

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

We have audited the accompanying Ind AS financial statements of Rainbow Holdings GmbH ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, 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, 2020, 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, 2020. It should not be distributed to any other third party without our written consent.

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



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

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

UDIN: 20044276AAAACQ1701

Place: Mumbai
Date: 22nd June, 2020


RAINBOW HOLDINGS GmbH

Balance Sheet as at 31st March, 2020 and 31st March, 2019

Particulars	Note	31st MARCH	31st MARCH 2019
		2020	
EUR			
I. ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	2	893,000	893,000
		893,000	893,000
CURRENT ASSETS			
(i) Cash and Cash Equivalents	3	18,109	18,780
		18,109	18,780
Total Assets		911,109	911,780
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	4A	25,000	25,000
(b) Other Equity	4B	(2,020,801)	(1,862,346)
		(1,995,801)	(1,837,346)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	5	1,380,000	1,380,000
(ii) Trade Payables	6	-	-
(iii) Other Financial Liabilities	7	1,483,500	1,345,500
		2,863,500	2,725,500
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	6	43,410	23,626
(ii) Other Financial Liabilities	7	-	-
		43,410	23,626
Total Equity and Liabilities		911,109	911,780

The accompanying notes 1 to 13 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



UDIN: 20044276AAAACQ1701

Place : Navi Mumbai
Date : 22nd June, 2020

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, 2020 and 31st March, 2019

Particulars	Note	31st MARCH	31st MARCH
		2020	2019
		EUR	
INCOME			
Total Income		-	-
EXPENSES			
Finance costs	8	138,000	138,000
Other expenses	9	20,455	23,917
Total Expenses		158,455	161,917
Profit before tax		(158,455)	(161,917)
Tax Expense			
Current Tax	10	-	-
Deferred Tax	10	-	-
Profit for the year		(158,455)	(161,917)
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income for the period		(158,455)	(161,917)
Earnings per equity share : (Face value Euro 1 per share)			
Basic	11	(6.34)	(6.48)
Diluted	11	(6.34)	(6.48)

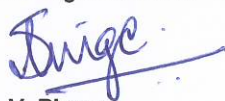
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For S. V. PINGE & Co.

Chartered Accountants

Firm Registration No. 122667W



S. V. Pinge

Proprietor

Membership No. 44276



For and on behalf of the Board



G. Kamath

Managing Director

UDIN: 20044276AAAACQ1701

Place : Navi Mumbai

Date : 22nd June, 2020

RAINBOW HOLDINGS GmbH

Statement of Changes in Equity

A) Equity Share Capital

EUR

Particulars	31st MARCH 2020	31st MARCH 2019
Issued and Subscribed :		
Balance as at the beginning of the year	25,000	25,000
Balance as at the end of the year	25,000	25,000

B) Other Equity

EUR

Particulars	Retained Earnings	Total
As at 1st April 2018	(1,700,429)	(1,700,429)
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	(1,862,346)	(1,862,346)
Profit / (Loss) for the period	(158,455)	(158,455)
Other Comprehensive Income / (Loss)		-
Total Comprehensive Income for the year	(158,455)	(158,455)
As at 31st March 2020	(2,020,801)	(2,020,801)

The accompanying notes 1 to 13 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

UDIN: 20044276AAAACQ1701

Place : Navi Mumbai

Date : 22nd June, 2020

RAINBOW HOLDINGS GmbH

Cash Flow Statement for the year ended 31st March 2020 and 31st March 2019

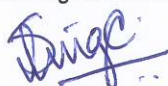
Particulars	EUR	EUR
	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	(158,455)	(161,917)
Adjustments for :		
Income tax expense	-	-
	-	-
Operating Profit before Working Capital changes	(158,455)	(161,917)
Changes in :		
Decrease in trade receivables & Other Assets		
Decrease in Inventories		
Increase in trade payables & Other Liabilities	157,784	161,178
	157,784	161,178
Cash generated from operations	(671)	(739)
Income Taxes Paid	-	-
NET CASH FROM OPERATING ACTIVITIES	(671)	(739)
NET CASH FROM INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES :		
NET CASH FROM FINANCING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(671)	(739)
OPENING CASH AND CASH EQUIVALENTS	18,780	19,519
CLOSING CASH AND CASH EQUIVALENTS	18,109	18,780

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 13 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



UDIN: 20044276AAAACQ1701

Place : Navi Mumbai
Date : 22nd June, 2020

For and on behalf of the Board



G. Kamath
Managing Director

RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2020

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, 2020.

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.



RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2020

2 Non Current Investments

Particulars	31st MARCH 2020		31st MARCH 2019	
	Number	EURO	Number	EURO
Investments in Equity Instruments 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.	228	893,000	228	893,000
Investments in Equity Instruments (Total)		893,000		893,000
Total Non Current Investments (Net)		893,000		893,000
Other Disclosures				
(i) Aggregate amount of unquoted investments (Gross)		893,000		893,000



RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2020

3 Cash and Bank Balances

EUR

Particulars	EUR	
	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Balances with banks		
- On Current Accounts	18,108	18,779
	18,108	18,779
Cash on hand	1	1
Total Cash and cash equivalent	18,109	18,780

4A Equity Share Capital

EUR

Particulars	EUR	
	As at 31 March 2020	As at 31 March 2019
Authorised:		
25,000 Equity Shares of EUR 1 each, fully paid-up. (Previous Year: 25,000 Equity Shares of EUR 1 each)	25,000	25,000
	25,000	25,000
Issued and Subscribed :		
25,000 Equity Shares of EUR 1 each, fully paid-up. (Previous Year: 25,000 Equity Shares of EUR 1 each)	25,000	25,000
	25,000	25,000

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	EURO	No. of Shares	EURO
Issued and Subscribed :				
Balance as at the beginning of the year	25,000	25,000	25,000	25,000
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:

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

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

Name of the Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Galaxy Holdings (Mauritius) Limited	25,000	100.00%	25,000	100.00%
Total	25,000	100.00%	25,000	100.00%

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

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	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%
Total	25,000	100.00%	25,000	100.00%



RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2020

4B Other Equity

EUR

Particulars	31st March 2020	31st March 2019
Retained Earnings	(2,020,801)	(1,862,346)
Total	(2,020,801)	(1,862,346)

5 Non-Current Borrowings

EUR

Particulars	31st March 2020	31st March 2019
Unsecured (Carried at amortised Cost) :		
Loan From Holding Company	1,380,000	1,380,000
Total non current borrowings	1,380,000	1,380,000

Terms of repayment :

Term Loan outstanding as at year end	Rate of Interest	Repayment Term
Unsecured Loan of Euro 13,80,000/- (Previous Year: Euro 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 :

EUR

Particulars	31st March 2020	31st March 2019
Loan From Holding Company	-	-
	-	-

6 Trade Payables

EUR

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non Current	Current	Non Current
(Carried at Amortised cost)				
Trade payable - Other than micro and small enterprises	43,410	-	23,626	-
Total Trade payables	43,410	-	23,626	-

7 Other Financial Liabilities

EUR

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non Current	Current	Non Current
(Carried at Amortised cost)				
Current maturities of long-term debt	-	-	-	-
Interest accrued on borrowings	-	1,483,500	-	1,345,500
Other liabilities	-	-	-	-
Total other Non-Current financial liabilities	-	1,483,500	-	1,345,500



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RAINBOW HOLDINGS GmbH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

8 Finance Cost

EUR

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
(a) Interest expense for financial liabilities at amortised cost	138,000	138,000
Total Finance Cost	138,000	138,000

9 Other Expenses

EUR

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Legal and professional fees	19,784	22,940
Miscellaneous expenses	671	977
Total Other Expenses	20,455	23,917

10 Income Tax recognised in profit or loss

EUR

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Current Tax: In respect of current year		
	-	-
Deferred Tax: In respect of current year origination and reversal of temporary differences		
	-	-
Total income tax expense	-	-

11 Earning Per Share (EPS)

EUR

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Profit for the year	(158,455)	(161,917)
Profit for the year for diluted EPS	(158,455)	(161,917)
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	(6.34)	(6.48)
Diluted Earnings per share	(6.34)	(6.48)
(Face value Euro 1 per share)		



RAINBOW HOLDINGS GmbH
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2020

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	
		2019-20	2018-19	2019-20	2018-19
1	<u>FINANCE:</u> 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	
		2019-20	2018-19	2019-20	2018-19
2	<u>OUTSTANDING:</u> Payable to Galaxy Holdings (Mauritius) Limited	43,300	23,516		
	Investment in Tri-K Industries, Inc., USA			893,000	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	1,483,500	1,345,500		

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

13 COVID-19 Assessment

As assessed by the management, Impact of Covid-19 on the financial statements of the Company is not likely to be significant. The Company will continue to monitor any material changes to future economic conditions.



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