SHALBY INTERNATIONAL LIMITED

ANNUAL REPORT

2017-2018

G. K. Choksi & Co.
Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 30012009, 9925174555-56 Fax : 91 - 79 - 26569929 E-mail : info@gkcco.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
SHALBY INTERNATIONAL LIMITED
Ahmedabad.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SHALBY INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as `Ind AS financial statements').

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements 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 Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for 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.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 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 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 entity's internal control An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Ind AS financial statements

G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

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 required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules issued thereunder.

   (e) On the basis of written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) The Ministry of Corporate Affairs vide its notification bearing no. G.S.R. 583(6) dated 13th June 2017, amended the provision of section 143(3) of the Companies Act, 2013. In accordance with the same reporting requirement related to adequacy and operating effectiveness of the internal financial controls over financial reporting is not applicable to the Company.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :

      (i) The Company does not have any pending litigations which would impact on its financial position.

      (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

M/S G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : - 5 MAY 2018

Annexure - A to the Independent Auditors' Report of even date on financial statements of SHALBY INTERNATIONAL LIMITED

(i) Since the company does not own any fixed assets the clauses 3(i)(a) to 3(i)(c) of the report are not applicable.

(ii) Since company does not require to hold any inventory the clauses 3(ii) of the order are not applicable.

(iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.

(v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section (1) of Section 148 of the Companies Act, 2013.

(vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2018 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2018.

(viii) According to the information and explanations given to us, the Company has not taken loans and borrowings from financial institutions, banks, government or does not have dues to debenture holders during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.

(xi) According to the information and explanations give to us, the Company has not paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, the company is not falling under ambit of provisions contained in section 177 of the Companies Act, 2013, the relevant clause is not applicable. Further transactions with the related parties are in compliance with section 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

M/S. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

(xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 5 MAY 2018

M/s. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

SHALBY INTERNATIONAL LIMITED

Balance Sheet as at 31st March, 2018

[Amount in ₹]

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Current Assets				
Financial Assets				
Cash & Cash equivalents	4	**1 81 520**	2 10 530	15 992
Other Current Asset	5	**0**	0	2 37 326
Total :		**1 81 520**	2 10 530	2 53 318
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	6	**5 00 000**	5 00 000	5 00 000
Other Equity				
Reserves and Surplus	7	**(3 41 370)**	(3 00 970)	(2 76 281)
		1 58 630	1 99 030	2 23 719
Liabilities				
Current liabilities				
Financial Liabilities				
Trade Payables				
Others	8	**11 800**	11 500	29 599
Other current liabilities	9	**11 090**	-	-
		22 890	11 500	29 599
Total :		**1 81 520**	2 10 530	2 53 318
		-	-	-

Significant Accounting Policies 1 to 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 5 MAY 2018

M/S. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM SHAH
Director
DIN: 00011653

SHANAY V. SHAH
Director
DIN: 02726541

Place : Ahmedabad
Date : 5 MAY 2018

SHALBY INTERNATIONAL LIMITED

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

[Amount in ₹]

Particulars	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
INCOME		-	-
EXPENSES			
Administrative and Other expenses	10	40 400	24 689
Profit/(Loss) before Tax		(40 400)	(24 689)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
		-	-
Profit/(Loss) for the year		(40 400)	(24 689)
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss		-	-
B Items that will be reclssified to profit or loss		-	-
Earnings per equity share:			
Basic and diluted ₹	11	(0.81)	(0.49)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 15 MAY 2018

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

15 MAY 2018

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM SHAH
Director
DIN: 00011653

SHANAY V. SHAH
Director
DIN: 02726541

Place : Ahmedabad
Date : 15 MAY 2018

SHALBY INTERNATIONAL LIMITED

Cash Flow Statement for the year ended 31st March, 2018

[Amount in ₹]

Particulars		For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash flow from operating activities			
Profit/(Loss) for the year before taxation		(40 400)	(24 689)
Operating profit before working capital changes		(40 400)	(24 689)
Adjustments for :			
Trade payables		300	(18 099)
Other payables		11 090	0
Short Term Loans & Advances		0	2 37 326
Net cash from operating activities	[A]	(29 010)	1 94 538
B. Cash flow from investing activities		0	0
Net cash used in investing activities	[B]	0	0
C. Cash flow from financing activities			
Issue of Equity Share Capital		0	0
Net cash flow from financial activities	[C]	0	0
Net Increase/(Decrease) in cash and cash equivalents	[A+B+C]	(29 010)	1 94 538
Cash and cash equivalents opening		2 10 530	15 992
Cash and cash equivalents closing		1 81 520	2 10 530
		(29 010)	1 94 538
Components of Cash and cash Equivalents			
Balances with Banks		1 81 520	2 10 530
		1 81 520	2 10 530

Explanatory Notes to Cash Flow Statement

1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7 as prescribed by the Institute of Chartered Accountants of India.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C. figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped whereever necesarry, to confirm to current years presentation.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 15 MAY 2018

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM SHAH
Director
DIN: 00011653

SHANAY V. SHAH
Director
DIN: 02726541

Place: Ahmedabad
Date: 15 MAY 2018

SHALBY INTERNATIONAL LIMITED

Statement of Changes in Equity

(A) Share Capital

[Amount in ₹]

As at 1st April, 2016	500 000
Issue of Equity Share capital	0
As at 31st March, 2017	500 000
Issue of Equity Share capital	0
As at 31st March, 2018	500 000

(B) Other Equity

[Amount in ₹]

Particulars	Retained Earning	Other Comprehensive Income	Total
Balance as at 1st April, 2016	(276 281)	-	(276 281)
Prior period adjustments	-	-	-
Profit for the year	(24 689)	-	(24 689)
Other comprehensive inome	-	-	-
Balance as at 31st March, 2017	(300 970)	-	(300 970)
Profit for the year	(40 400)	-	(40 400)
Other comprehensive inome	-	-	-
Balance as at 31st March, 2018	(341 370)	-	(341 370)

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 15 MAY 2018

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM SHAH
Director
DIN: 00011653

SHANAY V. SHAH
Director
DIN: 02726541

Place : Ahmedabad
Date : 15 MAY 2018

Note 1 : Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the Balance Sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

Refer Note 3.9 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

The financial statements are prepared in INR and all the values are rounded to the nearest rupees, except when otherwise indicated.

1.1 Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2018 have been prepared in accordance with Ind AS as notified under section 133 of the Companies' Act, 2013 ("the Act") duly approved by the Board of Directors at its meeting held on May 5, 2018.

1.2 Basis of Measurement

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain Assets and Liabilities as stated below:

(a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

(b) The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

(c) Assets held for sale measured at fair value less cost to sales

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 3.6

1.3 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the company's presentation currency.

M/S. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

1.4 Standard issued but not yet effective

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ('the Rules') on 28th March, 2018.The rules notify the new Revenue Standard Ind AS 115 'Revenue from Contracts with Customers' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after 1st April, 2018 and cannot be reported early. Hence, not applied in the preparation of these financial statements.

Note 2 : Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the financial statements.

2.1 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Note 3: Significant Accounting Policies

3.1 Financial Instruments

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

(a) Financial Assets

Financial Assets comprises of cash and cash equivalents and other financial assets.

M/S. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

M/s. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) **Financial liabilities at Amortized Cost:**

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) **Financial liabilities at Fair Value through Profit or Loss:**

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

Transition to Ind AS

For transition to Ind AS, the Company has opted to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

3.3 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

3.4 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

CHARTERED ACCOUNTANTS

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.5 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3.6 Fair Value Measurement

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

(a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(c) Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

K. CHOKSI & CO. CHARTERED ACCOUNTANTS

3.7 Current / non- current classification

An asset is classified as current if:

(a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3.8 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

3.9 First Time Adoption of Ind AS

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

1 Mandatory exceptions to retrospective application of other Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

(c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

(d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort. The company has not provided any impairment of Financial Asset during the year.

M/S. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

Notes forming part of accounts

4 Cash and Cash Equivalents

[Amount in ₹]

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks			
In Current Accounts	1 81 520	2 10 530	15 992
	1 81 520	2 10 530	15 992

5 Other Current Asset

(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances recoverable in cash or kind	-	-	2 37 326
	-	-	2 37 326

6 Share Capital

[Amount in ₹]

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Authorised			
10,00,000 (P.Y. 10,00,000) Equity shares of ₹ 10/- each	1 00 00 000	1 00 00 000	1 00 00 000
(b) Issued, Subscribed and fully Paidup			
50,000 (P.Y. 50,000) Equity shares of ₹ 10/- each fully	5 00 000	5 00 000	5 00 000

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
At the begining of the year	50 000	50 000	50 000
Add : Issue during the year	-	-	-
	50 000	50 000	50 000
Less : Shares bought back / Redemption etc.	-	-	-
At the closing of the year	50 000	50 000	50 000

(d) Rights, Preferences and Restrictions

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each equity shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, if any, in proportion to their shareholding.

M/s. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

(e) Details of Shareholdings

Shareholders holding more than 5% shares

Particulars	Number of Equity Shares			Percentage of Equity Shares		
	As at 31st March,		As at 1st April,	As at 31st March,		As at 1st April,
	2018	2017	2016	2018	2017	2016
Number of Shares held by Holding Enterprise						
Shalby Limited along with its nominees	50 000	50 000	50 000	100.00	100.00	100.00
Shareholders holding more than 5% shares						
Shalby Limited along with its nominees	50 000	50 000	50 000	100.00	100.00	100.00

7 Other Equity

[Amount in ₹]

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Surplus / (Deficit) in Statement of Profit & Loss			
Balance as per previous financial statements	(300 970)	(276 281)	(276 281)
Add : Profit/(Loss) for the year	(40 400)	(24 689)	-
Balance available for appropriation	(341 370)	(300 970)	(276 281)
Less : Appropriations	-	-	-
Net Surplus / (Deficit)	(341 370)	(300 970)	(276 281)

8 Trade Payables

[Amount in ₹]

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
For Goods and Services			
Others	11 800	11 500	29 599
MSMED (P.Y NIL)	-	-	-
	11 800	11 500	29 599

9 Other current liabilities

[Amount in ₹]

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other Payables- Shalby Limited	11 090	-	-
	11 090	-	-

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

SHALBY INTERNATIONAL LIMITED

Notes forming part of accounts

10 Administrative and Other Expenses

[Amount in ₹]

Particulars	**2017-18**	2016-17
Fees & Legal	11 350	13 075
Auditors' Remuneration (see note below)	29 050	11 500
Bank charges	-	114
	40 400	24 689
Auditors' Remuneration is made up of		
Statutory Audit fees	11 800	11 500
Income Tax Matter	17 250	-
	29 050	11 500

11 Earning per share

Particulars	**2017-18**	2016-17
Net Profit/(Loss) for the year ₹	(40 400)	(24 689)
Number of Equity Shares	50 000	50 000
Face value per share ₹	10	10
Earning per Share (Basic and diluted) ₹	(0.81)	(0.49)

M/s. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

12. Contingent Liabilities: ₹ NIL (P.Y. ₹ NIL)

13. Related Party disclosures

As per the Indian Accounting Standard on "Related Party Disclosure" (Ind AS 24), the related parties of the company are as follows :

1. Related Party Disclosures for the year ended March 31, 2018

(a) Details of Related Parties

Sr. No.	Description of Relationship	Names of Related Parties
1	Holding Company	Shalby Limited

(b) Details of transactions with related parties for the year ended March 31, 2018 in the ordinary course of business:

[Amount in ₹]

Sr. No.	Nature of Relationship / Transaction	Holding Company	Total
1	Advance taken for Expense Shalby Limited	15 750	15 750
2	Advance repaid Shalby Limited	4 660	4 660

(c) Amount due to / from related parties as at March 31, 2018

[Amount in ₹]

Sr. No.	Nature of Relationship / Transaction	Holding Company	Total
1	Other Payable Shalby Limited	11 090	11 090

2. Related Party Disclosures for the year ended March 31, 2017

(a) Details of Related Parties

Sr. No.	Description of Relationship	Names of Related Parties
1	Holding Company	Shalby Limited

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

(b) Details of transactions with related parties for the year ended March 31, 2017 in the ordinary course of business:

[Amount in ₹]

Sr. No.	Nature of Relationship / Transaction	Holding Company	Total
1	Reimbursement of Expense Shalby Limited	15 949	15 949
2	Payment made towards Reimbursement of Expense Shalby Limited	28 623	28 623
3	Payment Received towards advance given against material Shalby Limited	2 50 000	2 50 000
4	Unsecured Loan taken Shalby Limited	4 99 885	4 99 885
5	Repayment of Unsecured Loan taken Shalby Limited	4 99 885	4 99 885

3. **Amount due to / from related parties as at March 31, 2016**

Sr. No.	Nature of Relationship / Transaction	Holding Company	Total
1	Short Term Loans & Advances Shalby Limited	2 37 326	2 37 326

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

16. The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest millions.

FOR G. K. CHOKSI & CO
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 15 MAY 2018

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

DR. VIKRAM SHAH
Director
DIN : 00011653

SHANAY V. SHAH
Director
DIN: 02726541

Place : Ahmedabad
Date : 15 MAY 2018