(a) Equity Share Capital

|                                      | Amount      |
|--------------------------------------|-------------|
| Balance as at April 01, 2016         | 1.00        |
| Changes in equity during F.Y 2016-17 | -           |
| <b>Balance as at March 31, 2017</b>  | <b>1.00</b> |
| Changes in equity during F.Y 2017-18 | -           |
| <b>Balance as at March 31, 2018</b>  | <b>1.00</b> |

(b) Other Equity

|                                     | Reserves & Surplus |                  |                   | Total        |
|-------------------------------------|--------------------|------------------|-------------------|--------------|
|                                     | Securities Premium | General Reserves | Retained Earnings |              |
| Balance as at April 01, 2016        | -                  | -                | -                 | -            |
| Addition during the year            | -                  | -                | -                 | -            |
| Profit / (Loss) for the year        | -                  | -                | 10.80             | 10.80        |
| Other comprehensive income          | -                  | -                | -                 | -            |
| <b>Balance as at March 31, 2017</b> | -                  | -                | <b>10.80</b>      | <b>10.80</b> |
| Addition during the year            | -                  | -                | -                 | -            |
| Profit / (Loss) for the year        | -                  | -                | 31.14             | 31.14        |
| Other comprehensive income          | -                  | -                | -                 | -            |
| <b>Balance as on March 31, 2018</b> | -                  | -                | <b>41.94</b>      | <b>41.94</b> |

As per our attached report of even date

For A D V & Associates  
Chartered Accountants  
Firm Registration No. 128045W

For and on behalf of the Board of Directors of,  
KMLTradeLinks Pvt. Ltd.

*Ankit*

Ankit Rathi  
Partner  
Membership No. 162441



Date:-May 18, 2018  
Place:- Mumbai

Rishav S. Aggarwal  
DIN: 05155607

Nishi Aggarwal  
DIN: 00376875

*Rishav*  
Director

Director

*Nishi*

Director

**KML TRADELINK PVT LTD**

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

*(All amounts are in lakhs, except share data and as stated)*

| Particulars   | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:</b>                           |                                      |                                      |
| Profit before tax   | 45.05                                | 14.53                                |
| <b>Adjustments for :</b>  |                                      |                                      |
| Depreciation and amortisation   | -                                    | -                                    |
| Interest expenses   | 5.43                                 | 0.00                                 |
| (Profit)/Loss on sale of property, plant and equipments                             | -                                    | -                                    |
| Profit on Sale of Investments   | -                                    | -                                    |
| Dividend income   | -                                    | -                                    |
| Provision for doubtful debts  | -                                    | -                                    |
| Interest income   | -                                    | -                                    |
| Liability written back  | -                                    | -                                    |
| <b>Cash Generated from operations before working capital changes</b>                | <b>50.48</b>                         | <b>14.53</b>                         |
| (Increase) / Decrease in inventories  |                                      |                                      |
| (Increase) / Decrease in trade receivables  | (209.23)                             | (751.37)                             |
| (Increase) / Decrease in other non-current financial assets                         |                                      |                                      |
| (Increase) / Decrease in other non-current assets                                   |                                      |                                      |
| (Increase) / Decrease in other current financial assets                             | (1.64)                               | -                                    |
| (Increase) / Decrease in other current assets                                       | (0.25)                               | -                                    |
| Increase / (Decrease) in non-current provisions                                     |                                      |                                      |
| Increase / (Decrease) in current provisions   |                                      |                                      |
| Increase / (Decrease) in other non-current financial liabilities                    |                                      |                                      |
| Increase / (Decrease) in other current financial liabilities                        | 159.10                               | 738.61                               |
| Increase / (Decrease) in other current liabilities                                  | 1.99                                 | -                                    |
| <b>Cash generated from operations</b>   | <b>0.44</b>                          | <b>1.77</b>                          |
| Income taxes paid   | -                                    | -                                    |
| <b>Net cash generated from / (used in) operating activities (A)</b>                 | <b>0.44</b>                          | <b>1.77</b>                          |
| <b>B. CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:</b>                         |                                      |                                      |
| Purchase of property, plant and equipment and additions to capital work in progress |                                      |                                      |
| Proceeds from sale of property, plant and equipment                                 |                                      |                                      |
| Investment in subsidiary  |                                      |                                      |
| Sale of investment  |                                      |                                      |
| Interest received   | -                                    | -                                    |
| Dividend received   |                                      |                                      |
| Movement in bank balances other than cash and cash equivalents                      |                                      |                                      |
| <b>Net cash from / (used in) investing activities (B)</b>                           | <b>-</b>                             | <b>-</b>                             |



**KML TRADELINK PVT LTD**

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

*(All amounts are in lakhs, except share data and as stated)*

**C. CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:**

|  |                |              |
|--|----------------|--------------|
| Proceeds from issuance of share capital                                | -              | 1.00         |
| Premium on issue of shares   | -              | -            |
| Repayment of non-current borrowings                                    | (10.00)        | -            |
| Proceeds from current borrowings                                       | -              | 11.00        |
| Interest paid  | -              | -            |
| <b>Net cash from / (used in) financing activities (C)</b>              | <b>(10.00)</b> | <b>12.00</b> |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>               | <b>(9.56)</b>  | <b>13.77</b> |
| <b>CASH AND CASH EQUIVALENTS, beginning of year</b>                    | <b>13.77</b>   | <b>-</b>     |
| Unrealised gain / (loss) on foreign currency cash and cash equivalents | -              | -            |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                          | <b>4.21</b>    | <b>13.77</b> |
| Components of cash and cash equivalents, as at March 31                |                |              |
| Cash on hand   | 0.85           | 0.85         |
| Cash in current account  | 3.36           | 12.92        |
|  | <b>4.21</b>    | <b>13.77</b> |

**Notes:**

- A. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- B. All figures in bracket are outflow.

As per our attached report of even date

For A D V & Associates  
Chartered Accountants  
Firm Registration No. 128045W

*Ankit*

Ankit Rathi  
Partner  
Membership No. 162441



Date:- May 18, 2018  
Place:- Mumbai

For and on behalf of the Board of Directors of,  
KMLTradelinks Pvt. Ltd.

Rishav S. Aggarwal  
DIN: 05155607

*Rishav*  
Director

Nishi Aggarwal  
DIN: 00376875

*Nishi*  
Director

## Background

KML Tradelink Pvt. Ltd. (the 'Company') is a private limited Company domiciled in India with its registered office located at 26 'A', 3rd Floor, K-wing, "Tex Centre", Chandivali, Off Saki Vihar Road, Andheri (East), Mumbai - 400 072. The Company is carrying business of trading, marketing, export, import, purchase, sell, retailers, Merchants, packers, re-packers, factors, distributors, stockiest, agents, traders and suppliers of and dealers in all classes and kinds of Plastic and other commodities.

### 1. Basis of preparation

#### A. Statement of compliance

The financial statements have been prepared in compliance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

These financial statements for the year ended March 31st, 2018 are the first that the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1st, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements of the Company for the year ended March 31st, 2018 were approved for issue in accordance with the resolution of the Board of Directors on May 18<sup>th</sup>, 2018.

#### B. Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, adjustments for time value of money etc. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options - Retrospective Method and Cumulative Effect Method - with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future

arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The company is in the process of evaluating the effect of these on the financial statements.

The amendments will come into force from April 1, 2018.

#### C. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### D. Key estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Valuation of inventories

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

## 2. Significant Accounting policies

### 1 Inventories

Inventories are valued after providing for obsolescence, if any, as under:

- |                              |   |  |
|------------------------------|---|--|
| (a) Finished goods – Trading | : | At lower of cost computed, on FIFO basis and |
| (others)                     |   | net realizable value                         |

## 2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 3 Revenue recognition

### Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of products are transferred by the Company, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are inclusive of excise duty and net of returns, Trade Discounts, Rebates, incentives, Goods and Service Tax Act / Value added taxes / Central Sales Tax and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

## 4 Income Tax

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

### i. Current tax

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

Current tax assets and liabilities are offset only if:

- a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- b) there is intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## 5 Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

## 6 Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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



**KML TRADELINK PVT LTD****Notes to the standalone financial statements for the year ended March 31, 2018***(All amounts are in lakhs, except share data and as stated)***Note 1****Trade receivables**

| Particulars                     | As at March 31,<br>2018 | As at March 31,<br>2017 |
|---------------------------------|-------------------------|-------------------------|
| Unsecured, considered good      | 960.62                  | 751.38                  |
| Less: Allowance for credit loss | -                       | -                       |
|                                 | 960.62                  | 751.38                  |
| <b>Total</b>                    | <b>960.62</b>           | <b>751.38</b>           |

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

| Particulars                      | As at March 31,<br>2018 | As at March 31,<br>2017 |
|----------------------------------|-------------------------|-------------------------|
| <b>Cash and cash equivalents</b> |                         |                         |
| <b>Balances with banks</b>       |                         |                         |
| On current account               | 3.36                    | 12.92                   |
|                                  | 3.36                    | 12.92                   |
| <b>Cash on hand</b>              | 0.85                    | 0.85                    |
|                                  | 0.85                    | 0.85                    |
| <b>Total</b>                     | <b>4.21</b>             | <b>13.77</b>            |

**Note 3****Other current financial assets**

| Particulars                | As at March 31,<br>2018 | As at March 31,<br>2017 |
|----------------------------|-------------------------|-------------------------|
| Recoverable in cash from : |                         |                         |
| - Relatives                | 1.64                    | -                       |
|                            | 1.64                    | -                       |
| <b>Total</b>               | <b>1.64</b>             | <b>-</b>                |

**Note 4****Other current assets**

| Particulars                         | As at March 31,<br>2018 | As at March 31,<br>2017 |
|-------------------------------------|-------------------------|-------------------------|
| Balance with Indirect Tax authority | 0.25                    | -                       |
|                                     | 0.25                    | -                       |
| <b>Total</b>                        | <b>0.25</b>             | <b>-</b>                |



**KML TRADELINK PVT LTD****Notes to the standalone financial statements for the year ended March 31, 2018***(All amounts are in lakhs, except share data and as stated)***Note 5****Equity share capital**

| Particulars   | As at March 31, 2018 |        | As at March 31, 2017 |        |
|---|----------------------|--------|----------------------|--------|
|   | No. of Shares        | Amount | No. of Shares        | Amount |
| <b>Authorised</b>                                   |                      |        |                      |        |
| Equity shares of Rs. 10/- each                      |                      | 1.00   | -                    | 1.00   |
| <b>Issued, Subscribed &amp; Paid up</b>             |                      |        |                      |        |
| <b>Equity shares of Rs. 10/- each fully paid up</b> |                      |        |                      |        |
| Shares outstanding as at the beginning of the Year  | -                    | 1.00   | -                    | 1.00   |
| Add: Shares issued during the year                  | -                    | -      | -                    | -      |
| Shares outstanding as at the end of the year        | -                    | 1.00   | -                    | 1.00   |

a) The Company has only one class of equity shares having at par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

b) Details of equity shares held by each shareholders holding more than 5% of total equity shares:

|                         | As at March 31, 2018 |              | As at March 31, 2017 |              |
|-------------------------|----------------------|--------------|----------------------|--------------|
|                         | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| Kisan Mouldings Limited | 10,000               | 100.00%      | 10,000               | 100.00%      |

**Note 6****Other Equity**

a) Summary of other equity balances

|                    | As at March 31 2018 | As at March 31 2017 |
|--------------------|---------------------|---------------------|
| Securities premium | -                   | -                   |
| General reserve    | -                   | -                   |
| Retained earnings  | 41.94               | 10.80               |
|                    | <b>41.94</b>        | <b>10.80</b>        |

Refer Statement of Changes in Equity for detailed movement in equity balance.

b) Nature and purpose of the reserve

**Securities Premium****Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.



**KML TRADELINK PVT LTD****Notes to the standalone financial statements for the year ended March 31, 2018***(All amounts are in lakhs, except share data and as stated)***Note 7****Non - current financial liabilities - borrowings**

| <b>Particulars</b> | <b>As at March 31,<br/>2018</b> | <b>As at March 31,<br/>2017</b> |
|--------------------|---------------------------------|---------------------------------|
| <b>Unsecured</b>   |                                 |                                 |
| Loans from others  | 1.00                            | 11.00                           |
| <b>Total</b>       | <b>1.00</b>                     | <b>11.00</b>                    |

**Note 8****Non - current financial liabilities - borrowings**

| <b>Particulars</b>            | <b>As at March 31,<br/>2018</b> | <b>As at March 31,<br/>2017</b> |
|-------------------------------|---------------------------------|---------------------------------|
| Income tax liabilities (Net ) | 12.47                           | 3.31                            |
| <b>Total</b>                  | <b>12.47</b>                    | <b>3.31</b>                     |

**Note 9****Current financial liabilities - Trade payables**

| <b>Particulars</b>              | <b>As at March 31,<br/>2018</b> | <b>As at March 31,<br/>2017</b> |
|---------------------------------|---------------------------------|---------------------------------|
| <b>Trade payables</b>           |                                 |                                 |
| Total outstanding dues of micro | -                               | -                               |
| Others                          | 908.32                          | 739.04                          |
| <b>Total</b>                    | <b>908.32</b>                   | <b>739.04</b>                   |

**Note 10****Other current liabilities**

| <b>Particulars</b>     | <b>As at March 31,<br/>2018</b> | <b>As at March 31,<br/>2017</b> |
|------------------------|---------------------------------|---------------------------------|
| Advance from customers | -                               | -                               |
| Statutory dues         | 1.99                            | -                               |
| <b>Total</b>           | <b>1.99</b>                     | <b>-</b>                        |



**KML TRADELINK PVT LTD**

Notes to the standalone financial statements for the year ended March 31, 2018

(All amounts are in lakhs, except share data and as stated)

**Note 11****Revenue from operations**

| Particulars             | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|-------------------------|--------------------------------------|--------------------------------------|
| <b>Sale of products</b> |                                      |                                      |
| Traded goods            | 8,896.85                             | 4,418.44                             |
| <b>Total</b>            | <b>8,896.85</b>                      | <b>4,418.44</b>                      |

**Note 12****Other income**

| Particulars       | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|-------------------|--------------------------------------|--------------------------------------|
| Commission income | -                                    | 8.50                                 |
| <b>Total</b>      | <b>-</b>                             | <b>8.50</b>                          |

**Note 13****Purchase of stock-in-trade**

| Particulars                | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|----------------------------|--------------------------------------|--------------------------------------|
| Purchase of stock-in-trade | 8,831.92                             | 4,409.98                             |
| <b>Total</b>               | <b>8,831.92</b>                      | <b>4,409.98</b>                      |

**Note 14****Employee benefit expenses**

| Particulars            | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|------------------------|--------------------------------------|--------------------------------------|
| Staff welfare expenses | 1.62                                 | 0.28                                 |
| <b>Total</b>           | <b>1.62</b>                          | <b>0.28</b>                          |

**Note 15****Finance cost**

| Particulars                    | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Bank charges & processing fees | 5.43                                 | -                                    |
| <b>Total</b>                   | <b>5.43</b>                          | <b>-</b>                             |

**Note 16****Other expenses**

| Particulars                      | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Travelling & Conveyance expenses | 3.60                                 | 0.60                                 |
| Sales promotion expenses         | 0.42                                 | -                                    |
| Rates and Taxes                  | 1.26                                 | -                                    |
| General expenses                 | 0.90                                 | -                                    |
| Rent                             | 1.20                                 | 0.20                                 |
| Telephone & Postage              | 1.68                                 | 0.26                                 |
| Printing & Stationery            | 1.44                                 | 0.23                                 |
| Electricity charges              | 1.80                                 | 0.36                                 |
| <b>Auditor's Remuneration</b>    |                                      |                                      |
| - Audit fees                     | -                                    | 0.35                                 |
| - Tax Audit fees                 | -                                    | -                                    |
| Postage & Courier expenses       | 0.53                                 | -                                    |
| Sundry balance written off       | -                                    | 0.15                                 |
| <b>Total</b>                     | <b>12.83</b>                         | <b>2.15</b>                          |



**KML TRADELINK PVT LTD**

**Notes to the standalone financial statements for the year ended March 31, 2018**

*(All amounts are in lakhs, except share data and as stated)*

**Note 17**

**Earnings per share**

| Particulars  | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Profit / (loss) attributable to equity share holders of the Company  | 31.14                                | 10.80                                |
| <b>Reconciliation of number of shares</b>                            | <b>No. of Shares</b>                 | <b>No. of Shares</b>                 |
| Weighted average number of shares in calculating Basic & Diluted EPS | 10,000                               | 10,000                               |
| <b>Earnings per share (face value Rs. 10/- each)</b>                 |                                      |                                      |
| Earnings per share - Basic in Rupees                                 | <b>311.36</b>                        | <b>108.00</b>                        |
| Earnings per share - Diluted in Rupees                               | <b>311.36</b>                        | <b>108.00</b>                        |

