

**Independent Auditor's Report  
To The Members of Luxxis Heating Solutions Private Limited**

**Opinion**

We have audited the accompanying financial statements of **Luxxis Heating Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, , its Profit including Other Comprehensive income, changes in equity and its cash flows for the year ended on that date.

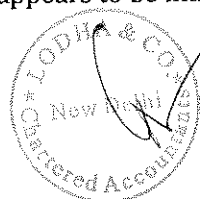
**Basis for Opinion**

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 made 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.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed , we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance 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 with respect to the preparation of these financial statements that 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

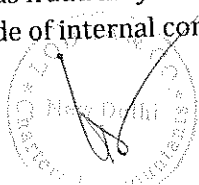
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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 Companies Act, 2013 we give in the "Annexure A" 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 Companies Act, 2013 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 those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian 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, 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, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 did not have any pending litigation, the impact of which is required to be disclosed /to be provided for in financial statements;
  - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- h) The company has not Paid/provided any managerial remuneration.

**For LODHA & CO.**  
Chartered Accountants  
FRN: 301051E

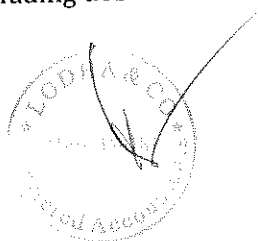
(N. K. Lodha)  
Partner  
Membership No. 85155  
Place: New Delhi  
Date: 02<sup>nd</sup> May 2019



## Annexure – A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Luxxis Heating Solutions Private Limited on the standalone financial statements for the period ended 31<sup>st</sup> March 2019, we report that:

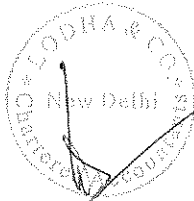
- (i) The Company does not have any fixed assets during the period. Accordingly, clause 3 (i) of the Order is not applicable.
- (ii) As per the information and explanation given to us, the Company does not have any inventory during the period. Accordingly, clause 3 (ii) of the Order is not applicable.
- (iii) According to the records and information and explanation made available to us, the Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), hence other parts of this clause are not applicable.
- (iv) 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 Act, with respect to the loans, investments, guarantees and securities.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and relevant rules, hence, we do not offer any comment on the same. Further, we have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, entry tax, goods and service tax, cess and other material statutory dues, with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March 2019.  
  
(b) According to the records and information & explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the period. The Company did not have any outstanding debentures during the period.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).



- (x) Based on the audit procedures performed and on the basis of information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for any managerial remuneration under the provisions of Section 197 of the Companies Act, 2013. Accordingly, clause 3(xi) of the Order is not applicable on the Company.
- (xii) On the basis of information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the said order is not applicable.
- (xiii) As per the information and explanations and records made available by the management of the company and audit procedures performed, for the related parties transactions entered during the period, the company has complied with the provisions of section 177 and 188 of the Act, where applicable. As explained and as per the records / details, the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. (Refer Note no. 10)
- (xiv) During the period, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **LODHA & CO.**  
Chartered Accountants  
FRN: 301051E

(N.K. Lodha)  
Partner  
Membership No.85155  
Place: New Delhi  
Date:02<sup>nd</sup> May 2019



## **Annexure – B to the Auditors' Report**

### **Report on the Internal Financial Controls Over Financial Reporting 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 **Luxxis Heating Solutions Private Limited** ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Board of director 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 31<sup>st</sup> March 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 **LODHA & CO.**  
Chartered Accountants  
FRN: 301051E

(N.K. Lodha)  
Partner  
Membership No.85155

Place: New Delhi  
Date: 02<sup>nd</sup> May 2019





**Luxxis Heating Solutions Private Limited**  
**Balance sheet as at 31 March 2019**

(₹)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
1 Non-current assets		-	-
<b>Total non-current assets</b>		-	-
2 Current assets			
(a) Financial assets			
(i) Investments	2	18,75,981	18,14,541
(ii) Cash and cash equivalents	3	20,707	53,841
<b>Total current assets</b>		<b>18,96,688</b>	<b>18,68,382</b>
<b>Total assets</b>		<b>18,96,688</b>	<b>18,68,382</b>
<b>EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity share capital	4	20,00,000	20,00,000
(b) Other equity		(1,51,412)	(1,79,268)
<b>Total equity</b>		<b>18,48,588</b>	<b>18,20,732</b>
2 Liabilities			
<b>Non-current liabilities</b>		-	-
<b>Total non-current liabilities</b>		-	-
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	5	43,200	43,200
(b) Other current liabilities	6	4,900	4,450
<b>Total current liabilities</b>		<b>48,100</b>	<b>47,650</b>
<b>Total liabilities</b>		<b>48,100</b>	<b>47,650</b>
<b>Total equity and liabilities</b>		<b>18,96,688</b>	<b>18,68,382</b>

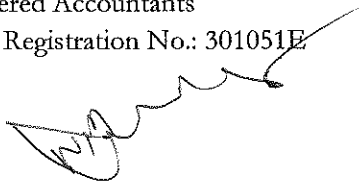
Notes 1 to 16 form an integral part of these financial statements.

In terms of our report attached.

For **Lodha & Co**

Chartered Accountants

Firm Registration No.: 301051E



**N. K. Lodha**

Partner

M. No. 85155

Place : Gurugram

Date : 02 May 2019

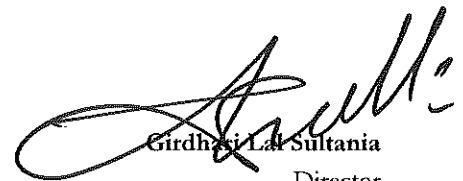


For and on behalf of the Board of Directors

**Sandip Somany**

Director

DIN: 00053597



**Giridhaji Lal Sultania**

Director

DIN: 00060931

Luxxis Heating Solutions Private Limited  
Statement of profit and loss for the period ended 31 March 2019

(₹)

Particulars	Note	Year ended 31 March 2019	Period ended 31 March 2018
I Revenue from operations		-	-
II Other income	7	1,31,440	14,541
III <b>Total income</b>		<b>1,31,440</b>	<b>14,541</b>
IV <b>Expenses</b>			
Other expenses	8	1,03,584	1,93,809
<b>Total expenses</b>		<b>1,03,584</b>	<b>1,93,809</b>
V <b>Profit / (Loss) before exceptional items and tax</b>		<b>27,856</b>	<b>(1,79,268)</b>
VI <b>Exceptional items</b>		-	-
VII <b>Profit / (Loss) before tax</b>		<b>27,856</b>	<b>(1,79,268)</b>
VIII <b>Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
IX <b>Profit/ (Loss) for the period</b>		<b>27,856</b>	<b>(1,79,268)</b>
X <b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plan		-	-
(b) Changes in fair value of equity instruments through other comprehensive income		-	-
(ii) Income-tax relating to these items		-	-
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>
XI <b>Total comprehensive income for the period</b>		<b>27,856</b>	<b>(1,79,268)</b>
<b>Earnings per equity share (of ₹ 10/- each):</b>			
Basic and diluted		0.14	(0.90)

Notes 1 to 16 form an integral part of these financial statements.

For and on behalf of the Board of Directors

In terms of our report attached.  
For **Lodha & Co**  
Chartered Accountants  
Firm Registration No.: 301051E

**N. K. Lodha**  
Partner  
M. No. 85155  
Place : Gurugram  
Date : 02 May 2019



**Sandip Somany**  
Director  
DIN: 00053597

**Girdhaji Lal Sultania**  
Director  
DIN: 00060931

**LUXXIS HEATING SOLUTIONS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
<b>(₹)</b>		
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) before tax	27,856	(1,79,268)
<b><u>Adjustment For</u></b>		
-Fair value gain on Investments	(1,27,997)	(14,541)
-Gain on Redemption on Investments	(3,443)	-
<b>Operating loss before Working Capital Changes</b>	<b>(1,03,584)</b>	<b>(1,93,809)</b>
<b><u>Change in working capital</u></b>		
-Trade and Other Payables	450	47,650
Cash Generated from Operations	(1,03,134)	(1,46,159)
Income tax paid	-	-
<b>Net Cash from Operating Activities</b>	<b>(1,03,134)</b>	<b>(1,46,159)</b>
<b><u>B: CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Sale/(Purchase) of Investments	70,000	(18,00,000)
<b>Net Cash Used in Investing Activities</b>	<b>70,000</b>	<b>(18,00,000)</b>
<b><u>C: CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
- Issue of Share Capital (Equity Shares)	-	20,00,000
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>20,00,000</b>
Net Increase in Cash & Cash Equivalents(A+B+C)	(33,134)	53,841
Cash and Cash Equivalents as at (Opening)	53,841	-
<b>Cash and Cash Equivalents as at (Closing)</b>	<b>20,707</b>	<b>53,841</b>

Notes 1 to 16 form an integral part of these standalone financial statements.

For **Lodha & Co**

Chartered Accountants

Firm Registration No.: 301054E

**N. K. Lodha**

Partner

M. No. 85155

Place : Gurugram

Date : 02 May 2019



For and on behalf of the Board of Directors

**Sandip Somany**

Director

DIN: 00053597

**Girdhar Bai Sultania**

Director

DIN: 00060931

Luxxis Heating Solutions Private Limited

Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

Statement of change in equity

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	(₹)	No. of shares	(₹)
<b>Authorised:</b>				
Equity shares of ₹ 10 each	5,00,000	50,00,000	5,00,000	50,00,000
<b>Issued:</b>				
Equity shares of ₹ 10 each	2,00,000	20,00,000	2,00,000	20,00,000
<b>Subscribed and fully paid:</b>				
Equity shares of ₹ 10 each	2,00,000	20,00,000	2,00,000	20,00,000
	2,00,000	20,00,000	2,00,000	20,00,000

Particulars	Reserves and surplus		Total
		Retained earnings	
Profit / (Loss) for the period		(1,79,268)	(1,79,268)
Other comprehensive income for the period (net of income tax)		-	-
Total comprehensive income for the period		(1,79,268)	(1,79,268)
<b>Balance as at 31 March 2018</b>		(1,79,268)	(1,79,268)
Profit / (Loss) for the period		27,856	27,856
Other comprehensive income for the period (net of income tax)		-	-
Total comprehensive income for the period		27,856	27,856
<b>Balance as at 31 March 2019</b>		(1,51,412)	(1,51,412)

Notes 1 to 16 form an integral part of these standalone financial statements.

For and on behalf of the Board of Directors

For Lodha & Co  
Chartered Accountants  
Firm Registration No.: 301051E

N. K. Lodha  
Partner  
M. No. 85155  
Place : Gurugram  
Date : 02 May 2019



Sandip Somany  
Director  
DIN: 00053597

Girishankar Lal Bhatnagar  
Director  
DIN: 00060931

## Luxxis Heating Solutions Private Limited

### Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

#### 1. A) Corporate information

Luxxis Heating Solutions Private Limited (the 'Company') is a public limited company incorporated in India on 27 December 2017 under the Companies Act, 2013. The registered office of the Company is situated in Kolkata. The Company is into the business of manufacturing, selling and trading of building products, glass products, consumer products, plastic products and retail business. The Company is wholly owned subsidiary of HSIL Limited whose shares are listed on the National Stock Exchange of India Limited and BSE Limited.

#### B) Application of new and revised Indian Accounting Standard ("Ind AS")

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

#### Recent accounting pronouncements

##### A. Application of New Accounting Pronouncements

The Company applied for the first-time amendments to the following standards from 1<sup>st</sup> April 2018.

##### i) Ind AS 115 'Revenue from Contracts with Customers'

The standard clarifies the accounting for bundled services and identifying each 'performance obligation' in contractual arrangements. It also provides more guidance on the measurement of revenue contracts which have variable consideration like discounts, rebates etc.

W.e.f. 1<sup>st</sup> April 2018 the Company adopted Ind AS 115 'Revenue from Contracts with Customers'. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

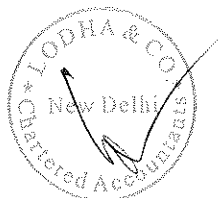
##### ii) The Company has adopted Appendix B to Ind AS 21, Foreign currency transactions and advance consideration with effect from 1st April, 2018 prospectively to all assets, expenses and income initially recognized on or after 1st April, 2018 and there was immaterial impact on implementation of the Appendix.

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

The Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards in the month of March 2019. These amendments are applicable w.e.f. 1<sup>st</sup> April, 2019.

##### i) Ind AS 116, Leases:

The standard changes the principles for the recognition, measurement, presentation and disclosure of leases. It eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model where the lessee is required to recognise lease liabilities and 'right of use' assets on the



**Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)**

Balance Sheet, with exemptions for low value and short term leases. The Company will adopt Ind AS 116 prospectively to each prior reporting period presented. The Company is presently in the process of evaluating the impact of adoption of ' Ind AS 116' and expect immaterial impact on the recognition and measurement of income and costs in the income statement or of the net assets in the balance sheet.

**ii) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:**

This Appendix clarifies how entities should apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12, the Company needs to assess probability of accepting certain tax treatment , in particular when assessing the outcome a tax authority might reach with full knowledge and information i.e. latest tax filings during completion of tax assessment. Based on management's evaluation, the impact is estimated to be immaterial.

**iii) Amendment to Ind AS 12, Income Taxes:**

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company will apply this amendment for annual reporting periods beginning on or after 1st April, 2019. The impact on its Financial Statements is being evaluated.

**iv) Amendment to Ind AS 23, Borrowing Costs:**

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale.

The Company will apply this amendment for annual reporting periods beginning on or after 1st April, 2019. Since the Company's current policy is in line with these amendments, the company does not expect any effect on its Financial Statements.



## Luxxis Heating Solutions Private Limited

### Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

#### C) Significant accounting policies and other explanatory information

##### 1.1 Statement of compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements for the year ended 31 March 2019 are the Company's first full Ind AS financial statements.

The financial statements of Luxxis Heating Solutions Private Limited as at and for the year ended 31 March 2019 were approved and authorised for issue by the Board of Directors on 02 May 2019.

##### 1.2 Historical cost convention

These financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

##### 1.3 Business combinations

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

##### 1.4 Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized net of sales reductions such as discounts and sales incentives granted. This variable consideration is estimated based on the expected value of outflow.

##### Sale of products:

Revenue from the sale of products is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Sales-related warranties associated with the goods are integral to sales price and cannot be purchased separately, hence they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.



## Luxxis Heating Solutions Private Limited

### Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

#### *Rendering of services:*

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

#### **Interest and dividends**

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established

### **1.5 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### **Company as the lessor**

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

#### **Company as the lessee**

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on straight-line basis unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases.

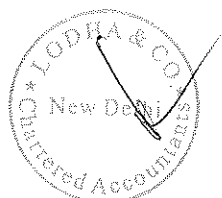
### **1.6 Foreign currency transactions and translations**

#### **Initial recognition**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

#### **Measurement at the balance sheet date**

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.





## Luxxis Heating Solutions Private Limited

### Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

#### Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

#### 1.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred and reported in finance cost.

#### 1.8 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

#### 1.9 Taxation

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

##### Current tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

##### Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12, Income Taxes, specifies limited exemptions.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

#### 1.10 Operating cycle

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**Luxxis Heating Solutions Private Limited**

**Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)**

**1.11 Operating expenses**

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

**1.12 (a) Property, plant and equipment**

Property, plant and equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises the new part and is depreciated accordingly. Further, when major overhauling/ repair are performed, the cost associated with this is capitalised, if the recognition criteria are satisfied, and is then depreciated over the remaining useful life of asset or over the period of next overhauling due, whichever is earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(b) Intangible assets**

Intangibles are stated at cost less accumulated amortization and impairment losses (if any). Cost related to technical assistance for new projects are capitalized.

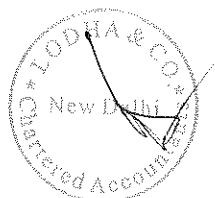
**(c) Capital work-in-progress**

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress includes capital inventory.

**1.13 Depreciation and amortisation**

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013 and is charged to the statement of profit and loss. Freehold land is not depreciated.

The estimated useful life of the items of property, plant and equipment are as follows:



Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

Asset class	Useful life
<b>Property, plant and equipment</b>	
Plant and machinery	7.5-25 years
Buildings	10-60 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer	3-6 years
Vehicles	8 years
<b>Intangible assets</b>	
Technical know-how	10 years
Software	6 years

**1.14 Impairment of property, plant and equipment**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

**1.15 Inventory**

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

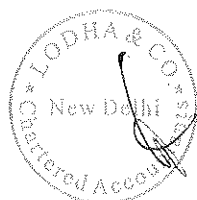
Costs of inventories are determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

**1.16 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**1.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

**1.18 Provisions and contingencies**

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes unless the outflow of resources is considered to be remote. Contingent assets are neither recognised nor disclosed in the financial statements.

**1.19 Equity, reserves and dividend payments**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

**1.20 Earnings per share**

Basic earnings or loss per share are 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings or loss 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.

**1.21 Fair value measurement**

The Company measures financial instruments such as investments in mutual funds, investment in certain equity shares etc. at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 as explained above.



## Luxxis Heating Solutions Private Limited

### Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

#### 1.22 Financial instruments

##### I. Financial assets

###### a. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

###### 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.

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

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.

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

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

###### c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

###### d. De-recognition of financial assets

A financial asset is derecognised when:

- The Company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

##### II. Financial liabilities

###### Initial recognition and subsequent measurement



## Luxxis Heating Solutions Private Limited

### Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

#### III. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

#### IV. Offsetting of financial instruments

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.

#### 1.23 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

#### 1.24 Significant accounting judgements, 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 revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### (i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



**Luxxis Heating Solutions Private Limited**

**Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2019 (contd.)**

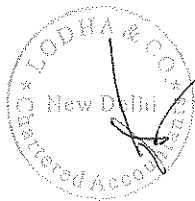
**(ii) Estimation of current tax and deferred tax**

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

**(ii) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date .

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Luxxis Heating Solutions Private Limited

Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

Note 4 - Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	(₹)	No. of shares	(₹)
<b>Authorised:</b>				
Equity shares of ₹ 10 each	5,00,000	50,00,000	5,00,000	50,00,000
<b>Issued:</b>				
Equity shares of ₹ 10 each	2,00,000	20,00,000	2,00,000	20,00,000
<b>Subscribed and fully paid:</b>				
Equity shares of ₹ 10 each	2,00,000	20,00,000	2,00,000	20,00,000
	2,00,000	20,00,000	2,00,000	20,00,000

(a) Reconciliation of share outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	(₹)	Number	(₹)
Equity shares outstanding at the beginning of the period	2,00,000	20,00,000	-	-
Add: Shares issued during the period	-	-	2,00,000	20,00,000
Equity shares outstanding at the end of the period	2,00,000	20,00,000	2,00,000	20,00,000

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the subsequent Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distributions of all preferential amount. The distributions will be in proportion to the number of equity shares held by the shareholders; and any other right as the Memorandum and Articles of Association of the Company may prescribe in relation to the aforesaid equity shares of the Company.

(c) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting period

Name of the Shareholders	31-Mar-19		31-Mar-18	
	No. of Equity Shares held	% of Equity Shares	No. of Equity Shares	% of Equity Shares
HSIL Limited (Holding Co.) and its nominees	2,00,000	100	2,00,000	100

(d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.

Note 5 - Other Current liabilities - Other financial liabilities

Particulars	(₹)	
	As at 31 March 2019	As at 31 March 2018
Creditors for Expenses	43,200	43,200
	43,200	43,200

Note 6 - Other current liabilities

Particulars	(₹)	
	As at 31 March 2019	As at 31 March 2018
Statutory Dues - TDS payable	4,900	4,450
	4,900	4,450

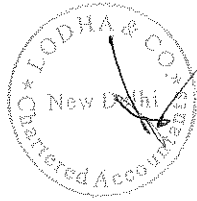




**Luxxis Heating Solutions Private Limited**

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019**

Particulars	(₹)			
	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>At Fair Value Through Profit and Loss</b>				
Quoted investments (fully paid-up)				
- HDFC Liquid Fund-Regular Plan-Growth (face value Rs.10/-)	512,521	18,75,981	532,036	18,14,541
	<u>512,521</u>	<u>18,75,981</u>	<u>532,036</u>	<u>18,14,541</u>
Aggregate amount of quoted investments - At cost		17,33,977		18,00,000
Aggregate amount of quoted investments - At market value		18,75,981		18,14,541
 <b>Note 3 - Cash and cash equivalents</b>				
Balances with banks in current account		<u>20,707</u>		<u>53,841</u>
		<u>20,707</u>		<u>53,841</u>



**Luxxis Heating Solutions Private Limited**

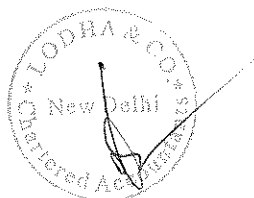
**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019**

**Note 7 - Other income**

Particulars	(₹)	
	As at 31 March 2019	As at 31 March 2018
Fair value gain of investments	1,27,997	14,541
Gain on Redemption of Investemots	3,443	-
	<u>1,31,440</u>	<u>14,541</u>

**Note 8 - Other expenses**

Particulars	(₹)	
	As at 31 March 2019	As at 31 March 2018
- Rates and taxes	4,650	4,650
-Miscellaneous Expenses	5,169	2,035
- Legal & Professional Expenses	46,565	5,310
- Auditor Remuneration		
- Audit Fee	47,200	47,200
-Preliminary expenses	-	1,34,614
	<u>1,03,584</u>	<u>1,93,809</u>



**Luxxis Heating Solutions Private Limited**

Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

**Note 9 - Earnings per share**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2019
Profit for the period attributable to owners of the Company (₹)	27,856	(1,79,268)
Weighted average number of equity shares (nos.)	2,00,000	2,00,000
Nominal value per share (₹)	10	10
Earnings per share - basic and diluted (₹)	0.14	(0.90)

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

**Note 10 - Related Party Disclosures**

**i) Name and relationship**

- a) Shri Sandip Somany - Director (Since incorporation)
- b) Shri Girdhari Lal Sultania - Director (Since incorporation)
- c) Shri Niranjana Kumar Goenka - Director (Since incorporation)
- d) HSIL Limited - Holding Company (w.e.f 26'Dec'2017)

**ii) Transactions that have taken place during the year 01.04.2018 to 31.03.2019 with related parties by the Company :**

Name of the Party and nature of transaction:	(₹)	
	As at 31 March 2019	As at 31 March 2018
HSIL Limited - Subscriber to the memorandum	-	20,00,000

**Note 11- Payment to Auditors**

	(₹)	
	As at 31 March 2019	As at 31 March 2018
Statutory Audit Fees ( Including Taxes)	47,200	47,200
	<u>47,200</u>	<u>47,200</u>

**Note 12- Segment Reporting**

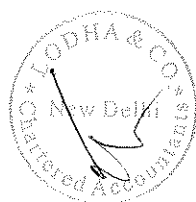
The Company has yet to start its business operation, hence no segment been identified and reported.

**Note 13 - Employee benefits**

The Company has no employee during the year under review, hence provision for employee benefits are not required to be made by the Company on the date of Balance Sheet.

**Note 14 - Contingent Liability and other commitment**

- Nil



## Note - 15 Financial instruments and risk review

## Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes net of cash and cash equivalents as disclosed in note 3 and current investment and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Board of Directors.

The following table summarises the capital of the Company

	(₹)	
	31 March 2019	31 March 2018
Equity *	18,48,588	18,20,732
Liquid assets (cash and cash equivalent and current investments) (a)	18,96,688	18,68,382
Current borrowings	-	-
Total debt (b)	-	-
Net debt [c = (b) - (a)]	(18,96,688)	(18,68,382)
Total capital (equity+net debt)	18,48,588	18,20,732
Gearing ratio		
Debt to equity	-	-
Net debt to equity ratio	-	-

## Categories of financial instruments

		(₹)			
Categories of financial assets/(liabilities)		31 March 2019			
	Notes	Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Fair value hierarchy
<b>Financial assets measured at fair value</b>					
Investments	2	18,75,981	1,27,997	-	
		18,75,981	1,27,997	-	1
<b>Financial assets measured at amortised costs</b>					
Cash and bank balances	3	20,707	-	-	
Total financial assets		20,707	-	-	
<b>Financial liabilities</b>					
31 March 2019					
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	
<b>Financial liabilities measured at amortised cost</b>					
Current payables	5	43,200	-	-	
Total financial liabilities		43,200	-	-	

## Categories of financial instruments

		(₹)			
Categories of financial assets/(liabilities)		31 March 2018			
	Notes	Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Fair value hierarchy
<b>Financial assets measured at fair value</b>					
Investments	2	18,14,541	14,541	-	
		18,14,541	14,541	-	1
<b>Financial assets measured at amortised costs</b>					
Cash and bank balances	3	53,841	-	-	
Total financial assets		53,841	-	-	
<b>Financial liabilities</b>					
31 March 2018					
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	
<b>Financial liabilities measured at amortised cost</b>					
Current payables	5	43,200	-	-	
Total financial liabilities		43,200	-	-	

## Financial risk management objective

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

## Cash and cash equivalents and short term investments

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant deposit balances other than those required for its day to day operations.



**Liquidity risk:**

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date and, where applicable, their effective interest rates.

Particulars	As at 31 March 2019				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
<b>Financial liabilities</b>					
Borrowings - other loans		-	-	-	-
Current payables	5	43,200	-	-	43,200
<b>Total</b>		43,200	-	-	43,200

Particulars	As at 31 March 2018				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
<b>Financial liabilities</b>					
Borrowings - other loans		-	-	-	-
Current payables	5	43,200	-	-	43,200
<b>Total</b>		43,200	-	-	43,200

Note 16 - Previous year/period figures have been regrouped/re-arranged wherever considered necessary to confirm to the current year's classification. Previous year /period figures being less than one year , hence not comparable.

In terms of our report attached.

For Lodha & Co

Chartered Accountants

Firm Registration No.: 301051E

N. K. Lodha  
Partner  
M. No. 85155  
Place : Gurugram  
Date : 02 May 2019



For and on behalf of the Board of Directors

Sandip Somany  
Director  
DIN: 00053597

Girish Lal Sumania  
Director  
DIN: 00060931