

INDEPENDENT AUDITORS' REPORT
To The Members of Rainbow Holdings GmbH
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Rainbow Holdings GmbH ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements, for inclusion in the consolidated financial statements of Galaxy Surfactants Limited Group, that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Indian Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records, safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the accounting and auditing standards applicable in India.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). 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 the 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information 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, 2018, and its loss, total comprehensive incomes, its cash flows and the changes in equity for the year ended on that date.

Other Matters

- a) The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the financial statements prepared in accordance with the accounting principles generally accepted in India dated 23rd May 2017 audited by the predecessor auditor whose report for the year ended 31st March 2017 dated 23rd June 2017 expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS.

Other Reporting Requirements

We further 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 of the aforesaid Ind AS financial statements.
- b) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Ind AS financial statements.



Restriction in Use

This report is provided to you solely for the information and for the purposes of preparation of Consolidated Financial Statements of the Galaxy Surfactants Limited Group for the year ended March 31, 2018. It should not be distributed to any other third party without our written consent.

For S. V. PINGE & Co.
Chartered Accountants
(Firm's Registration No. 122667W)



A handwritten signature in blue ink that reads "S. V. Pinge".

S. V. Pinge
Proprietor
(Membership No. 44276)

Place: Navi Mumbai
Date: 10th May, 2018


RAINBOW HOLDINGS GmbH

Balance Sheet as at 31st March, 2018, 31st March, 2017 and 1st April, 2016

Particulars	Note	31st MARCH	31st MARCH	1st APRIL 2016
		2018	2017	
EUR				
I. ASSETS				
NON-CURRENT ASSETS				
(a) Financial Assets				
(i) Investments	2	8,93,000	8,93,000	8,93,000
		8,93,000	8,93,000	8,93,000
CURRENT ASSETS				
(a) Financial Assets				
(i) Cash and Cash Equivalents	3	19,519	27,851	37,832
		19,519	27,851	37,832
Total Assets		9,12,519	9,20,851	9,30,832
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	4A	25,000	25,000	25,000
(b) Other Equity	4B	(17,00,429)	(15,61,202)	(14,05,796)
		(16,75,429)	(15,36,202)	(13,80,796)
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	5	13,80,000	11,50,000	13,80,000
(ii) Trade Payables	6	-	-	-
(iii) Other Financial Liabilities	7	12,07,500	8,85,500	9,31,500
		25,87,500	20,35,500	23,11,500
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Trade Payables	6	448	7,553	128
(ii) Other Financial Liabilities	7	-	4,14,000	-
		448	4,21,553	128
Total Equity and Liabilities		9,12,519	9,20,851	9,30,832


The accompanying notes 1 to 12 are an integral part of the Financial Statements
In terms of our report attached.

For S. V. PINGE & Co.
Chartered Accountants
Firm Registration No. 122667W


S. V. Pinge
Proprietor
Membership No. 44276



For and on behalf of the Board


G. Kamath
Managing Director

Place : Navi Mumbai
Date : 10th May 2018

RAINBOW HOLDINGS GmbH

Statement of Profit and Loss for the year ended 31st March, 2018 and 31st March, 2017

Particulars	Note	Year Ended 31	Year Ended 31
		March,2018	March,2017
EUR			
INCOME			
Total Income		-	-
EXPENSES			
Finance costs	8	1,38,000	1,38,000
Other expenses	9	1,227	17,406
Total Expenses		1,39,227	1,55,406
Profit before tax		(1,39,227)	(1,55,406)
Tax Expense			
Current Tax	10	-	-
Deferred Tax	10	-	-
Profit for the year		(1,39,227)	(1,55,406)
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
B. (i) Items that will be reclassified to profit or loss			
Total other comprehensive income		-	-
Total comprehensive income for the period		(1,39,227)	(1,55,406)
Earnings per equity share : (Face value Euro 1 per share)			
Basic	11	(5.57)	(6.22)
Diluted	11	(5.57)	(6.22)

The accompanying notes 1 to 12 are an integral part of the Financial Statements
In terms of our report attached.

For **S. V. PINGE & Co.**
Chartered Accountants
Firm Registration No. 122667W

S. V. Pinge

S. V. Pinge
Proprietor
Membership No. 44276



For and on behalf of the Board

G. Kamath

G. Kamath
Managing Director

Place : Navi Mumbai
Date : 10th May 2018

RAINBOW HOLDINGS GmbH

Cash Flow Statement for the year ended 31st March 2018 and 31st March 2017

Particulars	EUR	
	2017-2018	2016-2017
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	(1,39,227)	(1,55,406)
Operating Profit before Working Capital changes	(1,39,227)	(1,55,406)
Changes in :		
Increase in trade payables & Other Liabilities	1,30,895	1,45,425
	1,30,895	1,45,425
Cash generated from operations	(8,332)	(9,981)
Income Taxes Paid	-	-
NET CASH FROM OPERATING ACTIVITIES	(8,332)	(9,981)
NET CASH FROM INVESTING ACTIVITIES	-	-
NET CASH FROM FINANCING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,332)	(9,981)
OPENING CASH AND CASH EQUIVALENTS	27,851	37,832
CLOSING CASH AND CASH EQUIVALENTS	19,519	27,851

The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard (INDAS) 7 - Statement of Cash flow.

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For S. V. PINGE & Co.
Chartered Accountants
Firm Registration No. 122667W

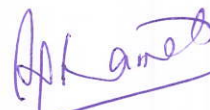


S. V. Pinge
Proprietor
Membership No. 44276

Place : Navi Mumbai
Date : 10th May 2018



For and on behalf of the Board



G. Kamath
Managing Director

RAINBOW HOLDINGS GmbH

Statement of Changes in Equity for the year ended 31st March 2018

A) Equity Share Capital

EUR

Particulars	31st MARCH 2018	31st MARCH 2017	1st APRIL 2016
Issued and Subscribed :			
Balance as at the beginning of the year	25,000	25,000	25,000
Balance as at the end of the year	25,000	25,000	25,000

B) Other Equity

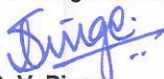
EUR

Particulars	Retained Earnings	Total
As at 1st April 2016	(14,05,796)	(14,05,796)
Profit / (Loss) for the period	(1,55,406)	(1,55,406)
Other Comprehensive Income / (Loss)	-	-
Total Comprehensive Income for the year	(1,55,406)	(1,55,406)
As at 31st March 2017	(15,61,202)	(15,61,202)
Profit / (Loss) for the period	(1,39,227)	(1,39,227)
Other Comprehensive Income / (Loss)	-	-
Total Comprehensive Income for the year	(1,39,227)	(1,39,227)
As at 31st March 2018	(17,00,429)	(17,00,429)

The accompanying notes 1 to 12 are an integral part of the Financial Statements

In terms of our report attached.

For **S. V. PINGE & Co.**
Chartered Accountants
Firm Registration No. 122667W



S. V. Pinge
Proprietor
Membership No. 44276



For and on behalf of the Board



G. Kamath
Managing Director

Place : Navi Mumbai

Date : 10th May 2018

RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2018

1 A. Corporate Information

Rainbow Holdings GmbH is a 100% step down Subsidiary of Galaxy Surfactants Ltd with effect from 19th June, 2009. The Company is currently engaged in the business of holding investments in downstream subsidiary companies.

B. Accounting policies adopted in preparation of financial statements:

i. Basis of Preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The financial statements are reported in Euro (EUR) which is the functional currency of the Company as that is the primary economic environment in which the entity operates. The presentation currency for these financial statements is also Euro (EUR).

ii. Revenue Recognition:

Revenue /income and cost/expenditure are generally accounted on accrual basis as they are earned or incurred, except in case of significant uncertainties.

iii. Investments:

Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

- iv. Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:
- recognising all assets and liabilities whose recognition is required by Ind AS,
 - not recognising items of assets or liabilities which are not permitted by Ind AS,
 - reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
 - applying Ind AS in measurement of recognised assets and liabilities



RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2018

2 Non Current Investments

Particulars	31st MARCH 2018		31st MARCH 2017		1st APRIL 2016	
	Number	EURO	Number	EURO	Number	EURO
Investments in Equity Instruments Unquoted (all fully paid unless otherwise specified)						
(A) At Cost						
(i) In Subsidiary Companies						
Equity shares						
228 Equity Shares of no par value of Tri-K Industries, Inc.	228	8,93,000	228	8,93,000	228	8,93,000
Investments in Equity Instruments (Total)		8,93,000		8,93,000		8,93,000
Total Non Current Investments (Net)		8,93,000		8,93,000		8,93,000
Other Disclosures						
(i) Aggregate amount of unquoted investments (Gross)		8,93,000		8,93,000		8,93,000



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RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2018

3 Cash and Bank Balances

EUR

Particulars	EUR		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Balances with banks			
- On Current Accounts	19,518	27,850	37,831
	19,518	27,850	37,831
Cash on hand	1	1	1
Total Cash and cash equivalent	19,519	27,851	37,832

4A Equity Share Capital

EUR

Particulars	EUR		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised:			
25,000 Equity Shares of EUR 1 each, fully paid-up. (Previous Year: 25,000 Equity Shares of EUR 1 each)	25,000	25,000	25,000
	25,000	25,000	25,000
Issued and Subscribed :			
25,000 Equity Shares of EUR 1 each, fully paid-up. (Previous Year: 25,000 Equity Shares of EUR 1 each)	25,000	25,000	25,000
	25,000	25,000	25,000

A. Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares	EURO	No. of Shares	EURO	No. of Shares	EURO
Issued and Subscribed :						
Balance as at the beginning of the year	25,000	25,000	25,000	25,000	25,000	25,000
Balance as at the end of the year	25,000	25,000	25,000	25,000	25,000	25,000

B. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of EUR 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. During the period of five years immediately preceding the reporting date:

- (i) The Company has not issued any shares pursuant to contract(s) without payment being received in cash.
- (ii) The Company has not allotted any shares as fully paid up by way of bonus shares.
- (iii) The Company has not bought back any shares.

D. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Galaxy Holdings (Mauritius) Limited	25,000	100.00%	25,000	100.00%	25,000	100.00%
Total	25,000	100.00%	25,000	100.00%	25,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

E. Shares held by holding/ultimate holding company and/ or their subsidiaries/ associates

Name of shareholder	31st March 2018		31st March 2017		1st April 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Galaxy Holdings (Mauritius) Limited, Holding Company 25,000 (Previous year 25,000) Equity Shares of EUR 1 each, fully paid-up	25,000	100.00%	25,000	100.00%	25,000	100.00%
Total	25,000	100.00%	25,000	100.00%	25,000	100.00%

4B Other Equity

EUR

Particulars	EUR		
	31st March 2018	31st March 2017	1st April 2016
Retained Earnings	(17,00,429)	(15,61,202)	(14,05,796)
Total	(17,00,429)	(15,61,202)	(14,05,796)



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RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2018

5 Non-Current Borrowings

EUR

Particulars	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
Unsecured (Carried at amortised Cost) :			
Loan From Holding Company	13,80,000	11,50,000	13,80,000
Total non current borrowings	13,80,000	11,50,000	13,80,000

Terms of repayment :

Term Loan outstanding as at year end	Rate of Interest	Repayment Term
Unsecured Loan of Euro 13,80,000/- (Previous Year: Euro 11,50,000/- of which Euro Nil/- (Previous year : Euro 2,30,000/-) is classified as current liability.	10% p.a	6 half yearly installments commencing from 31st December, 2020 and ending with 30th June, 2023

Current maturities in respect of long term borrowings have been included in Note 7 as under :

EUR

Particulars	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
Loan From Holding Company	-	2,30,000	-
	-	2,30,000	-

6 Trade Payables

EUR

Particulars	As at		As at 31 March 2017		As at	
	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
(Carried at Amortised cost)						
Trade payable - Other than micro and small enterprises	448		7,553		128	
Total Trade payables	448	-	7,553	-	128	-

7 Other Financial Liabilities

EUR

Particulars	As at		As at		As at	
	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
(Carried at Amortised cost)						
Current maturities of long-term debt	-		2,30,000	-	-	-
Interest accrued on borrowings	-	12,07,500	1,84,000	8,85,500	-	9,31,500
Total other Non-Current financial liabilities	-	12,07,500	4,14,000	8,85,500	-	9,31,500



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RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2018

8 Finance Cost

EUR

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
(a) Interest expense for financial liabilities at amortised cost	1,38,000	1,38,000
Total Finance Cost	1,38,000	1,38,000

9 Other Expenses

EUR

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Legal and professional fees		16,746
Miscellaneous expenses	1,227	660
Total Other Expenses	1,227	17,406

10 Income Tax recognised in profit or loss

EUR

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Current Tax: In respect of current year		
	-	-
Deferred Tax: In respect of current year origination and reversal of temporary differences		
	-	-
Total income tax expense	-	-

11 Earning Per Share (EPS)

EUR

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Profit for the year	(1,39,227)	(1,55,406)
Profit for the year for diluted EPS	(1,39,227)	(1,55,406)
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS	25,000	25,000
Effect of potential Ordinary (Equity) Shares on employee stock options.	-	-
Weighted average number of Ordinary (Equity) Shares used in computing diluted EPS.	25,000	25,000
Basic Earnings per share	(5.57)	(6.22)
Diluted Earnings per share	(5.57)	(6.22)
(Face value Euro 1 per share)		



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RAINBOW HOLDINGS GmbHNOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2018**12 Related Party Disclosures :**

(a) Related parties where control exists :

Sl. No.	Name of the Company	Relationship
1	Galaxy Holdings (Mauritius) Limited	Holding Company
2	Tri-K Industries, Inc., USA	Subsidiary
3	Galaxy Surfactants Limited, India	Ultimate Holding Company
4	Galaxy Chemicals (Egypt) SAE, Egypt	Fellow Subsidiary
5	Galaxy Chemicals Inc.	Fellow Subsidiary

(b) The related party transactions are as under :

Sr No	Nature of Transactions	Holding Company		Subsidiary	
		2017-18	2016-17	2017-18	2016-17
1	FINANCE :				
	Interest Expense				
	on loan from Galaxy Holdings (Mauritius) Limited	1,38,000	1,38,000		
2	Other Transactions				
	Other Expenses				
	Expenses paid by Galaxy Holdings (Mauritius) Limited on behalf of Rainbow Holding GMBH	448			

(c) The related party balance are as under :

Sr No	Nature of Transactions	Holding Company			Subsidiary		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
2	OUTSTANDINGS :						
	Payable to Galaxy Holdings (Mauritius) Limited	448					
	Investment in Tri-K Industries, Inc., USA				8,93,000	8,93,000	8,93,000
	Unsecured Loan from Galaxy Holdings (Mauritius) Limited	13,80,000	13,80,000	13,80,000			
	Interest accrued on Unsecured Loan from Galaxy Holdings (Mauritius) Limited	12,07,500	10,69,500	9,31,500			

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

