

INDEPENDENT AUDITOR'S REPORT

To the Members of

Phiroze Sethna Private Limited

1. Opinion

We have audited the accompanying financial statements of **Phiroze Sethna Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Statement of Changes in equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the 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 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, 2019, its Profit, Changes in equity and its Cash Flows for the year ended on that date.

2. Basis for 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 opinion.

3. 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 to give a true and fair view of the financial position, financial performance, changes in equity 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 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.



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.

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

4. Auditor's Responsibility for the audit of the Financial Statements.

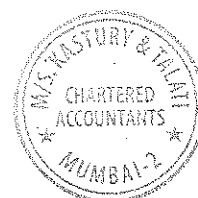
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

5. Report on Other Legal and Regulatory Requirements

A) 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.

B) 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 accounts.
- 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 March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 has disclosed the impact if any, of pending litigations on its financial position in its financial statements.
 - ii. In our opinion and as per the information and explanations provided to us the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards for material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For M/s Kastury & Talati
Chartered Accountants
Firm's Registration No: 104908W




Dhiren P. Talati: Partner
Membership No: F/41867

Place: Mumbai
Date: 7th May, 2019

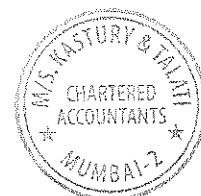
"Annexure A" to the Independent Auditors' Report

The Annexure Referred to in paragraph 5A of the Independent Auditor's Report of even date to the members of Phiroze Sethna Private Limited on the Financial Statements for the year ended March 31, 2019.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its Fixed Assets by which Fixed Assets are verified in a phased manner over a period of three years. In accordance with this programme, certain Fixed Assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of Company and the nature of its Assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- 2) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records were not material.
- 3) The Company has not granted any Loans, Secured or Unsecured, to Companies, Firms, Limited Liability Partnerships or Other Parties covered in the Register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company.
- 4) The company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Companies Act, 2013. Therefore, clause 3(iv) of the aforesaid Order are not applicable to the Company.
- 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 informed to us, the maintenance of Cost Records has not been prescribed by the Central Government under Sub Section (1) of Section 148 of the Act, in respect of the activities carried on by the Company
- 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, Goods and Service Tax, Cess and other material 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, 2019 for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us and the records of the company examined by us, as at March 2019, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues which have not been deposited on account of any dispute except the following:-

Name of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which matter relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	10.20	A.Y. 2015 – 2016	Assessing Officer, Mumbai

- 8) According to the information and explanations given to us and the records of the company examined by us, the Company has not defaulted in repayment of loans or borrowings to banks.
- 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 during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 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 Companies Act;
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.



- 15) Based upon the audit procedures performed and the information and explanations given to us and based on our examination of the records of the company, 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.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For M/s Kastury & Talati
Chartered Accountants
Firm's Registration No: 104908W



A handwritten signature in black ink, appearing to read "Dhiren P. Talati".

Dhiren P. Talati: Partner
Membership No: F/41867

Place: Mumbai
Date: 7th May, 2019

"Annexure B" to the Independent Auditors' Report

The Annexure Referred to in paragraph 5B(f) of the Independent Auditor's Report of even date to the members of Phiroze Sethna Private Limited on the Financial Statements for the year ended March 31, 2019.

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

We have audited the internal financial controls over financial reporting of Phiroze Sethna Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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, 2019, 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 M/s Kastury & Talati
Chartered Accountants
Firm's Registration No: 104908W



Place: Mumbai
Date: 7th May, 2019


Dhiren P. Talati: Partner
Membership No: F/41867

Phiroze Sethna Private Limited

Balance Sheet as at 31st March 2019

	Notes	As at 31/03/2019 (Rs. In lakhs)	As at 31/03/2018 (Rs. In lakhs)
I ASSETS			
1	Non-current assets		
(a)	Property, plant and equipment	89.67	49.68
(b)	Financial Assets		
i)	Investments	185.07	190.84
ii)	Other financial assets	8.07	6.62
(c)	Deferred tax assets (net)	82.75	38.21
(d)	Income tax assets(net)	2.10	7.43
2	Current Assets		
(a)	Inventories	104.75	93.18
(b)	Financial Assets		
i)	Investments	646.98	637.28
ii)	Trade receivables	398.57	447.87
iii)	Cash and cash equivalents	68.10	3.02
iv)	Bank balances other than (iii) above	12.50	12.50
v)	Loans	-	0.68
vi)	Other financial assets	-	3.74
(c)	Other current assets	3.34	2.86
Total Assets		<u>1,601.90</u>	<u>1,493.91</u>
II EQUITY AND LIABILITIES			
1	Equity		
(a)	Share capital	4.00	4.00
(b)	Other equity	1,245.94	1,195.51
2	Non-Current Liabilities		
(a)	Provisions	38.84	36.89
(c)	Other non-current liabilities	-	-
3	Current liabilities		
(a)	Financial liabilities		
i)	Borrowings	9.58	15.41
ii)	Trade payables	211.90	201.84
(b)	Other current liabilities	71.23	33.48
(c)	Current Tax Liabilities (Net)	20.41	6.78
Total Equity and Liabilities		<u>1,601.90</u>	<u>1,493.91</u>

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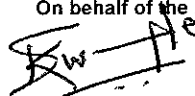
As per our attached report of even date
For M/s Kastury & Talati
Chartered Accountants



Dhiren P. Talati
Partner
Membership No. F/41867
Mumbai, 7th May 2019




On behalf of the Board of Directors




S.K. Wagle
Whole Time Director



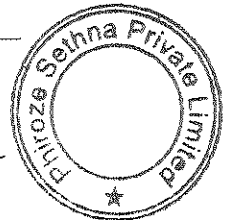
Aspi Godrej
Whole Time Director
Mumbai, 7th May 2019



Sameer V. Shah
Director



Rashmi S. Gavli
Director



Phiroze Sethna Private Limited

Statement of Profit and Loss for the year ended 31st March 2019

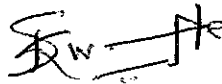
	Notes	2018-19 (Rs. In lakhs)	2017-18 (Rs. In lakhs)
I Revenue From Operations	22	2,280.67	2,257.55
II Other Income	23	86.11	409.80
III Total Revenue (I+II)		2,366.78	2,667.35
IV Expenses :			
Cost of Materials Consumed	24	1,650.78	1,493.87
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	25	2.41	2.87
Excise Duty		0.00	64.62
Employee Benefits Expense	26	399.28	637.40
Finance Costs	27	0.76	0.08
Depreciation and Amortisation expense	28	13.85	10.42
Other Expenses	29	231.19	209.00
Total Expenses		2,298.26	2,418.26
V Profit before Exceptional items and Tax		68.52	249.09
VI Exceptional Items		-	-
VII Profit before Tax		68.52	249.09
VIII Tax Expense			
Current Tax		38.69	21.60
Earlier Years Tax Adjustments		-	3.51
Deferred Tax		(44.55)	(11.99)
Total Tax Expense		(5.85)	13.13
IX Profit for the Year		74.37	235.96
X Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss		(29.57)	0.09
ii) Income Tax relating to items that will not be reclassified to profit or loss		5.64	(0.02)
2 i) Items that will be reclassified to profit or loss		-	-
ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income (1+2)		(23.93)	0.07
XI Earning Per Equity Share of Face Value of Rs. 100 each	30		
Basic (in Rs.)		1,260.99	5,899.06
Diluted (in Rs.)		1,260.99	5,899.06
Significant Accounting Policies and Notes on Financial Statements	1-37		


As per our attached report of even date.
For M/s Kastury & Talati
Chartered Accountants

Dhiren P. Talati
Partner
Membership No. F/41867
Mumbai, 7th May 2019



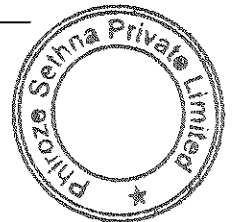
On behalf of the Board of Directors


S.K. Wagie
Whole Time Director


Aspi Godrej
Whole Time Director
Mumbai, 7th May 2019


Sameer V. Shah
Director


Rashmi S. Gavli
Director



Phiroze Sethna Private Limited

Statement Of Changes In Equity For The Year Ended 31st March 2019

(a) Equity share capital

	Rs. in Lacs	
	No. of Shares	Amount
Balance as at 1st April 2017	4,000	4.00
Changes in equity share capital	-	-
Balance as at 31st March 2018	4,000	4.00
Changes in equity share capital	-	-
Balance as at 31 March 2019	4,000	4.00

(b) Other Equity

Particulars	Reserves and Surplus			
	General Reserve	Capital Redemption Reserve	Retained earnings/Profit & Loss Account	Total other equity
Balance as at 1st April 2017	514.40	0.05	877.74	1,392.19
Total Comprehensive				
Profit for the year			235.96	235.96
Other comprehensive income for the year			(0.09)	(0.09)
Tax Effect on Othe Comprehensive Income			0.02	0.02
Transactions with owners of the company				
Interim Dividend on Equity Shares			(400.00)	(400.00)
Interim Dividend Distribution Tax			(32.57)	(32.57)
Balance as at 31st March 2018	514.40	0.05	681.06	1,195.51
Total Comprehensive				
Profit for the year			74.37	74.37
Other comprehensive income for the year			(29.57)	(29.57)
Tax Effect on Othe Comprehensive Income			5.64	5.64
Balance as at 31st March 2019	514.40	0.05	731.50	1,245.95

As per our attached report of even date

For M/s Kastury & Talati

Chartered Accountants



Dhiren P. Talati

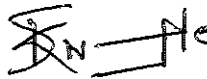
Partner

Membership No. F/41867

Mumbai, 7th May 2019



On behalf of the Board of Directors



S.K. Wagle

Whole Time Director



Aspi Godrej

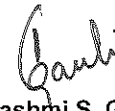
Whole Time Director

Mumbai, 7th May 2019



Sameer V. Shah

Director



Rashmi S. Gavli

Director

