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INDEPENDENT AUDITORS' REPORT
To The Board of Directors of Tri-K Industries, Inc.
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Tri-K Industries, Inc. ("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 profit, 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 the United States of America audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 26th May 2017 and 16th May 2016 respectively expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the accounting principles generally accepted in the United States of America to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

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.

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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 prior our written consent.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W – 100018)

Kedar Raje
Partner
(Membership No. 102637)

Place: Mumbai
Date: 2nd May 2018

TRI-K Industries Inc.

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

		Note	31st MARCH 2018 USD	31st MARCH 2017 USD	1st APRIL 2016 USD
I.	**ASSETS**				
	NON-CURRENT ASSETS				
	(a) Property, Plant and Equipment	2	782,424	998,400	1,306,982
	(b) Capital Work-in-Progress		31,020		
	(c) Other Intangible Assets	3	195,442	442,645	799,852
	(d) Goodwill		362,915	362,915	362,915
	(e) Financial Assets				
	(i) Other Financial Assets	4	79,327	79,327	79,327
	(f) Deferred Tax Assets (Net)	5	398,387	430,025	256,611
	(g) Other Non-Current Assets	6	41,584		
			1,891,099	2,313,312	2,805,687
	CURRENT ASSETS				
	(a) Inventories	7	7,469,813	6,935,082	7,788,705
	(b) Financial Assets				
	(i) Trade Receivables	8	6,710,578	5,885,141	4,691,300
	(ii) Cash and Cash Equivalents	9	3,157,599	255,098	5,295
	(III) Other Financial Assets	4	136,731	59,192	7,083
	(c) Current Tax Assets (Net)		516,479	250,370	629,075
	(d) Other Current Assets	6	372,761	99,836	375,736
			18,363,961	13,484,719	13,497,194
	Total Assets		20,255,060	15,798,031	16,302,881
II.	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a) Equity Share Capital	10	1,000	1,000	1,000
	(b) Other Equity		14,209,146	10,938,143	8,861,445
			14,210,146	10,939,143	8,862,445
	LIABILITIES				
	NON-CURRENT LIABILITIES				
	(a) Financial Liabilities				
	(i) Borrowings	11			444,444
	(b) Other Non-current Liabilities	13	68,593	68,998	345,684
			68,593	68,998	790,128
	CURRENT LIABILITIES				
	(a) Financial Liabilities				
	(i) Borrowings	14		1,120,000	1,795,000
	(ii) Trade Payables	15	5,855,054	3,483,354	4,056,608
	(iii) Other Financial Liabilities	12	9,784	29,930	677,346
	(b) Other Current Liabilities	13	111,483	156,606	121,354
			5,976,321	4,789,890	6,650,308
	Total Equity and Liabilities		20,255,060	15,798,031	16,302,881

The accompanying notes 1 to 45 are an integral part of the Financial Statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Kedar Raje

Partner

Place: Mumbai

Date: 2nd May, 2018

For and on behalf of the Board

Subhas Sen

President

Vikas Maheshwari

Director of Finance

Place: New Jersey

Date: 2nd May, 2018

TRI-K Industries Inc.

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

		Note	Year Ended 31 March, 2018 USD	Year Ended 31 March, 2017 USD
Revenue from operations	I	16	45,749,302	39,266,348
Other Income	II	17	142,298	569,480
Total Income (I + II)	III		45,891,600	39,835,828
EXPENSES	IV			
Cost of materials consumed		18	4,725,936	2,322,210
Purchases of Stock-in-trade		19	22,737,013	20,549,192
Changes in inventories of finished goods, stock-in-trade and work-in-progress		20	(450,412)	712,526
Employee benefit expense		21	8,532,613	7,683,455
Finance costs		22	10,178	76,781
Depreciation and amortisation expense		23	691,266	831,643
Other expenses		24	4,874,793	4,665,115
Total Expenses	IV		41,121,387	36,840,922
Profit before exceptional items and tax (III - IV)	V		4,770,213	2,994,906
Exceptional Items	VI			
Profit before tax (V-VI)	VII		4,770,213	2,994,906
Tax Expense	VIII	25		
Current Tax			1,467,572	1,091,621
Deferred Tax			31,638	(173,413)
Total Tax Expense	VIII		1,499,210	918,208
Profit for the year (VII - VIII)	IX		3,271,003	2,076,698
Total comprehensive income for the period			3,271,003	2,076,698
Earnings per equity share :		26		
Basic			10,903	6,922
Diluted			10,903	6,922

The accompanying notes 1 to 45 are an integral part of the Financial Statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board

Subhas Sen
President

Vikas Maheshwari
Director of Finance

Place: New Jersey
Date: 2nd May, 2018

TRI-K Industries Inc.

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

	USD	
	2018	**2017**
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	**3,271,003**	**2,076,698**
Adjustments for :		
Income tax expense	1,499,210	918,208
Finance costs	10,178	76,781
Loss / (Gain) on disposal of property, plant and equipment	-	(3,913)
Depreciation and amortisation expnese	691,266	831,643
Reversal of allowance for credit losses (net)	(74,934)	-
Bad debts	3,762	17,510
	2,129,482	**1,840,229**
Operating Profit before Working Capital changes	**5,400,485**	**3,916,927**
Changes in :		
Decrease in trade receivables & Other Assets	(1,104,729)	(987,560)
Decrease in Inventories	(534,731)	853,623
Increase in trade payables & Other Liabilities	2,306,026	(795,437)
	666,566	**(929,374)**
Cash generated from operations	**6,067,051**	**2,987,553**
Income Taxes Paid	(1,733,681)	(712,917)
NET CASH FROM OPERATING ACTIVITIES	**4,333,370**	**2,274,636**
CASH FLOW FROM INVESTING ACTIVITIES :		
Payment to acquire Property, Plant and Equipment and Other Intangible Assets	(300,691)	(166,191)
Proceeds from sale of Property, Plant and Equipment and Other Intangible Assets	-	4,250
NET CASH USED IN INVESTING ACTIVITIES	**(300,691)**	**(161,941)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Term Loan	-	(1,111,111)
Repayment of Working Capital Loan from Banks	(1,120,000)	(675,000)
Interest paid	(10,178)	(76,781)
NET CASH USED IN FINANCING ACTIVITIES	**(1,130,178)**	**(1,862,892)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**2,902,501**	**249,803**
OPENING CASH AND CASH EQUIVALENTS	**255,098**	**5,295**
CLOSING CASH AND CASH EQUIVALENTS	**3,157,599**	**255,098**

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 1 to 45 are an integral part of the Financial Statements
In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board

Subhas Sen
President

Vikas Maheshwari
Director of Finance

Place: New Jersey
Date: 2nd May, 2018

TRI-K Industries Inc.

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

A) Equity Share Capital **USD**

Particulars	31st MARCH 2018	31st MARCH 2017	1st APRIL 2016
Issued and Subscribed :			
Balance as at the beginning of the year	1,000	1,000	1,000
Balance as at the end of the year	**1,000**	**1,000**	1,000
[Refer Note 10]			

B) Other Equity **USD**

	Retained Earnings (Reserves and Surplus)
As at 1 April 2016	**8,861,445**
Profit / (Loss) for the year	**2,076,698**
As at 31 March 2017	**10,938,143**
Profit / (Loss) for the year	**3,271,003**
As at 31 March 2018	**14,209,146**

Retained earnings: This balance represents the cumulative profits of the company.
This reserve can be utilized in accordance with the bye-laws of the company.

The accompanying notes 1 to 45 are an integral part of the Financial Statements
In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board

Subhas Sen
President

Vikas Maheshwari
Director of Finance

Place: New Jersey
Date: 2nd May, 2018

TRI-K INDUSTRIES Inc.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1.

A. Corporate Information

TRI-K Industries, Inc. was incorporated on March 22, 1974 under the laws of the State of New Jersey vide certificate of incorporation bearing NJ Corp number 8948946400 as "TRI-KEM INC" which was subsequently changed to "TRI-K Industries, Inc." on November 19, 2008. The registered office of TRI-K Industries, Inc. is situated at 2, Stewart court, Denville, New Jersey 07834, USA. TRI-K Industries, Inc. became a subsidiary of Rainbow Holdings GmbH with effect from July 01, 2009 and an associate company of Galaxy Holdings (Mauritius) Limited with effect from March 25, 2010. By virtue of the above, TRI-K Industries, Inc. has become 100% step down subsidiary of Galaxy Surfactants Limited with effect from March 25, 2010.

TRI-K Industries, Inc. is currently engaged, inter alia, in the business of sourcing, manufacturing and distributing a broad range of cosmetic ingredients and technologies for the global cosmetic and personal care industry and manufacture of proteins having manufacturing location at New Hampshire.

B. Significant accounting policies

a) Statement of compliance

These financial statements of the Company 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 Company's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the generally accepted accounting principles in the Unites States of America ("US GAAP") and other relevant provisions issued by the Financial Accounting Standards Board ("FASB") which was the previous GAAP.

These are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied IND AS 101, first time Adoption of Indian Accounting Standards for transition from US GAAP to IND AS. An explanation of how transition to IND AS has affected the previous reported financial position, financial performance and cash flows of the Company is provided in Note 55.

b) Basis of preparation and presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The principal accounting policies are set out below

c) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, and amount collected on behalf of third parties.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

d) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, on a straight line basis over their useful lives at the following rates:

Description	Estimated useful lives (No. of Years)
Leasehold Improvements	8-10
Machinery & Equipment	5-7
Furniture and fixtures	7
Computers and equipment	3

Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the month of such addition/deletion.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

e) Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in statement of profit & Loss account.

Amortization of intangibles is provided using the straight-line method at the following useful lives:

Description	Estimated useful lives (No. of months)
Customer relationships	120
Trademarks / Tradenames	36
Computer software	3

Goodwill:

In the erstwhile GAAP (USGAAP), the Company had elected the accounting standard that permitted private companies to amortize goodwill on a straight line basis over ten years or a shorter period if management determines it is more appropriate. Under Ind AS, the Company has stopped amortisation of such goodwill from the date of transition (April 1, 2016). From April 1, 2016, such un-amortised Goodwill is not amortised, but is tested at the entity level for impairment when a triggering event occurs that indicates that the fair value of the entity unit may be less than its carrying amount. Any impairment would be recognized for the difference between the fair value of the entity unit and its carrying amount.

Research & Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

f) Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

g) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases, if any, are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

h) Foreign exchange transactions and translations:

Transactions in foreign currencies i.e. other than the Company's functional currency of US Dollars are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognised in profit or loss in the period in which they arise.

i) Employee Benefits:

Employee benefits include compensated absences.

Defined contribution plans

The Company's contribution to 401(K) plan and Medical benefits are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

The Company has a profit sharing plan that covers employees who have completed at least 1,000 hours of service during the plan year and are employed on the last day of the plan year. The plan provides for discretionary contributions as determined by the board of directors. There were no contributions to the profit sharing plan for the years ended March 31, 2018 and 2017.

The Company has a 401(k) Plan ("Plan") to provide retirement and incidental benefits for its employees. Employees may elect to contribute a percentage of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Company matches employee contributions in an amount equal to (i) 100% of the employee contributions that are not in excess of 3% of compensation, plus (ii) 50% of the amount of the employee contributions that exceed 3% of the compensation but do not exceed 5% of compensation. All matching contributions vest immediately.

In addition, the Plan provides for discretionary contributions as determined by the board of directors. Company matching contributions to the Plan totalled $170,020 and $164,148 for the years ended March 31, 2018 and 2017, respectively. No discretionary contributions were made in the years ended March 31, 2018 and 2017

Defined benefit plans - Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leaves in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits are unfunded.

j) Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.

- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

k) Taxes on Income

The Company utilises the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes result primarily from temporary differences related to inventories, accounts receivable, net property and equipment, goodwill and other intangible assets for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax expense or benefit is recognized as a result of the change in the deferred tax assets or liabilities during the year. Based on consideration of all available evidence regarding their utilization, net deferred tax assets are recorded to the extent that it is more likely than not that they will be realized. Where, based on the weight of all available evidence, it is more likely than not that some amount of a deferred tax asset will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

The authoritative guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. At March 31, 2017 and 2016, the Company has not recognized any uncertain tax benefits in the financial statements. There are no tax related interest or penalties included in these financial statements. Taxes on income comprises of current taxes and deferred taxes. (Brian to add any interest/penalty paid last year).

l) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

m) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

n) Financial instruments, Financial assets, Financial liabilities and Equity instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification

On initial recognition, a financial asset is classified as measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) ; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on de-recognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

Compound instruments
An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not re-measured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts and loan commitments issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

o) Use of Estimates and judgement:

The preparation of financial statements in conformity with Ind-AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Receivables and Credit Policies

Accounts receivable are uncollateralized customer obligations due under normal trade terms which range from thirty to ninety days from the invoice date. Accounts receivable are stated at the amount billed to the customer. Customer account balances with invoices exceeding credit terms are considered delinquent. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or if unspecified are applied to their earliest unpaid invoices. The Company's accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. Management individually reviews all accounts receivable balances that exceed credit terms and based on an assessment of current credit worthiness, estimates the portion if any of the balance that will not be collected. The need for a reserve is also evaluated periodically by management.

TRI-K Industries Inc.

2 **Property, Plant and Equipment**

USD

Particulars	Leasehold Improvements	Machinery and Equipment	Furniture and Fixtures	Office Equipments (Computer Equipments)	Total
(I) Cost					
Balance as at 1 April, 2016	713,117	1,280,822	492,242	307,925	2,794,106
Additions during the year	2,198	126,680	13,121	5,751	147,750
Disposals during the year	-	1,557	-	-	1,557
Other Adjustments during the year	-	-	-	-	-
Balance as at 31 March 2017	715,315	1,405,945	505,363	313,676	2,940,299
Additions during the year	9,650	200,058	1,300	17,079	228,087
Other Adjustments during the year	-	-	-	-	-
Balance as at 31 March 2018	724,965	1,606,003	506,663	330,755	3,168,386
(II) Accumulated depreciation					
Balance as at 1 April 2016	489,983	443,585	316,531	237,025	1,487,124
Depreciation expense for the year	78,492	261,506	62,729	53,268	455,995
Disposals during the year	-	1,220	-	-	1,220
Other Adjustments during the year	-	-	-	-	-
Balance as at 31 March 2017	568,475	703,871	379,260	290,293	1,941,899
Depreciation expense for the year	83,038	280,748	60,730	19,547	444,063
Other Adjustments during the year	-	-	-	-	-
Balance as at 31 March 2018	651,513	984,619	439,990	309,840	2,385,962
Carrying amount(I-II)					
Balance as at 1 April 2016	223,134	837,237	175,711	70,900	1,306,982
Balance as at 31 March 2017	146,840	702,074	126,103	23,383	998,400
Balance as at 31 March 2018	73,452	621,384	66,673	20,915	782,424

Notes:

No borrowing costs have been capitalized in any of the years

TRI-K Industries Inc.

3. **Other Intangible Assets**

USD

Particulars	Software	Customer Relationships	Trademarks	Total	Goodwill
(I) Cost					
Balance as at 1 April 2016	438,602	1,110,000	240,000	1,788,602	650,000
Additions during the year	18,441	-	-	18,441	-
Other adjustments during the year	-	-	-	-	-
Balance as at 31 March 2017	457,043	1,110,000	240,000	1,807,043	650,000
Balance as at 31 March 2018	457,043	1,110,000	240,000	1,807,043	650,000
(II) Accumulated amortisation					
Balance as at 1 April 2016	321,831	490,252	176,667	988,750	287,085
Amortisation expense for the year	90,315	222,000	63,333	375,648	-
Balance as at 31 March 2017	412,146	712,252	240,000	1,364,398	287,085
Amortisation expense for the year	25,203	222,000	-	247,203	-
Balance as at 31 March 2018	437,349	934,252	240,000	1,611,601	287,085
Carrying amount(I-II)					
Balance as at 1 April 2016	116,771	619,748	63,333	799,852	362,915
Balance as at 31 March 2017	44,897	397,748	-	442,645	362,915
Balance as at 31 March 2018	19,694	175,748	-	195,442	362,915

Note:-

3.1 The amortization expense of intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

TRI-K Industries Inc.

4 **Other financial assets**

USD

Particulars	As at 31st March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Financial assets at amortised cost :						
Security Deposit	135,167	79,327	-	79,327	-	79,327
Other financial assets	1,564	-	59,192	-	7,083	-
TOTAL	136,731	79,327	59,192	79,327	7,083	79,327

5 **Deferred Tax Assets / (Liabilities) (Net)**

USD

Particulars	Deferred tax assets / (liabilities) As at 1st April, 2016	Charge/ (credit) to Statement of Profit and Loss	Deferred tax assets / (liabilities) As at 31st March, 2017	Charge/ (credit) to Statement of Profit and Loss	Deferred tax assets / (liabilities) As at 31st March, 2018
On Fiscal allowances on property, plant, and equipment	(298,180)	97,895	(200,285)	246,680	46,395
On Provision for employee benefits	189,661	(22,928)	166,733	(6,565)	160,168
On Allowances for credit losses	31,123	6,219	37,342	(30,901)	6,441
On Others*	334,007	92,228	426,235	(240,852)	185,383
Total	256,611	173,414	430,025	(31,638)	398,387

* Others mainly includes deferred tax on inventory reserve

6 **Others Assets (Non Financial)**

USD

Particulars	As at 31st March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Capital Advance	-	41,584	-	-	-	-
Advances other than capital advance						
Other Advances	372,761	-	99,836	-	375,736	-
TOTAL	372,761	41,584	99,836	-	375,736	-

Other advances include Advances to suppliers, prepaid expenses etc.

7 **Inventories (Lower of Cost and Net realisable value)**

USD

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw Materials	808,192	723,873	864,970
Work-in-Progress	176,964	138,651	152,723
Finished Products Produced	888,317	1,078,896	1,000,709
Stock-in-Trade includes goods in transit $ 2,313,907/- (As at 31 March 2017: $ 1,611,268/- and as at 31 March 2016: $ 1,503,878)	5,596,340	4,993,662	5,770,303
TOTAL	7,469,813	6,935,082	7,788,705

7.1 The cost of inventories recognised as an expense during the year in respect of continuing operations was $ 28,316,462/- (for the year ended March 31, 2017 : $ 24,820,316/-)

7.2 The cost of inventories recognised as an expense includes $ 1,27,131/- (During 2016 - 2017 : $ 5,13,026/-) in respect of write downs of inventory and provision.

8 **Trade Receivables**

USD

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good	6,710,578	5,885,141	4,691,300
Doubtful	26,928	101,862	85,729
	6,737,506	5,987,003	4,777,029
Less : Allowance for Credit losses	26,928	101,862	85,729
TOTAL	6,710,578	5,885,141	4,691,300

Includes amounts due from related parties. Refer to Note 34

9 Cash and Bank Balances

USD

Particulars	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	3,157,114	254,397	5,000
	3,157,114	254,397	5,000
Cash on hand	485	701	295
Total Cash and cash equivalent	3,157,599	255,098	5,295

10 Equity Share Capital

USD

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised:			
1000 Equity Shares of no Par Value (Previous Year : 1000 Equity Shares of no Par Value)	1,000	1,000	1,000
	1,000	1,000	1,000
Issued and Subscribed :			
300 Equity Shares of no Par Value (Previous Year : 300 Equity Shares of no Par Value)	1,000	1,000	1,000
	1,000	1,000	1,000

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	USD	No. of Shares	USD	No. of Shares	USD
Issued and Subscribed :						
Balance as at the beginning of the year	300	1,000	300	1,000	300	1,000
Balance as at the end of the year	300	1,000	300	1,000	300	1,000

B Terms/Rights attached to Equity Shares

The Company has only one class of shares. Equity shares are of no par value and 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.

C. 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	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Rainbow Holdings GmbH, Germany	228	76%	228	76%	228	76%
Galaxy Holdings (Mauritius) Limited	72	24%	72	24%	72	24%
	300	100%	300	100%	300	100%

TRI-K Industries Inc.

11 **Non-Current Borrowings**

USD

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured (Carried at amortised Cost) :			
Term Loan From Banks	-	-	444,444
Total Secured Borrowings	-	-	444,444
Total non current borrowings	-	-	444,444

11.1 Term loan from banks is collateralized and secured by all equipments and fixtures, inventories and receivables of the Company and with maturity as on November 30, 2018. The term loan was fully repaid in March 2017 and related interest expense was $2,855, $20,853, and $43,841 for the years ended March 31, 2018 and 2017 and 2016, respectively.

Current maturities in respect of long term borrowings have been included in Note 15 as under :

USD

	2018	2017	2016
Term Loan From Banks	-	-	666,667
	-	-	666,667

12 **Other Financial Liabilities**

USD

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Carried at Amortised Cost						
Current maturities of long-term debt	-		-	-	666,667	
Other liabilities	9,784	-	29,930	-	10,679	-
Security Deposits			-	-		-
	9,784	-	29,930	-	677,346	-
Total other Non-Current financial liabilities	9,784	-	29,930	-	677,346	-

13 **Other Non Financial Liabilities**

USD

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Advances received from customers	80,098	-	138,781	-	104,761	-
Others	31,385	68,593	17,825	68,998	16,593	345,684
Total Other Non Financial Liabilities	111,483	68,593	156,606	68,998	121,354	345,684

13.1 Others mainly include deferred rent, government dues & taxes payable, salary deductions payable etc.

14 **Short Term Borrowings**

USD

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured (Carried at amortised Cost) : Working Capital Loan from Banks	-	1,120,000	1,795,000
Total Borrowings	-	1,120,000	1,795,000

Secured Borrowings :

14.1 The Company has available a revolving line of credit from Bank of America with a maximum limit of $7,500,000. The borrowing base is comprised of the sum of (a) 80% of eligible domestic trade accounts receivable and foreign accounts receivable subject to a maximum of $1,000,000; and (b) the lower of () $3,000,000 or (ii) 30% of the value of eligible inventory, as defined in the agreement. Borrowings under the line of credit bear interest at LIBOR plus 1.75 percentage points. Borrowings are collateralized by all accounts receivable, inventories, and equipment and furniture of the Company. The outstanding balance on the line of credit at March 31, 2018, March 31, 2017 and April 1, 2016 was $ Nil, $1,120,000, and $1,795,000 respectively. The line of credit subjects the Company to certain financial covenants and restrictions on indebtness, business combinations and other related items. During the years ending March 31, 2018, and 2017 and 2016, the Company is in compliance with all covenants.

15 **Trade Payables**

USD

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Trade payable - Other than micro and small enterprises	5,855,054		3,483,354	-	4,056,608	-
Total trade payables	5,855,054	-	3,483,354	-	4,056,608	-

TRI-K Industries Inc.

16 Revenue from Operations

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Sale of products (including excise duty)	45,749,302	39,266,348
Total Revenue from Operations	45,749,302	39,266,348

17 Other income

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Other Non - Operating Income		
Profit / (Loss)on sale of Property, Plant and Equipment (net)	-	3,913
Foreign exchange differences (Net)	(29,221)	1,431
Commission received	80,379	553,684
Reversal of allowance for credit losses (Net)	74,934	-
Other*	16,206	10,452
Total Other Income	142,298	569,480

* Other include handling fees charged to customers

18 Cost of materials consumed

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
(a) Raw materials	4,692,588	2,299,790
(b) Packing materials	33,348	22,420
Cost of materials consumed	4,725,936	2,322,210

19 Purchase of Stock-in-trade

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Purchase Of Traded Goods	22,737,013	20,549,192
Purchase of Stock-in-trade	22,737,013	20,549,192

20 Changes in inventories of finished goods, work-in-progress and stock-in-trade USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Opening Stock :		
Finished goods	1,078,896	1,000,709
Work-in-progress	138,651	152,723
Stock-in-trade	4,993,662	5,770,303
	6,211,209	6,923,735
Less: Closing Stock :		
Finished goods	888,317	1,078,896
Work-in-progress	176,964	138,651
Stock-in-trade	5,596,340	4,993,662
	6,661,621	6,211,209
Net (increase) / decrease in inventory	(450,412)	712,526

21 Employee Benefits Expense USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
(a) Salaries and wages, including bonus and commission	7,306,503	6,547,300
(b) Payroll Taxes	439,452	427,434
(c) Workmen and staff welfare expenses	786,658	708,721
Total	8,532,613	7,683,455

22 Finance Cost

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
(a) Interest expense	10,178	76,781
Total	10,178	76,781

23 Depreciation and Amortisation Expense USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
(a) Depreciation on Property, Plant and Equipment	444,063	455,995
(b) Amortisation of Intangible Assets	247,203	375,648
Total	691,266	831,643

TRI-K Industries Inc.

24. Other Expenses

USD

	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Repairs and maintenance:		
- Plant and machinery	78,718	53,271
- Building	44,869	34,491
Rent	1,130,313	1,238,629
Insurance	134,325	135,455
Travelling and conveyance	632,736	722,877
Freight and forwarding	923,770	724,180
Legal and professional fees	428,977	356,820
Bad Debts written off	3,762	17,510
Commission	19,220	65,764
REACH registration expenses (Net)	15,939	-
Miscellaneous expenses	1,462,164	1,316,118
Total	4,874,793	4,665,115

USD

Miscellaneous expenses include payment to auditors:	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Audit work including to other auditors	71,500	61,500
Tax work	-	11,000
	71,500	72,500

TRI-K Industries Inc.

25 Income Tax recognised in profit or loss

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Current Tax:		
In respect of current year	1,467,572	1,091,621
	1,467,572	1,091,621
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	31,638	(173,413)
	31,638	(173,413)
Total income tax expense	1,499,210	918,208

26 Earning Per Share (EPS)

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Profit for the year	3,271,003	2,076,698
Profit for the year for diluted EPS	3,271,003	2,076,698
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS	300	300
Weighted average number of Ordinary (Equity) Shares used in computing diluted EPS.	300	300
Basic Earnings per share (USD)	10,903	6,922
Diluted Earnings per share (USD)	10,903	6,922

27 The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit or loss is as follows:

USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Profit before tax	4,770,213	2,994,906
Applicable Income tax rate	30.75%	34.00%
Expected income tax expense	1,466,840	1,018,268
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of concessions and allowances	(206,436)	(196,161)
Effect of expenses / provision not deductible in determining taxable profit	10,531	14,261
Disallowances of expenses related to exempt income		
Exceptional item (not considered for tax purpose)		
Amortisation of share based payment		
Donation and Corporate Social Responsibility expenses		
Others	325,754	81,841
Reported income tax expense	1,596,689	918,209

28 Segment Information

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the whole-time directors, who are the Chief Operating Decision Makers. They are responsible fo allocating resources and assessing the performance of operating segments. Accordingly, the reportable segments is only one segment i.e. home and personal care ingredients.

Revenue from Type of Product and Services

There is only one operating segment of the company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information USD

Particulars	31st March 2018			31st March 2017			1st April 2016		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue From External Customers	36,309,302	9,440,000	45,749,302	32,843,732	6,422,616	39,266,348			-
Non Current Assets*	1,413,385	-	1,413,385	1,803,960	-	1,803,960	2,469,749	-	2,469,749

* includes property plant and equipments, intangible assets, capital working in progress and other non-financial non current assets

Information about major customers

During the year ended 31st March 2018 and 31st March 2017 respectively, Revenue from transaction with a single external customer did not amount to 10% or more of the companies revenue from

29 Details of Research & Development

Research and Development expenses for the year amount to 19,28,970/- USD(2016 -17 19,98,218/- USD).

30 Fair Value Disclosures

The company does not have financial instruments which are measured at fair value, accordingly fair value disclosures under fair value hierarchies is not required.

The carrying value of other financial assets and liabilities measured at amortized cost represents reasonable estimates of fair value.

31 Operating leases

The Company's significant leasing arrangements are in respect of operating leases for building premises (offices, warehouses etc.) Out of these leasing arrangements, one of them is non-cancellable till year 2021 and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' in the statement of Profit & Loss

With regard to non-cancellable operating leases, the future minimum rentals are as follows

USD

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(1) Future minimum lease payments			
Not later than one year	404,817	588,523	588,176
Later than one year but not later than five years	926,721	1,306,070	1,696,936
Later than five years		-	-
Total future minimum lease payments	1,331,538	1,894,593	2,285,112

32 Employee Benefits

Defined contribution plan

The Company makes contributions towards 401K for qualifying employees. The Company has recognised USD 170,020 (2016-17 - USD 164,148) for the year being Company's

33 Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for USD 107,735 (2016-17 USD Nil)

34 **Related Party Disclosures :**

(a) Related parties where control exists :

Sl. No.	Name of the Company	Relationship
1	Galaxy Surfactants Limited	Ultimate Holding Company
2	Rainbow Holdings GmbH, Germany	Holding Company
3	Galaxy Chemical Egypt S.A.E	Fellow Subsidiary

(b) The related party transactions are as under :

Sr No	Nature of Transactions	Ultimate Holding Company		Fellow Subsidiary	
		2017-18	2016-17	2017-18	2016-17
1	PURCHASES :				
	Goods	11,368,223	10,799,940	5,009,051	2,918,566
2	SALES :				
	Goods	774,808	543,434	7,735	-
5	FINANCE :				
	Interest Income		5,433		
	Interest Expense		11,620		

(c) The related party balance are as under :

Sr No	Nature of Transactions	Ultimate Holding Company			Fellow Subsidiary		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
8	OUTSTANDINGS :						
	Payable	1,658,733	1,594,824	1,466,071	1,176,550	328,901	338,007
	Receivable	89,244	27,250	238,571	7,522	-	-

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

35 **Capital management**

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitors the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

USD

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Short term debt		1,120,000	1,795,000
Long term debt			1,111,111
Total		1,120,000	2,906,111
Equity	14,210,146	10,939,143	8,862,445
Long term debt to equity	-	-	0.13
Total debt to equity	-	0.10	0.33

USD

36	Categories of Financial Instruments	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A)	Financial assets			
a)	Measured at amortised cost			
i)	Cash and Cash equivalents	3,157,599	255,098	5,295
ii)	Trade Receivable	6,710,578	5,885,141	4,691,300
iii)	Other Financial Assets	216,058	138,519	86,410
	Total Financial Assets	10,084,235	6,278,758	4,783,005
B)	Financial liabilities			
a)	Measured at amortised cost			
i)	Non-current Borrowings			444,444
ii)	Current Borrowings		1,120,000	1,795,000
iv)	Trade Payables	5,855,054	3,483,354	4,056,608
v)	Other Financial Liability	9,784	29,930	677,346
	Total Financial liabilities	5,864,838	4,633,284	6,973,398

37 **Financial Risk Management Framework**

The company has reviewed a risk management framework with the board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The framework lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Companies business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Interest risks and Commodity price risk.

A. **Market Risk**

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks and Commodity price risk. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

i **Interest Rate Risk**

There are no outstanding loans in the books of the company however the company does have an available line of credit of $7,500,000. Refer to note14.1

ii **Commodity Risk**

The company is exposed to the price risk associated with purchasing of the raw materials. The company typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the companies business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the company. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

B. **Credit Risk Management**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Company's customer base majorly has creditworthy counterparties which limits the credit risk. The companies exposures are continuously monitored and wherever necessary we take advances to minimise the risk.

C. **Trade Receivables and Advances**

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Based on such information the company has evaluated that there is no provision required under expected credit loss model. Further, the company reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary

Reconciliation of loss allowance for Trade Receivables

USD

Particulars	Year Ended 31 March	
	2018	2017
Balance as at beginning of the year	101,862	85,729
Additions during the year	26,928	16,133
Amount of loss reversed / written back	(101,862)	-
Balance at end of the year	26,928	101,862

38 In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

39 **LIQUIDITY RISK**

(i) Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

Maturity profile of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

USD

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 1 April 2016					
Short term borrowings	1,795,000	1,795,000			
Long term borrowings	444,444	444,444			
Trade payables	4,056,608	4,056,608			
Other Financial Liabilities	677,346	677,346			
Total	6,973,398	6,973,398			
As at 31 March 2017					
Short term borrowings	1,120,000	1,120,000			
Long term borrowings					
Trade payables	3,483,354	3,483,354			
Other Financial Liabilities	29,930	29,930			
Total	4,633,284	4,633,284			
As at 31 March 2018					
Short term borrowings					
Long term borrowings					
Trade payables	5,855,054	5,855,054			
Other Financial Liabilities	9,784	9,784			
Total	5,864,838	5,864,838			

40 **Sensitivity Analysis**

Foreign Currency Sensitivity

The company is not exposed to significant foreign currency risks, accordingly changes in exchange rates are unlikely to have a material impact on the profits before tax and pre-tax equity.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both Term Loans & Working Capital loans.

The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Amount (USD)

	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31 March 2018	USD	+25 bps	-	-
Year ended 31 March 2017	USD	+25 bps	2,800	2,800

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

41 **Offsetting of balances** The Company has not offset financial assets and financial liabilities.

42 **Collaterals**

Borrowings are collateralized by all accounts receivable, inventories, equipment and furniture of the Company.

43 Profit and Equity reconciliation- Standalone

(i) 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 of 1st April, 2016 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,
b. not recognising items of assets or liabilities which are not permitted by Ind AS,
c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS required under Ind AS, and
d. applying Ind AS in measurement of recognised assets and liabilities

(ii) A. Reconciliation of total comprehensive income for the year ended 31st March, 2017 is summarised as follows:

Reconciliation of Standalone financial statements

Particulars	Notes	For the year ended 31st March, 2017
Profit after tax as reported under previous GAAP		2,142,799
Reversal of Amortisation of Goodwill	(iii) a	65,000
Others	(iv) a	(109,001)
Deferred tax Adjustments for above item		(22,100)
Profit after tax as reported under IND AS		**2,076,698**

B. Reconciliation of total equity as reported under previous GAAP is summarised as follows :

Particulars	Notes	As at 31-03-2017	As at 01-04-2016 (date of transition)
Equity as reported under previous GAAP		11,358,947	9,216,148
Amortisation of Goodwill	(iv) a.	(92,083)	(157,083)
Others		(356,126)	(247,125)
Deferred tax Adjustments for above item		28,405	50,505
Equity as reported under IND AS		**10,939,143**	**8,862,445**

Notes :

iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

a. Ind AS 103 (Business Combinations) has not been applied retrospectively to business combinations that occurred prior to 1st April, 2016. Use of this exemption means that in the opening Balance Sheet, goodwill/ capital reserve and other assets and liabilities acquired in previous business combinations remain at the previous GAAP carrying values.

b. Property, plant and equipment and intangible assets were carried at cost in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to apply IND AS 16 - Property, Plant and Equipment retrospectively at the date of transition.

c. The Company has applied Appendix C of Ind AS 17 (Leases) – 'Determining whether an Arrangement contains a Lease' to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

(iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:

a. Difference on account of amortisation of intangibles in respect of Customers Relation ship over the 10 years period as per US GAAP and 5 years period as per Indian GAAP

(v) There are no material adjustments to the Statement of Cash Flows as reported under the previous GAAP

44 Recent accounting pronouncements:

44.1 Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. There is no material impact of this amendment on its financial statements.

44.2 Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

There is no material impact of this amendment on its financial statements.

45 Subsequent Events

The company has evaluated subsequent events through May 2, 2018, which is the date these financial statements were available to be issued, and has determined that there are no events requiring recognition or disclosure in these financial statements.

For and on behalf of the Board

Subhas Sen
President

Vikas Maheshwari
Director of Finance

Place: New Jersey
Date: 2nd May, 2018