

**S. K. SANYAL**

M. Com., A.C.I.S., A.C.S., F.C.A.

**SOBHAN RAY**

B. Com. (Hons.), A.C.A.

**K. C. ROY & CO.**

**CHARTERED ACCOUNTANTS**

C/o S. K. Sanyal, 69A, Pratapaditya Road,

Flat No. 3B, Kolkata 700026.

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## **Independent Auditors' Report**

To the Members of

**EASTERN SPECIALITY PAINTS & COATINGS PRIVATE LIMITED**

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Eastern Speciality Paints & Coatings Private Limited ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss, the Cash Flow Statement and 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 Ind AS 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 state of affairs (financial position), profit or loss (financial performance), 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, 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 and ensuring their operating effectiveness and 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.

### **Auditors 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS 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.



**S. K. SANYAL**

M. Com., A.C.I.S., A.C.S., F.C.A.

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**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 including the Ind AS, of the state of affairs (financial position) of the company as at 31<sup>st</sup> March, 2019, its Loss (financial performance), its cash flows and 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") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statements and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS 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 the written representations received from the directors as on 31<sup>st</sup> March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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, we give out separate Report in "Annexure 2".
  - 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:
    - 1) The Company does not have any pending litigation which would impact its financial position in the Ind AS financial statements.
    - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



For K. C. ROY & CO.

Chartered Accountants

Firm Registration No. 301161E

*S. K. Sanyal*  
S. K. SANYAL- Partner  
Membership No. 50631

Place: Gurugram

Dated: 27.05.2019

ANNEXURE-I REFERRED TO IN PARAGRAPH 1 – “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF EASTERN SPECIALITY PAINTS & COATING PRIVATE LIMITED ON THE IND AS FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1) In our opinion and according to the information and explanations given to us, company has no fixed assets, but this does not effect the going concern assumption. Hence items (a), (b) and (c) of Clause 3(i) of the Order are not applicable.
- 2) There has been no inventory at any point of time during the year, hence of Clause 3(ii) of the Order are not applicable.
- 3) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under section 189 of the Companies Act 2013, consequently Clauses 3(iii) (a), (b) and (c) of the Order are not applicable.
- 4) According to the information and explanations given to us and on the basis of our examination of the books of account the company, we have not come across of any loans, investments, guarantees and securities covered by Section 185 and 186 of the Companies Act, 2013, hence Clause 3(iv) of the Order are not applicable.
- 5) The company has not accepted any deposits from the public, hence Clause 3(v) of the Order are not applicable.
- 6) As per information and explanations given by the management, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act is not applicable to the company. [Clause 3(vi)]
- 7) a) According to the records of the company, there are no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods & Services Tax or any other statutory dues payable by the company as at the last financial year.  
There are no outstanding dues as on 31<sup>st</sup> March 2019 for a period of more than six months from the date they become payable. [Clause 3(vii)(a)]  
  
b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute. [Clause 3(vii)(b)]



- 8) Based on our audit procedures and on the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank government or debenture holders. [Clause 3(viii)]
- 9) Based on our audit procedures and on the information given by the management, we report that Clause 3(ix) of the Order is not applicable.
- 10) Based on our audit procedures performed and the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year nor have we been informed by the management. [Clause 3(x)]
- 11) Based on our audit procedures and on the information given by the management, we report that Clauses 3(xi), (xii), (xiii), (xiv), (xv) and (xvi) of the Order are not applicable.

For K. C. ROY & CO.  
Chartered Accountants  
(Firm Registration No. 301161E)

*S. K. Sanyal*

S. K. SANYAL  
(PARTNER)  
(Membership No. 050631)



Place: Gurugram  
Date: 27.05.2019

Annexure 2 referred to in Paragraph 2(f) – ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the Members of EASTERN SPECIALITY PAINTS & COATING PRIVATE LIMITED on the Ind AS financial statements of the company for the year ended 31<sup>st</sup> March, 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 EASTERN SPECIALITY PAINTS & COATING PRIVATE LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS 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 essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 controls 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 include 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 Limitation 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 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 K. C. ROY & CO.  
Chartered Accountants  
(Firm Registration No. 301161E)

S. K. SANYAL  
(PARTNER)  
(Membership No. 050631)



Place: Gurugram  
Date: 27.05.2019

**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**  
**CIN:U24240HR2009PTC066208**  
**BALANCE SHEET AS AT MARCH 31,2019**

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
a Property,Plant and Equipment		-	-
b Capital work-in-progress		-	-
c Intangible assets		-	-
d Financial Assets		-	-
i) Investments		-	-
ii) Loans		-	-
iii) Other financial assets		-	-
e Deferred tax assets (net)		-	-
f Other non-current assets	4	-	-
<b>2 Current assets</b>			
a Inventories		-	-
b Financial Assets		-	-
i) Investments		-	-
ii) Trade receivables		-	-
iii) Cash and cash equivalents	5	2,98,751	2,98,869
iv) Bank balances other than (iii) above		-	-
v) Loans		-	-
vi) Other financial assets		-	-
c Current Tax Assets (Net)		-	-
d Other current assets		-	-
<b>Total Assets</b>		<b>2,98,751</b>	<b>2,98,869</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share Capital	6	5,00,000	5,00,000
b Other Equity	7	(2,60,433)	(2,37,015)
<b>2 LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
a Financial Liabilities		-	-
i) Borrowings		-	-
ii) Trade payables		-	-
iii) Other financial liabilities		-	-
b Provisions		-	-
c Deferred tax liabilities (Net)		-	-
d Other non-current liabilities		-	-
<b>3 Current liabilities</b>			
a Financial Liabilities		-	-
i) Borrowings		-	-
ii) Trade payables		-	-
iii) Other financial liabilities	9	59,184	35,884
b Other current liabilities		-	-
c Provisions		-	-
<b>Total Equity and Liabilities</b>		<b>2,98,751</b>	<b>2,98,869</b>

Overview and Significant Accounting Policies 1-3  
 Accompanying notes form an integral part of the financial statements

**As per our report of even date**

**For K C Roy & Co.**  
 CHARTERED ACCOUNTANTS  
 Firm Registration No. 301161E

S K Sanyal  
 Partner  
 Membership No. 50631  
 Place: Gurugram  
 Date: 27.05.2019



**For and on Behalf of Board of Directors**

Shrender Kumar  
 Director  
 DIN:- 00510137

Sandeep Gupta  
 Director  
 DIN:- 07726413

**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**  
**CIN:U24240HR2009PTC066208**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31,2019**

Particulars	Note	Year ended March 31, 2019	Year ended 31, 2018
Revenue From Operations		-	-
Other Income		-	-
<b>Total Revenue</b>		<b>-</b>	<b>-</b>
<b>EXPENSES</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-	-
Employee Benefit Expenses		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	9	23,418	2,37,015
<b>Total expenses</b>		<b>23,418</b>	<b>2,37,015</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(23,418)</b>	<b>(2,37,015)</b>
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<b>(23,418)</b>	<b>(2,37,015)</b>
<b>Tax expense</b>			
Current Tax		-	-
Tax of earlier year provided / written back		-	-
Deferred tax		-	-
<b>Profit/(loss) for the period</b>		<b>(23,418)</b>	<b>(2,37,015)</b>
<b>Other Comprehensive Income</b>			
a) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(loss) for the year</b>		<b>(23,418)</b>	<b>(2,37,015)</b>
<b>Earnings per Equity Shares of Rs. 10/- each</b>			
	18		
1) Basic (in Rs)		(0.47)	(4.74)
2) Diluted (in Rs)		(0.47)	(4.74)

Accompanying notes form an integral part of the financial statements

**As per our report of even date**

**For K C Roy & Co.**  
 CHARTERED ACCOUNTANTS  
 Firm Registration No. 301161E

  
 S K Sanyal  
 Partner  
 Membership No. 50631  
 Place: Gurugram  
 Date: 27.05.2019



**For and on Behalf of Board of Directors**

  
 Surender Kumar  
 Director  
 DIN:- 00510137

  
 Sandeep Gupta  
 Director  
 DIN:- 07726413



**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**  
**CIN:U24240HR2009PTC066208**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2019**  
**a. Equity share capital**

Particulars	Amount
As at 31.03.2018	5,00,000
Changes in equity share capital	-
As at 31.03.2019	5,00,000

**b. Other equity**

Particulars	Retained earnings	Total
As at 31.3.2018	-	-
Restated balance as at 31.03.2018	-	-
Total comprehensive income for the year	(23,418)	(23,418)
Any other change (to be specified)	-	-
As at 31.3.2019	(23,418)	(23,418)

**As per our report of even date**

**For K C Roy & Co.**

CHARTERED ACCOUNTANTS  
 Firm Registration No. 301161E

  
 S K Sanyal  
 Partner  
 Membership No. 50631  
 Place: Gurugram  
 Date: 27.05.2019



**For and on Behalf of Board of Directors**

  
 Surender Kumar  
 Director  
 DIN:- 00510137

  
 Sandeep Gupta  
 Director  
 DIN:- 07726413

**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**

CIN:U24240HR2009PTC066208

(Amt. in Rs.)

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>Operating activities</b>		
Profit/ (Loss) before tax	(23,418)	(2,37,015)
<i>Adjustments to reconcile profit before tax to net cash flows</i>		
Preliminary Expenses written off	-	35,000
Preoperative Expenses charged off	-	1,74,237
<b>Operating Profit before Working Capital Changes</b>	<b>(23,418)</b>	<b>(27,778)</b>
<i>Working capital adjustments</i>		
(Increase)/ decrease in Other Non current assets	-	-
Increase/ (decrease) in Other Financial Liabilities	23,300	22,184
<b>Net cash flows from (used in) operating activities</b>	<b>(118)</b>	<b>(5,594)</b>
<b>Investing activities</b>		
Purchase of fixed Asset/CWIP (Including Capital Advances)	-	-
Fixed deposit matured	-	-
Interest received	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Financing activities</b>		
<b>Net cash flows from (used in) financing activities</b>	<b>-</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	(118)	(5,594)
Cash and cash equivalents at the beginning of the year	2,98,869	3,04,463
<b>Cash and cash equivalents at year end</b>	<b>2,98,751</b>	<b>2,98,869</b>
Components of cash and cash equivalent as at		
Cash on hand	-	-
Balances with banks:		
On current accounts	2,98,751	2,98,869
Cash and cash equivalents as per note 6	2,98,751	2,98,869

**As per our report even date attached**

**For K C Roy & Co.**

CHARTERED ACCOUNTANTS

Firm Registration No. 301161E

S K Sanyal  
Partner

Membership No. 50631

Place: Gurugram

Date: 27.05.2019



**For and on Behalf of Board of Directors**

Surender Kumar  
Director

DIN:- 00510137

Sandeep Gupta  
Director

DIN:- 07726413

**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**

CIN:U24240HR2009PTC066208

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**1 Overview**

Eastern Speciality Paints & Coating Pvt Ltd ("the Company") is a private limited company domiciled in India. The registered office of the Company is located at Stainless Centre, 4th Floor, Plot No. 50, Sector-32, Gurugram, Haryana-122001.

The Company is engaged in the business of considering and evaluating various proposals for setting up business in paints, coating and providing related services.

**2 Basis of preparation of financial statements**

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

The financial statements provide comparative information in respect of previous year.

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of incomes, expenses, assets and liabilities, and the accompanying disclosures at the date of the financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

**3 Significant Accounting Policies**

**a) Basis of measurement**

The financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured fair value:

- Financial assets and liabilities except Loans and borrowings carried at amortised cost;

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest Rs, thereof, excepte otherwise stated.

**b) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a) Initial recognition**

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added/deducted respectively to the fair value on initial recognition. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

**b) Subsequent measurement**

**(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are recognised in OCI except the recognition of impairment gains or losses, interest revenue calculated using the Effective Interest Rate (EIR) method and foreign exchange gains and losses which are recognised in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

**(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. Financial liabilities at fair value through profit and loss includes financial liability held for trading and financial liability designated upon initial recognition as at fair value through profit and loss.

**c) Impairment of financial assets**

Financial assets, other than debt instruments measured at FVTPL and Equity instruments are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on all financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.



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d) **Derecognition**

**Financial Assets**

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

**Financial liabilities**

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expires.

e) **Reclassification of Financial Assets and Financial Liabilities**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

f) **Offsetting**

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

c) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy in which they fall.

d) **Cash and cash equivalents**

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

e) **Contingent Liabilities**

Liabilities which are material in the opinion of the company and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent.

f) **Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**4 OTHER NON CURRENT ASSETS**

**Particulars**

Miscellaneous Expenditure  
 (to the extent not written off or adjusted)

**As at March 31, As at March 31,**  
**2019 2018**

- -

**5 CASH AND CASH EQUIVALENTS**

**Particulars**

-Balance with banks  
 On Current Accounts  
 -Cash on hand  
 -Cheque, drafts on hand

**As at March 31, As at March 31,**  
**2019 2018**

2,98,751 2,98,869

-

**TOTAL 2,98,751 2,98,869**

\*The amount is laying in Sundry Deposit A/C with PNB Brabourne Rd, branch.

**Bank Balance other than Cash and Cash Equivalents**

Fixed Deposit Account

**TOTAL - -**



**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**6 EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b>		
1,00,000 (31st March,2018: 1,00,000 and 1st April, 2016: 1,00,000) equity shares of Rs.10/- each	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>
<b>Issued,subscribed and paid up</b>		
50,000 (31st March,2018: 50,000 and 1st April, 2016: 50,000) equity shares of Rs.10/- each, fully paid up	5,00,000	5,00,000
	<b>5,00,000</b>	<b>5,00,000</b>

**Notes:**

(i) **Reconciliation of number of equity shares and share capital outstanding at the beginning and end of the year**

Particular	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	50,000	5,00,000	50,000	5,00,000
Add: Shares issued	-	-	-	-
Number of shares at the end	50,000	5,00,000	50,000	5,00,000

(ii) **Rights, preferences and restrictions attached to shares**

The Company has only one class of shares viz., Equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. During the five years immediately preceding 31st March, 2019, the Company has not allotted any equity shares as bonus shares and also not issued any share for consideration other than cash.

(iii) **Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of shares held	Number of shares	% of shares held
Shalimar Paints Limited (Holding Co.) & Nominees	50,000	100.00%	50,000	100.00%

**7 Other Equity**

Particulars	Retained earnings	Total
Balance as at March 31, 2018	(2,37,015)	(2,37,015)
-Total comprehensive income for the year	(23,418)	(23,418)
Balance as at March 31, 2019	(2,60,433)	(2,60,433)

**8 OTHER FINANCIAL LIABILITIES- CURRENT**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Others</b>		
Audit Fees Payable	12,500	5,000
Auditor for Out of Pocket Expenses	500	500
Sundry Creditors	43,684	30,384
Auditor for Consultancy Services	2,500	-
<b>Total</b>	<b>59,184</b>	<b>35,884</b>

**9 OTHER EXPENSES**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Administrative expenses</b>		
Audit Fees	7,500	5,000
Auditor for Out of Pocket Expenses	-	500
Auditor for Consultancy services	2,500	-
Statutory filing fees	6,300	3,400
Professional fees	7,000	18,784
Bank Charges	118	94
Shifting Expenses	-	-
Pre-operative Expenses charged off	-	1,74,237
Preliminary Expenses written off	-	35,000
<b>Total</b>	<b>23,418</b>	<b>2,37,015</b>



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**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**10 CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS**

**Financial Assets**

Particulars	Note	Fair Value Hierarchy	As at March 31, 2019		As at March 31, 2018	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets designated at amortised cost</b>	<b>A</b>					
a) Other bank balances			-	-	-	-
b) Cash & Cash Equivalents			2,98,751	2,98,751	2,98,869	2,98,869

**Financial Liabilities**

Particulars	Note	Fair Value Hierarchy	As at March 31, 2019		As at March 31, 2018	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liability designated at amortised cost</b>	<b>A</b>					
a) Trade & Other Payables			-	-	-	-
b) Other Financial Liability			59,184	59,184	35,884	35,884

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**The following methods and assumptions were used to estimate the fair values.**

A. Fair value of cash and deposits and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments.

**Fair value hierarchy**

**Level 1** - Quoted prices/NAV (unadjusted) in active markets for identical assets or liabilities.

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

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**11 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES**

The Company's financial liabilities comprise other payables. The Company's financial assets comprise mainly of cash and cash equivalents.

12 Capital Commitment and Contingencies : Nil (Previous Year: Nil).

13 CIF Value of Imports : Nil (Previous Year: Nil).

14 Expenditure and Earnings in Foreign Currency : Nil (Previous Year: Nil).



**EASTERN SPECIALITY PAINTS & COATING PVT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**15 Auditors' Remuneration**

Statutory Audit Fees  
 Auditor for Out of Pocket Expenses  
 Auditor for Certificate Fees

	Year ended 31st March 2019	Year ended 31st March 2018
	7,500	5,000
	-	500
	-	-
	7,500	5,500

16 **Retirement Benefits** : The Company has not employed any employee during the year under review.

17 Considering the prudence, no deferred tax asset has not been recognised.

**18 Earnings per share**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit/(loss) attributable to Equity shareholders (A)	(23,418)	(2,37,015)
Weighted average number of Equity shares for basic EPS (B)	50,000	50,000
Effect of Dilution :	-	-
Weighted average number of Equity shares adjusted for the effect of dilution ( C )	50,000	50,000
Basic EPS (Amount in Rs.) (A/B)	(0.47)	(4.74)
Diluted EPS(Amount in Rs.) (A/C)	(0.47)	(4.74)

19 Related Party Disclosures in accordance with Ind AS 24 issued by the Institute of Chartered Accountants of India :

Key Management Personnel :

- 1 Mr. Surender Kumar - Director  
 2 Mr. Sandeep Gupta - Director

S. No.	Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount outstanding as on March 31, 2019	Transaction 2017-18
1	Shalimar Paints Ltd.	Holding Co	Payments made	44384	31084

20 Previous year's figures have been rearranged and regrouped, wherever necessary.

21 Notes 1 to 20 are annexed to and form an integral part of the financial statements.

**As per our report of even date**

For K C Roy & Co.  
 CHARTERED ACCOUNTANTS  
 Firm Registration No. 301161E

S K Sanyal  
 Partner  
 Membership No. 50631  
 Place: Gurugram  
 Date: 27.05.2019



**For and on Behalf of Board of Directors**

Surender Kumar  
 Director  
 DIN:- 00510137

Sandeep Gupta  
 Director  
 DIN:- 07726413