

INDEPENDENT AUDITORS' REPORT

To,
The Members of
DIVINE SURFACES PRIVATE LIMITED
U36999TG2017PTC116634

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **DIVINE SURFACES PRIVATE LIMITED**, which comprise the Balance Sheet as at 31st March 2019, Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements *subject to note No.-1 (VII), regarding balance confirmation and its impact*, 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

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

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, is not applicable to the company as per paragraph 1(2) (v) of the said order.

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

We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- a. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- b. The Balance Sheet and the statement of profit and loss dealt with by this report are in agreement with books of account.
- c. In our opinion, the Balance Sheet and the statement of profit and loss comply with the accounting standards notified in respect of section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *Except accounting standard 15 i.e. accounting for retirement benefits where the retirement benefits are accounted for on payment basis. (Refer Note No. 1(I)).*
- d. On the basis of written representations received from the directors, as on 31st March, 2019 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act; and



- e. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :
- The Company has no pending litigations on its financial position in its financial statements as on 31.03.2019.
 - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - The Company is not required to transfer amounts to the Investor Education and Protection Fund.

For Sunil & Sanjay
Chartered Accountants
FRN 06144S

Neha Jain

Neha Mehta
Partner

M.No. 420697

DATE : 24.06.2019

PLACE: SECUNDERABAD



DIVINE SURFACES PRIVATE LIMITED
15-21-S3/607, Manjeera Majestic Commercial, Dharmareddy Colony, Kukatpally, Hyderabad, Telangana-500072
Balance Sheet as at 31st March 2019

		(in Rupees)		
Particulars	Note No.	As at 31 March 2019	As at 31 March 2018	
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	2	200	200	
(b) Reserves and surplus	3	2,38,214	2,16,097	
2 Non-current liabilities				
(a) Long-term borrowings	4	1,76,18,650	-	
3 Current Liabilities				
(a) Other Current liabilities	5	1,78,440	45,000	
(b) Short Term Provisions	6	12,454	74,943	
TOTAL		1,80,47,957	3,36,240	
II. ASSETS				
1 Non Current assets				
(a) Other non-current assets	7 & 7A	1,69,14,093	16,000	
2 Current assets				
(a) Cash and cash equivalents	8	5,63,193	7,790	
(b) Other Current Assets	9	5,70,671	3,12,450	
TOTAL		1,80,47,957	3,36,240	
III. Notes to Accounts & Significant Accounting Policies	1			

Notes 1 to 12 annexed here to form part of these Accounts.
As per our Report of even date annexed hereto

For SUNIL & SANJAY
Chartered Accountants
FRN 006144S

Neha Jan
Neha Mehta
Partner
M.No. 420697
DATE : 24.06.2019
PLACE: SECUNDERABAD



DIVINE SURFACES PRIVATE LIMITED
On behalf of the Board of Directors

Bimal Kumar Agarwal
BIMAL KUMAR AGARWAL
Director
(DIN: 00170289)



Mudit Agarwal
MUDIT AGARWAL
Director
(DIN: 00170863)

DIVINE SURFACES PRIVATE LIMITED
15-21-S3/607, Manjeera Majestic Commercial, Dharmareddy Colony, Kukatpally, Hyderabad, Telangana-500072
Statement of Profit and loss for the year ended 31.03.2019

(in Rupees)

S.No.	Particulars	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I.	Revenue from operations	10	1,28,000	3,62,450
	Total Revenue (I)		1,28,000	3,62,450
II.	Expenses:	11		
	Employee benefits expense	12&12A	42,500	39,200
	Other expenses		41,976	32,210
	Total expenses (II)		84,476	71,410
III.	Profit before tax (I-II)		43,524	2,91,040
IV.	Tax expense:			
	(1) Current tax		12,454	74,943
	(2) Interest on Income Tax		8,954	-
V.	Profit (Loss) for the period (III-IV)		22,116	2,16,097
VI.	Earnings per equity share (Face Value of Equity Share: Rs. 100) Basic & Diluted		1,106	10,805

Notes 1 to 12 annexed here to form part of these Accounts.
As per our Report of even date annexed hereto

For SUNIL & SANJAY
Chartered Accountants
FRN 006144S

Neha Jain

Neha Mehta
Partner

M.No. 420697

DATE : 24.06.2019

PLACE: SECUNDERABAD



DIVINE SURFACES PRIVATE LIMITED
On behalf of the Board of Directors

Bimal Kumar Agarwal
BIMAL KUMAR AGARWAL
Director
(DIN: 00170289)

Mudit Agarwal
MUDIT AGARWAL
Director
(DIN: 00170863)



DIVINE SURFACES PRIVATE LIMITED
CIN No: U36999TG2017PTC116634

NOTES TO ACCOUNTS

NOTE - 1

Schedules forming part of the accounts for the year ended March 31, 2019.

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

I) Notes on Accounting Standards as prescribed by The Institute of Chartered Accountants of India.

ACCOUNTING STANDARD (1) – Disclosure of Accounting policies

The accounts are maintained on accrual basis as a going concern.

ACCOUNTING STANDARD (2) – Valuation of Inventories

There is no inventory during the year.

ACCOUNTING STANDARD (3) – Cash flow Statements

This standard is not applicable.

ACCOUNTING STANDARD (4) – Contingencies & events occurring after balance sheet date

There are no material changes after the balance sheet date.

ACCOUNTING STANDARD (5) – Net Profit or loss for the period, Prior period items and changes in Accounting Policies

There is no material effect of prior period item observed during the year.

ACCOUNTING STANDARD (6) - Depreciation Accounting

This standard is not applicable w.e.f. 1st April, 2016

ACCOUNTING STANDARD (7) – Construction contracts

This standard is not applicable.

ACCOUNTING STANDARD (8) – Accounting for Research & Development

This standard is not applicable from 1st April, 2003.

ACCOUNTING STANDARD (9) – Revenue recognition

Revenues are recognized on accrual basis as the company follows mercantile system of accounting. Interest income / expense is recognized using the time proportion method based on rates implicit in the transaction. The company hasn't started its commercial production for the project under implementation. The revenue from services is recognized based on raising of invoices.

ACCOUNTING STANDARD (10) – Property, Plant & Equipment

There are no depreciable fixed assets. Revenue expenses net of income (if any) incurred during construction are taken to pre – operative expenses which have to be capitalized on the date of commencement of commercial operation by apportionment of these expenses over the various



DIVINE SURFACES PRIVATE LIMITED F.Y. 18-19

For DIVINE SURFACES PRIVATE LIMITED

Director

For DIVINE SURFACES PRIVATE LIMITED

Director

fixed assets in the ratio of the value of those assets. Assets under construction are not depreciated.

ACCOUNTING STANDARD (11) –Effects of changes in foreign exchange rates

The effect of changes in foreign exchange rates have been duly accounted for in the books of accounts taking into consideration the difference in foreign exchange rates on the date of transaction and the date of settlement. Foreign Currency monetary items are marked to market as on Balance sheet date.

ACCOUNTING STANDARD (12) – Accounting for Government grants

No grant has been received during the year.

ACCOUNTING STANDARD (13) – Accounting for Investments

There are no investments made during the year.

ACCOUNTING STANDARD (14) – Accounting for Amalgamation

This standard is not applicable.

ACCOUNTING STANDARD (15) –Retirement Benefits

- a) Contributions to provident fund are made to Government as and where applicable.
- b) Leave salary is provided on payment basis.
- c) The company has not yet evolved a pension Policy.
- d) Gratuity is provided as and when paid.

ACCOUNTING STANDARD (16) – Borrowing cost

The borrowing cost has been treated in accordance with Accounting standard on borrowing cost (AS 16) issued by the Institute of Chartered Accountants of India. Borrowings attributable to qualifying assets are capitalized as and when applicable. No Borrowing cost was capitalized during the period.

ACCOUNTING STANDARD (17) – Segment reporting

This standard is not applicable.

ACCOUNTING STANDARD (18) – Related party disclosure

Related Party Disclosure (As submitted by Management and accepted by us)

Name of the transacting related party	Description of the relationship between the parties
Mudit Agarwal	Director

Unsecured Loans : Rs. 1,76,18,650/-

ACCOUNTING STANDARD (19) –Accounting of leases

This standard is not applicable.

ACCOUNTING STANDARD (20) –Earning Per Share (EPS)

The EPS is disclosed separately in the statement of Profit and Loss.

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For DIVINE SURFACES PRIVATE LIMITED

For DIVINE SURFACES PRIVATE LIMITED

Director

Director



ACCOUNTING STANDARD (21) –Consolidated financial statement

This standard is not applicable.

ACCOUNTING STANDARD (22) –Accounting for tax on income

Current tax is determined as the amount of Tax payable in respect of taxable income for the period.

ACCOUNTING STANDARD (23) - Investment in associates

This standard is not applicable.

ACCOUNTING STANDARD (24) - Discontinued operations

There are no discontinued operations in the current year.

ACCOUNTING STANDARD (25) -Interim financial reporting

This standard is not applicable.

ACCOUNTING STANDARD (26) –Intangible assets

There are no Intangible Assets to account for.

ACCOUNTING STANDARD (27) – Reporting on financials of joint venture

This standard is not applicable.

ACCOUNTING STANDARD (28) –Impairment of assets

There are no fixed assets during the year, hence no Impairment Loss.

ACCOUNTING STANDARD (29) – Provisions, Contingent liability and Contingent asset

Contingent liabilities not provided for. (As identified by Management & relied upon by Auditors)

1. Contingent liabilities –Nil
2. Contingent assets which are likely to give rise to the possibility of inflow of economic benefits- Nil
3. Contested liabilities: Nil
4. Capital Commitments: Import of capital goods- Rs. 571.76 Lakhs.

II) C.I.F Value of imports in foreign currency in the current year: Advance for Import of Capital goods- USD 1,89,869/- & EURO 4914/- (Previous Year- Nil)

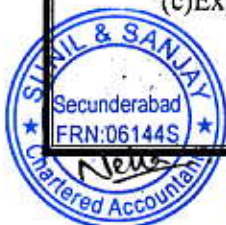
III) The expenditure incurred on employees who were in receipt of remuneration in excess of Rs 1,02,00,000.00 P.A. or Rs. 8,50,000.00 P.M. -Nil.

IV) Payment to Auditors:

Audit Fees Rs.25,000/- (Previous Year- Rs. 25,000/-)
(Exclusive of all applicable taxes)

V) Details of Foreign exchange transactions

- (a) Earnings in foreign exchange during the period on receipt basis: Nil (Previous Year- Nil)
- (b) C.I.F. value of imports: Advance for Import of Capital goods- USD 1,89,869/- & EURO 4914/- (Previous Year- Nil)
- (c) Expenditure in foreign currency: Nil (Previous Year- Nil)



DIVINE SURFACES PRIVATE LIMITED F.Y. 18-19

For DIVINE SURFACES PRIVATE LIMITED

[Signature]
Director

For DIVINE SURFACES PRIVATE LIMITED

[Signature]
Director

VI) Debtors, Creditors, Loans, Advances and Unsecured Loans balances are subject to reconciliation and confirmation by parties.

VII) Preliminary expenses are written off over a period of five years.

VIII) The figures for the previous year are regrouped to make them in line with the current year's presentation.

Notes 1 to 12 and Accounting Policies annexed here to form part of these Accounts
As per our Report of even date annexed hereto

For SUNIL & SANJAY
Chartered Accountants
Firm Reg No. 06144S

On behalf of the Board of Directors
For DIVINE SURFACES PRIVATE LIMITED

Neha Jain

Neha Mehta
Membership No: 420697
Partner
Date: 24.06.2019
Place: Secunderabad



Bimal Kumar Agarwal
BIMAL KUMAR AGARWAL
Director
(DIN00170289)



Mudit Agarwal
MUDIT AGARWAL
Director
(DIN00170863)

NOTE 2

(in Rupees)

Share Capital	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
Authorised		
10000 Class "A" Equity Shares of Rs. 10/- each (PY: 10000 Equity Shares of Rs. 10 each)	1,00,000	1,00,000
Issued		
20 Class "A" Equity shares of Rs. 10/- each (PY: 20 Equity Shares of Rs. 10 each)	200	200
Subscribed & Paid up		
20 Class "A" Equity shares of Rs. 10/- each (PY: 20 Equity Shares of Rs. 10 each)	200	200
Total	200	200

NOTE 2 A

Particulars	As at 31 March 2019	As at 31 March 2018
	Equity Shares Number	Equity Shares Number
Shares outstanding at the beginning of the year	20	-
Shares Issued during the year	-	20
Shares bought back during the year	-	-
Shares outstanding at the end of the year	20	20

NOTE 2 B

SR NO	Name of Shareholder	As at 31 March		As at 31 March	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	BIMAL KUMAR AGARWAL	10	50	10	50
2	MUDIT AGARWAL	10	50	10	50

RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO ORDINARY SHARES:

- a) The Company has only one class of Ordinary Shares outstanding, having a par value of Rs. 10/- each, that rank pari passu in all respects including voting rights and entitlement to dividend.
- b) In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE 3

Reserves & Surplus	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
a. Surplus		
Opening balance	2,16,097	-
(+) Net Profit/(Net Loss) For the current year	22,116	2,16,097
Closing Balance	2,38,214	2,16,097
Total	2,38,214	2,16,097

NOTE 4

Long Term Borrowings	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
Unsecured:-		
Loan from Directors, their relatives & Shareholders	1,76,18,650	-
Total	1,76,18,650	-

NOTE 5

Other Current Liabilities	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
Audit fees Payable	50,000	25,000
Creditors for Expenses	25,000	-
Other Payables	1,03,440	20,000
Total	1,78,440	45,000

NOTE 6

Short Term Provisions	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
Provision for Tax	12,454	74,943
Total	12,454	74,943



For DIVINE SURFACES PRIVATE LIMITED

Director

For DIVINE SURFACES PRIVATE LIMITED

Director

NOTE 7

<u>Other Non Current Assets</u>	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
a. Capital Advances		
Advances for Capital Goods	1,35,12,074	-
b. Deposits		
Factory Lease Deposit (Unsecured, considered good)	27,90,000	-
c. Preliminary Expenses (To the extent not written off or adjusted)		
-Incorporation Expenses	12,000	16,000
Total	1,63,14,074	16,000

NOTE 7A

<u>Pre-operative Expenses</u>	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
Factory Development Charges	83,440	-
Borewell Charges	57,000	-
Foreign Exchange Fluctuation	2,41,572	-
Professional Charges	95,000	-
Power Connection Charges	98,007	-
Security Service Charges	25,000	-
Total	6,00,019	-

NOTE 8

<u>Cash and cash equivalents</u>	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
a. Balances with banks		
In Current Account	4,69,964	-
b. Cash in hand	93,229	7,790
Total	5,63,193	7,790

NOTE 9

<u>Other Current Assets</u>	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
Other receivables	2,979	3,06,201
Advances to Suppliers	5,50,000	-
Balances with Revenue Authorities	17,692	-
TDS Receivables	-	6,249
Total	5,70,671	3,12,450



For DIVINE SURFACES PRIVATE LIMITED

Director

For DIVINE SURFACES PRIVATE LIMITED

Director

NOTE 10

<u>Revenue from operations</u>	For the year ended 31st March 2019	For the year ended 31st March 2018
	Amount	Amount
Sale of services	1,28,000	3,62,450
Total	1,28,000	3,62,450

NOTE 11

<u>Employee Benefits Expense</u>	For the year ended 31st March 2019	For the year ended 31st March 2018
	Amount	Amount
Salaries and incentives	42,500	39,200
Total	42,500	39,200

NOTE 12

<u>Other expenses</u>	For the year ended 31st March 2019	For the year ended 31st March 2018
	Amount	Amount
Conveyance Expenses	7,021	3,210
Preliminary Expenses Writte off	4,000	4,000
Bank Charges	5,793	-
Other expenses	162	-
Total	16,976	7,210

NOTE 12A

<u>Payment to Auditors</u>	For the year ended 31st March 2019	For the year ended 31st March 2018
	Amount	Amount
Audit Fees	25,000	25,000
Total	25,000	25,000



For DIVINE SURFACES PRIVATE LIMITED

[Signature]
Director

For DIVINE SURFACES PRIVATE LIMITED

[Signature]
Director