

**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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019, and its loss, total comprehensive incomes, its cash flows and the changes in equity for the year ended on that date.

### 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, 2019. 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)



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

Place: Navi Mumbai  
Date: 20<sup>th</sup> May, 2019


**RAINBOW HOLDINGS GmbH**

Balance Sheet as at 31st March 2019 and 31st March 2018

Particulars	Note	31st MARCH 2019	31st MARCH 2018
		EUR	
<b>I. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Investments	2	893,000	893,000
		<b>893,000</b>	<b>893,000</b>
<b>CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Cash and Cash Equivalents	3	18,780	19,519
		<b>18,780</b>	<b>19,519</b>
<b>Total Assets</b>		<b>911,780</b>	<b>912,519</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	4A	25,000	25,000
(b) Other Equity	4B	(1,862,346)	(1,700,429)
		<b>(1,837,346)</b>	<b>(1,675,429)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	5	1,380,000	1,380,000
(ii) Trade Payables	6	-	-
(iii) Other Financial Liabilities	7	1,345,500	1,207,500
		<b>2,725,500</b>	<b>2,587,500</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Trade Payables	6	23,626	448
(ii) Other Financial Liabilities	7	-	-
		<b>23,626</b>	<b>448</b>
<b>Total Equity and Liabilities</b>		<b>911,780</b>	<b>912,519</b>

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



Place : Navi Mumbai  
Date : 20th May, 2019

For and on behalf of the Board

  
G. Kamath  
Managing Director

# RAINBOW HOLDINGS GmbH

Statement of Profit and Loss for the year ended 31st March 2019 and 31st March 2018

Particulars	Note	Year Ended 31 March,2019	Year Ended 31 March,2018
		EUR	
<b>INCOME</b>			
Total Income		-	-
<b>EXPENSES</b>			
Finance costs	8	138,000	138,000
Other expenses	9	23,917	1,227
Total Expenses		161,917	139,227
<b>Profit before tax</b>		(161,917)	(139,227)
Tax Expense			
Current Tax	10	-	-
Deferred Tax	10	-	-
<b>Profit for the year</b>		(161,917)	(139,227)
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		(161,917)	(139,227)
<b>Earnings per equity share :</b> (Face value Euro 1 per share)			
Basic	11	(6.48)	(5.57)
Diluted	11	(6.48)	(5.57)

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 : 20th May, 2019

# RAINBOW HOLDINGS GmbH

Cash Flow Statement for the year ended 31st March 2019 and 31st March 2018

Particulars	EUR	
	2018-2019	2017-2018
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit After Tax	(161,917)	(139,227)
Operating Profit before Working Capital changes	(161,917)	(139,227)
<b>Changes in :</b>		
Increase in trade payables & Other Liabilities	161,178	130,895
	<b>161,178</b>	<b>130,895</b>
<b>Cash generated from operations</b>	<b>(739)</b>	<b>(8,332)</b>
Income Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(739)</b>	<b>(8,332)</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(739)</b>	<b>(8,332)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>19,519</b>	<b>27,851</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>18,780</b>	<b>19,519</b>

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 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



Place : Navi Mumbai  
Date : 20th May, 2019

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 2019

A) Equity Share Capital		EUR	
Particulars	31st MARCH 2019	31st MARCH 2018	
Issued and Subscribed :			
Balance as at the beginning of the year	25,000	25,000	
Balance as at the end of the year	<b>25,000</b>	<b>25,000</b>	

B) Other Equity		EUR	
Particulars	Retained Earnings	Total	
As at 1st April 2017	(1,561,202)	(1,561,202)	
Profit / (Loss) for the period	(139,227)	(139,227)	
Other Comprehensive Income / (Loss)	-	-	
Total Comprehensive Income for the year	(139,227)	(139,227)	
As at 31st March 2018	<b>(1,700,429)</b>	<b>(1,700,429)</b>	
Profit / (Loss) for the period	(161,917)	(161,917)	
Other Comprehensive Income / (Loss)	-	-	
Total Comprehensive Income for the year	(161,917)	(161,917)	
As at 31st March 2019	<b>(1,862,346)</b>	<b>(1,862,346)</b>	

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. Karpath  
Managing Director

Place : Navi Mumbai  
Date : 20th May, 2019

# RAINBOW HOLDINGS GmbH

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

### 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).

These Financial statements are prepared solely for the purpose of preparation of Consolidated Financial Statements of Galaxy Surfactants Limited Group for the year ended 31st March, 2019.

#### 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.



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## RAINBOW HOLDINGS GmbH

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

Particulars	31st MARCH 2019		31st MARCH 2018	
	Number	EURO	Number	EURO
<b>2 Non Current Investments</b>				
<b>Investments in Equity Instruments</b>				
Unquoted (all fully paid unless otherwise specified)				
(A) At Cost				
(i) <i>In Subsidiary Companies</i>				
Equity shares				
228 Equity Shares of no par value of Tri-K Industries, Inc. (Previous Year: 228 Equity Shares of no par value)	228	893,000	228	893,000
<b>Investments in Equity Instruments (Total)</b>		893,000		893,000
<b>Total Non Current Investments (Net)</b>		893,000		893,000
<b>Other Disclosures</b>				
(i) Aggregate amount of unquoted investments (Gross)		893,000		893,000





# RAINBOW HOLDINGS GmbH

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

### 3 Cash and Bank Balances

EUR

Particulars	EUR	
	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Balances with banks		
- On Current Accounts	18,779	19,518
	18,779	19,518
Cash on hand	1	1
<b>Total Cash and cash equivalent</b>	<b>18,780</b>	<b>19,519</b>

### 4A Equity Share Capital

EUR

Particulars	EUR	
	As at 31 March 2019	As at 31 March 2018
<b>Authorised:</b>		
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
<b>Issued and Subscribed :</b>		
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

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	EURO	No. of Shares	EURO
<b>Issued and Subscribed :</b>				
Balance as at the beginning of the year	25,000	25,000	25,000	25,000
Balance as at the end of the year	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:

- The Company has not issued any shares pursuant to contract(s) without payment being received in cash.
- The Company has not allotted any shares as fully paid up by way of bonus shares.
- 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 2019		As at 31 March 2018	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Galaxy Holdings (Mauritius) Limited	25,000	100.00%	25,000	100.00%
<b>Total</b>	<b>25,000</b>	<b>100.00%</b>	<b>25,000</b>	<b>100.00%</b>

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	As at 31 March 2019		31st March 2018	
	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%
<b>Total</b>	<b>25,000</b>	<b>100.00%</b>	<b>25,000</b>	<b>100.00%</b>



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# RAINBOW HOLDINGS GmbH

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

## 4B Other Equity EUR

Particulars	31st March 2019	31st March 2018
Retained Earnings	(1,862,346)	(1,700,429)
Foreign Currency Translation Reserve		
<b>Total</b>	<b>(1,862,346)</b>	<b>(1,700,429)</b>

## 5 Non-Current Borrowings EUR

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured (Carried at amortised Cost) : Loan From Holding Company	1,380,000	1,380,000
<b>Total non current borrowings</b>	<b>1,380,000</b>	<b>1,380,000</b>

### 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 13,80,000) of which Euro Nil (Previous year : Euro Nil) 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 :

Particulars	As at 31 March 2019	As at 31 March 2018
Loan From Holding Company	-	-
	-	-

## 6 Trade Payables EUR

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
( Carried at Amortised cost)				
Trade payable - Other than micro and small enterprises	23,626		448	
<b>Total Trade payables</b>	<b>23,626</b>	<b>-</b>	<b>448</b>	<b>-</b>

## 7 Other Financial Liabilities EUR

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
( Carried at Amortised cost)				
Current maturities of long-term debt	-		-	
Interest accrued on borrowings	-	1,345,500	-	1,207,500
Other liabilities	-		-	
<b>Total other Non-Current financial liabilities</b>	<b>-</b>	<b>1,345,500</b>	<b>-</b>	<b>1,207,500</b>



**RAINBOW HOLDINGS GmbH**

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

		EUR	
8 Finance Cost			
Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018	
(a) Interest expense for financial liabilities at amortised cost	138,000	138,000	
<b>Total Finance Cost</b>	<b>138,000</b>	<b>138,000</b>	

		EUR	
9 Other Expenses			
Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018	
Legal and professional fees	22,940		
Miscellaneous expenses	977	1,227	
<b>Total Other Expenses</b>	<b>23,917</b>	<b>1,227</b>	

		EUR	
10 Income Tax recognised in profit or loss			
Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018	
<b>Current Tax:</b>			
In respect of current year	-	-	
<b>Deferred Tax:</b>			
In respect of current year origination and reversal of temporary differences	-	-	
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>	

		EUR	
11 Earning Per Share (EPS)			
Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018	
Profit for the year	(161,917)	(139,227)	
Profit for the year for diluted EPS	(161,917)	(139,227)	
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	(6.48)	(5.57)	
Diluted Earnings per share	(6.48)	(5.57)	
(Face value Euro 1 per share)			



## RAINBOW HOLDINGS GmbH

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

### 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
		2018-19	2017-18	
1	<b>FINANCE :</b>			
	Interest Expense			
	on loan from Galaxy Holdings (Mauritius) Limited	138,000	138,000	

(c) The related party balance are as under :

Sr No	Nature of Transactions	Holding Company		Subsidiary
		2018-19	2017-18	
2	<b>OUTSTANDING :</b>			
	Payable to Galaxy Holdings (Mauritius) Limited	23,516	448	
	Investment in Tri-K Industries, Inc., USA			893,000
	Unsecured Loan from Galaxy Holdings (Mauritius) Limited	1,380,000	1,380,000	
	Interest accrued on Unsecured Loan from Galaxy Holdings (Mauritius) Limited	1,345,500	1,207,500	

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

