

**10<sup>th</sup> ANNUAL REPORT  
2018-19**

**SUDARSHAN NORTH AMERICA, Inc., USA**

SUDARSHAN NORTH AMERICA, INC.

**DIRECTORS' REPORT TO SHAREHOLDERS: 2018-2019**

Your Directors present the Ninth Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March 2019.

**1. OPERATIONS:**

The Financial Year 2018-2019 happens to be the Ninth year of operations of the Company. The Company was incorporated as a Private Limited Company in 2009 in State of Delaware in USA. The Company is subsidiary of Sudarshan Europe B.V., in turn a step down Subsidiary of Sudarshan Chemical Industries Limited, India.

Revenue from Operations during the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 aggregated to Rs.58.17 Crores as compared to Rs.57.33 Crores achieved during the previous year. The loss for the period under report amounts to Rs. 2.27 Crores. It is expected that with adequate measures taken in improving the overall operational efficiencies of the Company and barring unforeseen circumstances, the Company should do well during the current Financial Year.

**2. AUDIT:**

In order comply with the requirements of consolidation of the financial statements with the accounts of the holding Company i.e. Sudarshan Chemical Industries Limited, the financial statements of the Company have been audited in compliance with Generally Accepted Accounting Practices in India.

**3. APPRECIATION:**

The Directors acknowledge with thanks the co-operation and the assistance given by Sudarshan Chemical Industries Limited, India, Sudarshan Europe B.V., The Netherlands, and employees of the Company.

By order of the Board of Directors

For SUDARSHAN NORTH AMERICA

DIRECTOR

Pune, India

Date – 20<sup>th</sup> May 2019

**SUDARSHAN NORTH AMERICA, Inc**  
**BALANCE SHEET AS AT MARCH 31, 2019**

(All amounts are in Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>I. NON CURRENT ASSETS</b>			
(a) Property, plant and equipment	3	662,238	636,189
(e) Other non-current assets	4	906,490	844,355
		1,568,728	1,480,544
<b>II. CURRENT ASSETS</b>			
(a) Inventories	5	210,311,962	142,114,078
(b) Financial assets			
(i) Trade receivables	6	121,581,254	104,315,214
(ii) Cash and cash equivalents	7	20,173,982	7,542,939
(d) Other current assets	8	547,212	4,296,524
		352,614,410	258,268,755
<b>Total Assets</b>		<b>354,183,138</b>	<b>259,749,299</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Share capital	9	209,284,838	209,284,838
(b) Other equity	10	(183,905,285)	(159,826,105)
		25,379,553	49,458,733
<b>LIABILITIES</b>			
<b>I. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	92,644,658	133,212,521
(ii) Trade Payable	12	234,134,854	75,874,072
(iii) Other financial liabilities	13	1,825,214	1,203,973
(b) Other current liabilities	14	198,859	-
		328,803,585	210,290,566
<b>Total Equity and Liabilities</b>		<b>354,183,138</b>	<b>259,749,299</b>

The accompanying notes form an integral part of The Financial Statements.

**Mr. Rajesh B. Rathi**  
Chairman and Managing Director

**Mr. Frank Bursch**  
Director

**Mr. Vivek V. Thakur**  
General Manager Finance and Accounts  
PUNE, MAY 20, 2019

**SUDARSHAN NORTH AMERICA, Inc**  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDING MARCH 31, 2019**

(All amounts are in Rupees, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	15	581,663,497	573,310,131
Other income	16	1,887,216	809,754
<b>Total Income (I)</b>		<b>583,550,713</b>	<b>574,119,885</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	17	531,055,254	478,667,106
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	18	(68,197,884)	(14,549,147)
Employee benefits expense	19	80,468,773	71,271,840
Finance cost	20	7,480,806	4,292,393
Depreciation and amortisation expense	21	395,896	324,120
Other Expenses	22	55,056,307	57,846,003
<b>Total expenses (II)</b>		<b>606,259,152</b>	<b>597,852,316</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(22,708,439)</b>	<b>(23,732,431)</b>
<b>Profit/ (loss) before tax</b>		<b>(22,708,439)</b>	<b>(23,732,431)</b>
<b>Tax expense</b>		-	-
<b>Total tax expense</b>		-	-
<b>Profit / (Loss) for the period</b>		<b>(22,708,439)</b>	<b>(23,732,431)</b>
<b>Foreign Currency Translation Reserve</b>		(1,370,740)	1,165,689
<b>Tax on the above</b>		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>(24,079,179)</b>	<b>(22,566,742)</b>

The accompanying notes form an integral part of The Financial Statements.

**Mr. Rajesh B. Rathi**  
Chairman and Managing Director

**Mr. Frank Bursch**  
Director

**Mr. Vivek V. Thakur**  
General Manager Finance and Accounts  
PUNE, MAY 20, 2019

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

### 1. Background:

Sudarshan North America Inc. ("the Company") is a Company domiciled in North America. It is a subsidiary of Sudarshan Europe B.V. & step down subsidiary of Sudarshan Chemical Industries Limited. The Company is engaged in trading of organic, inorganic and effect Pigments. The registered office of the Company is located at 76 N. Walnut Street, Ridgewood, NJ, USA 07450

The Financial Statement of the company for the year ended 31<sup>st</sup> March 2019, were authorised for issue in accordance with resolution of the Board of Directors on 20<sup>st</sup> May 2019

### 2. Summary of significant accounting policies and Key accounting estimates and judgments:

#### 2.1 Basis of preparation:

##### (i) Statement of Compliance:

These Standalone Financial Statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the act. the holding company is required to present its accounts under Ind AS thus the Financial statement have been prepared in Ind AS

##### (ii) Historical cost convention:

The Standalone Financial Statements have been prepared on the historical cost basis except for the following items.

Items	Measurement basis
(a) Certain financial assets and liabilities (Including derivatives instruments)	Fair value

##### (iii) Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non-current classification of assets and liabilities.

#### 2.2 Key Accounting Estimates and Judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019**

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in following notes:

**(a) Useful life of depreciable assets:**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including Intangible Assets.

**(b) Recognition of deferred tax assets:**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues.

**(c) Impairment of non-financial assets:**

In assessing impairment, management has estimated economic usefulness of the assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use of an interest rate to discount them. Estimation of uncertainty relates to assumptions about economically future operating cash flows and the determination of a suitable discount rate.

**(d) Impairment of trade receivables:**

The Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

### **2.3 Significant accounting policies:**

**(i) Foreign Currency Translation:**

**(a) Functional and Presentation Currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which is USD. The Financial Statements are presented in Indian Rupee (INR), which is the Group Company's presentation currency.

**(b) Transactions and balances:**

(1) Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

exchange rates are generally recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

(2) A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

(3) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

(4) Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

**(c) Foreign Currency Translation Reserve:**

For the preparation of the Standalone Financial Statements, assets and liabilities of operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end; income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead. Differences arising on such translation are accumulated in foreign currency translation reserve.

**(ii) Property, Plant and Equipment:**

**(a) Recognition and measurement:**

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**(b) Subsequent expenditure:**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**(c) Depreciation:**

(1) Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule - II of the Companies Act, 2013. Which is applicable to the Holding Company.

(2) Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(iii) Investment in Subsidiaries:**

- (a) Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts is recognized in the Statement of Profit and Loss

**(iv) Inventories:**

Inventories are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

**(a) Traded goods:**

Traded goods are valued at lower of cost and net realizable value. Cost included cost of purchase and other costs incurred in bringing the inventories to present location and condition. Cost is determined on weighted average basis.

**(v) Cash and Cash Equivalents:**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

**(vi) Financial Instruments**

**(a) Financial Assets:**

**(1) Initial recognition:**

All financial assets are recognised 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 the financial assets.

**(2) Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in three categories:

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

- **Financial assets at fair value through other comprehensive income (FVTOCI):** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- **Financial assets at fair value through profit or loss (FVTPL):** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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.

**(3) Trade receivables and loans:**

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

**(b) Financial Liabilities:**

**(1) Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

**(2) Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**(3) Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**(c) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(d) Financial guarantee contracts:**

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

**(vii) Provisions and Contingent Liabilities:**

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

(b) Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(c) 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.

**(viii) Revenue Recognition:**

**(a) Sale of goods:**

(1) Revenue from the sale of goods in the course of ordinary activities is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

(2) Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms.

(b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(c) Income from export incentives such as duty drawback's are accrued upon completion of export when there is a reasonable certainty of fulfilment of obligations as stipulated under respective export promotion schemes.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

**(ix) Employee Benefits:**

**(a) Short-Term Employee Benefits:**

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short-term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(x) Borrowing Costs:**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income or expense is recognised using the effective interest method.

**xi) Taxation:**

Income tax expense for the year comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income.

**(a) Current Tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

**(b) Deferred Tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- (1) temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- (2) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (3) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

**(xii) Impairment of Non-financial Assets :**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset / cash generating unit is made. Asset / cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment.

**(xiii) Leases:**

- (a) Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.
- (b) Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED  
31st MARCH, 2019**

**(xiv) Earnings Per Share:**

(a) Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(b) For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(xv) Rounding of amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of Schedule III, which is applicable for Holding company.

SUDARSHAN NORTH AMERICA, Inc.

SCHEDULES FORMING PART OF THE BALANCE SHEET as at March 31, 2019  
 SCHEDULE - 3 : FIXED ASSETS

(All amounts are in Rupees, unless otherwise stated)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01/04/2018 INR	ADDITIONS INR	DEDUCTIONS INR	BALANCE AS ON 31-03-2019 INR	BALANCE AS ON 01/04/2018 INR	FOR THE YEAR INR	DEDUCTIONS INR	BALANCE AS ON 31-03-2019 INR	BALANCE AS ON 31-03-2019 INR	NET BLOCK AS ON 31-03-2019 INR
FURNITURE & FIXTURES	28,379	2,088		30,467	9,780	4,236	(637)	13,379	17,088	
OFFICE EQUIPMENTS	1,32,547	9,754		1,42,301	93,965	20,258	1,836	1,16,059	26,242	
DATA PROCESSING EQUIPMENTS	17,48,704	4,99,298		22,48,002	11,69,696	3,71,402	87,997	16,29,095	6,18,907	
TOTAL	19,09,630	5,11,140	-	24,20,770	12,73,441	3,95,896	89,196	17,58,532	6,62,238	
DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01/04/2017 INR	ADDITIONS INR	DEDUCTIONS INR	BALANCE AS ON 31/03/2018 INR	BALANCE AS ON 01/04/2017 INR	FOR THE YEAR INR	DEDUCTIONS INR	BALANCE AS ON 31/03/2018 INR	BALANCE AS ON 31/03/2018 INR	NET BLOCK AS ON 31/03/2018 INR
FURNITURE & FIXTURES	28,326	265	213	28,379	6,897	2,858	(25)	9,780	18,599	
OFFICE EQUIPMENTS	1,32,300	1,241	994	1,32,547	79,615	14,128	(221)	93,965	38,582	
DATA PROCESSING EQUIPMENTS	17,46,743	13,196	11,235	17,48,704	8,59,367	3,07,136	(3,194)	11,69,696	5,79,008	
TOTAL	19,07,369	14,702	12,442	19,09,630	9,45,879	3,24,122	(3,440)	12,73,441	6,36,189	

**SUDARSHAN NORTH AMERICA, Inc**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts are in Rupees, unless otherwise stated)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
4	<b>OTHER NON CURRENT ASSETS</b>		
	Deposits	906,490	844,355
		<b>906,490</b>	<b>844,355</b>
5	<b>INVENTORIES</b>		
	Finished Goods	210,311,962	142,114,078
		<b>210,311,962</b>	<b>142,114,078</b>
6	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured considered good :</b>		
	(ii) Others		
	Considered good	121,581,254	104,315,214
		<b>121,581,254</b>	<b>104,315,214</b>
7	<b>CASH AND CASH EQUIVALENTS</b>		
	(a) Balances with banks		
	In Current Accounts	20,173,982	7,542,939
		<b>20,173,982</b>	<b>7,542,939</b>
8	<b>OTHER CURRENT ASSETS</b>		
	Advance to Suppliers	-	3,087,486
	Prepaid Expenses	547,212	1,209,038
		<b>547,212</b>	<b>4,296,524</b>
9	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED :</b>		
	(1) Equity Shares 50000 of USD 0.01 each		
	<b>ISSUED :</b>		
	368505800 Equity Shares of USD 0.01 each	209,284,838	209,284,838
		-	-
	<b>SUBSCRIBED AND PAID UP :</b>		
	368505800 Equity Shares of USD 0.01 each fully paid up held by holding company Sudarshan Europe B.V.	209,284,838	209,284,838
		-	-
		-	-



**SUDARSHAN NORTH AMERICA, Inc**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts are in Rupees, unless otherwise stated)

Note No.	Particulars	As at March 31, 2019	As at March 31, 2018
11	<b>FINANCIAL LIABILITIES - SHORT TERM BORROWINGS</b>		
	<b>LOANS REPAYABLE ON DEMAND :</b>		
	<b>FROM BANKS -</b>		
	<b>SECURED LOANS :</b>		
	Bank Overdraft Facility	92,644,658	133,212,521
		<b>92,644,658</b>	<b>133,212,521</b>
12	<b>TRADE PAYABLE</b>		
	Other Payables	234,134,854	75,874,072
		<b>234,134,854</b>	<b>75,874,072</b>
13	<b>OTHER CURRENT FINANCIAL LIABILITIES</b>		
	Statutory Payments	498,947	906,549
	Interest Payable	1,186,180	297,425
	Salary Payable	140,088	-
		<b>1,825,214</b>	<b>1,203,974</b>
14	<b>OTHER CURRENT LIABILITIES</b>		
	Other Liabilities	198,859	-
		<b>198,859</b>	<b>-</b>

**SUDARSHAN NORTH AMERICA, Inc**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts are in Rupees, unless otherwise stated)

Note No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
15	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products	581,663,497	573,310,131
		<b>581,663,497</b>	<b>573,310,131</b>
16	<b>OTHER INCOME</b>		
	Foreign Exchange Difference (net)	13,080	(32,739)
	Miscellaneous Income	1,874,136	842,494
		<b>1,887,216</b>	<b>809,754</b>
17	<b>PURCHASE OF STOCK IN TRADE</b>		
	PURCHASE OF STOCK IN TRADE	<b>531,055,254</b>	<b>478,667,106</b>
18	<b>CHANGE IN INVENTORY OF STOCK IN TRADE</b>		
	Stocks at Commencement :		
	Finished Products	142,114,078	127,564,931
		142,114,078	127,564,931
	Less:		
	Stocks at Close :		
	Finished Products	210,311,962	142,114,078
		210,311,962	142,114,078
		<b>(68,197,884)</b>	<b>(14,549,147)</b>
19	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salary, Wages and Bonus	73,464,687	64,359,861
	Contribution to Provident and Other Funds	7,004,086	6,911,980
	Staff Welfare Expenses	-	-
		<b>80,468,773</b>	<b>71,271,840</b>
20	<b>FINANCE COSTS</b>		
	Interest on loans	6,639,683	3,807,563
	Interest others	841,123	484,830
		<b>7,480,806</b>	<b>4,292,393</b>
21	<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
	Depreciation	395,896	324,120
		<b>395,896</b>	<b>324,120</b>
22	<b>OTHER EXPENSES</b>		
	Insurance	1,791,914	3,645,802
	Rates and Taxes	305,223	57,881
	Advertisement	409,501	2,208,799
	Audit Fee - Audit Fee	373,525	411,086
	Donations	262,424	222,880
	Bank Charges	449,188	646,287
	Travelling and Conveyance	15,532,818	13,596,666
	Commission to Selling Agents	1,332,684	667,431
	Freight/ Forwarding Expenses	14,750,825	16,038,754
	Legal and Professional Expenses	5,659,756	5,184,137
	Printing, Stationery and Communication Expenses	1,749,367	1,308,226
	R&D - Stores Spares and Consumables	2,022,557	-
	Rent	8,626,320	13,322,309
	Other Discounts	319,542	176,906
	ERP/ Computer Related Expenses	158,104	-
	Misc Expenses - Misc Expenses	1,312,558	358,839
		<b>55,056,307</b>	<b>57,846,003</b>

**SUDARSHAN NORTH AMERICA, Inc**  
**Statement of changes in Equity for the period As at March 31, 2019**

Note No.10

**Other Equity**

(All amounts are in Rupees, unless otherwise stated)

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	Foreign Currency Translation Reserve	Profit and Loss Account	
<b>Balance as at March 31, 2017</b>	-	4,119,334	(141,378,697)	(137,259,364)
Profit for the period	-	-	(23,732,431)	(23,732,431)
Transfers	-	-	-	-
Other Comprehensive Income	-	1,165,689	-	1,165,689
Total Comprehensive income	-	1,165,689	(23,732,431)	(22,566,742)
<b>Balance as at March 31, 2018</b>	-	5,285,023	(165,111,128)	(159,826,105)
Profit for the period	-	-	(22,708,439)	(22,708,439)
Transfers	-	-	-	0
Other Comprehensive Income	-	(1,370,740)	-	(1,370,740)
Total Comprehensive income	-	(1,370,740)	(22,708,439)	(24,079,179)
<b>Balance as at March 31, 2019</b>	-	3,914,283	(187,819,568)	(183,905,285)

**Mr. Rajesh B. Rathi**  
Chairman and Managing Director

**Mr. Frank Bursch**  
Director

**Mr. Vivek V. Thalur**  
General Manager Finance and Accounts  
PUNE, MAY 20, 2019

**FINACIALS IN USD CURRENCY**

**SUDARSHAN NORTH AMERICA, Inc.,USA**

**SUDARSHAN NORTH AMERICA, Inc.**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019**

(All amounts are in USD, unless otherwise stated)

Particulars	Schedule No.	As at 31 <sup>ST</sup> March, 2019	As at 31 <sup>ST</sup> March, 2018
<b>I. SOURCES OF FUNDS :</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	3,685,058	3,685,058
		<b>3,685,058</b>	<b>3,685,058</b>
<b>(2) Loan Funds</b>			
(a) Unsecured Loans	4	1,339,351	2,038,759
		1,339,351	2,038,759
	<b>Total :</b>	<b>5,024,409</b>	<b>5,723,817</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>(1) Fixed Assets</b>			
Gross Block	5	34,997	29,639
Less : Depreciation		25,423	19,765
Net Block		<b>9,574</b>	<b>9,874</b>
<b>(2) Current Assets, Loans and Advances</b>			
(a) Stock-in-trade	6	3,040,451	2,205,713
(b) Sundry Debtors		1,756,810	1,619,047
(c) Cash and Bank Balances		291,652	117,072
(d) Other Current Assets		21,016	79,790
		<b>5,109,929</b>	<b>4,021,622</b>
<b>Less : Current Liabilities</b>	7	3,327,165	1,192,778
		<b>3,327,165</b>	<b>1,192,778</b>
<b>Net Current Assets</b>		<b>1,782,764</b>	<b>2,828,844</b>
<b>PROFIT AND LOSS ACCOUNT</b>		<b>3,232,072</b>	<b>2,885,099</b>
	<b>Total :</b>	<b>5,024,409</b>	<b>5,723,816</b>

The accompanying notes form an integral part of The Financial Statements.

Mr. Rajesh B. Rathi  
Chairman and Managing Director

Mr. Frank Bursch  
Director

Mr. Vivek V. Thakur  
General Manager Finance and Accounts

Pune, 20<sup>th</sup> May, 2019

**SUDARSHAN NORTH AMERICA, Inc.**  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDING ON 31<sup>st</sup> MARCH 2019**

*(All amounts are in USD, unless otherwise stated)*

Particulars	Schedule No.	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>INCOME :</b>			
Income from Operations	8	8,293,767	8,952,836
Other Income	8	27,167	12,988
		<b>8,320,934</b>	<b>8,965,824</b>
<b>EXPENDITURE :</b>			
Cost of Goods Traded	9	6,615,654	7,244,893
Administrative and Selling Expenses	10	1,939,127	2,016,518
Finance cost	11	107,467	66,858
Depreciation	5	5,659	5,057
		<b>8,667,907</b>	<b>9,333,326</b>
<b>Profit/(Loss) for the period</b>		<b>(346,973)</b>	<b>(367,502)</b>
<i>Add</i> : Loss brought forward		(2,885,099)	(2,517,597)
<b>Loss for the period carried to Balance Sheet</b>		<b>(3,232,072)</b>	<b>(2,885,099)</b>

The accompanying notes form an integral part of The Financial Statements.

**Mr. Rajesh B. Rathi**  
Chairman and Managing Director

**Mr. Frank Bursch**  
Director

**Mr. Vivek V. Thakur**  
General Manager Finance and Accounts

Pune, 20<sup>th</sup> May, 2019

**SUDARSHAN NORTH AMERICA, Inc.**

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(All amounts are in USD, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 3 : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
(1) Equity Shares 50000 of USD 0.01 each	500	500
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
368505800 Equity Shares of USD 0.01 each	3,685,058	3,685,058
<b>TOTAL</b>	<b>3,685,058</b>	<b>3,685,058</b>

Note : This represents 'Composite Capital' under U.S. laws, which also includes share premium; not required to be disclosed separately.

**SUDARSHAN NORTH AMERICA, Inc.**

**SCHEDULES FORMING PART OF BALANCE SHEET**

(All amounts are in USD, unless otherwise stated)

<b>Particulrs</b>	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 4 : UNSECURED LOANS</b>		
Exim Bank Buyer's Credit	1,339,351	2,038,759
TOTAL	<b>1,339,351</b>	<b>2,038,759</b>



SUDARSHAN NORTH AMERICA, Inc.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> March, 2019

(All amounts are in USD, unless otherwise stated)

SCHEDULE - 5 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
	BALANCE AS ON 01-04-2018 USD	ADDITIONS USD	DEDUCTIONS USD	BALANCE AS ON 31-03-2019 USD	BALANCE AS ON 01-04-2018 USD	FOR THE YEAR	DEDUCTIONS AS ON 31-03-2019 USD	BALANCE AS ON 31-03-2019 USD	BALANCE AS ON 31-03-2019 USD
FURNITURE & FIXTURES	440	318		758	152	42		193	565
OFFICE EQUIPMENTS	2,057			2,057	1,458	219		1,678	379
DATA PROCESSING EQUIPMENTS	27,141	5,040		32,181	18,155	5,398		23,552	8,629
TOTAL	29,639	5,358	-	34,997	19,765	5,659	-	25,423	9,573

SCHEDULES FORMING PART OF THE BALANCE SHEET

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
	BALANCE AS ON 01-04-2017 USD	ADDITIONS USD	DEDUCTIONS USD	BALANCE AS ON 31-03-2018 USD	BALANCE AS ON 01-04-2017 USD	FOR THE YEAR	DEDUCTIONS AS ON 31-03-2018 USD	BALANCE AS ON 31-03-2018 USD	BALANCE AS ON 31-03-2018 USD
FURNITURE & FIXTURES	440	-		440	107	45		152	288
OFFICE EQUIPMENTS	2,057			2,057	1,238	220		1,458	599
DATA PROCESSING EQUIPMENTS	27,141	-		27,141	13,363	4,792		18,155	8,986
TOTAL	29,639	-	-	29,639	14,708	5,057	-	19,765	9,874

**SUDARSHAN NORTH AMERICA, Inc.**

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(All amounts are in USD, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 6 : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>CURRENT ASSETS :</b>		
<b>Inventories</b>		
Stock-in-Trade	3,040,451	2,205,713
	<b>3,040,451</b>	<b>2,205,713</b>
<b>Sundry Debtors - (Unsecured, considered good unless stated otherwise)</b>		
Debtors	1,756,810	1,619,047
	<b>1,756,810</b>	<b>1,619,047</b>
<b>Cash and Bank Balances :</b>		
<b>Balances with Banks :</b>		
In Current Account	291,652	117,072
	<b>291,652</b>	<b>117,072</b>
<b>Other current Assets:</b>		
Prepaid Expenses	7,911	18,765
Deposit with tax authorities	13,105	13,105
Advance to Vendor	-	47,920
	<b>21,016</b>	<b>79,790</b>
<b>TOTAL</b>	<b>5,109,929</b>	<b>4,021,622</b>

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 7 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors	3,132,956	1,040,948
Other Liabilities	194,209	151,830
<b>TOTAL</b>	<b>3,327,165</b>	<b>1,192,778</b>

**SUDARSHAN NORTH AMERICA, Inc.**

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(All amounts are in USD, unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 8: INCOME FROM OPERATIONS AND OTHER INCOME</b>		
<b>INCOME FROM OPERATIONS</b>		
Sales :		
Gross Sales	8,293,767	8,952,836
Other Income	27,167	12,988
<b>TOTAL</b>	<b>8,320,934</b>	<b>8,965,824</b>

**SUDARSHAN NORTH AMERICA, Inc.**

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(All amounts are in USD, unless otherwise stated)

<b>Particulars</b>	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 9 : COST OF GOODS TRADED</b>		
Opening Stock	2,205,713	2,205,713
Add : Purchases	7,450,392	7,244,893
	9,656,105	9,450,606
Less : Closing Stock	3,040,451	2,205,713
Cost of Goods Traded :	<b>6,615,654</b>	<b>7,244,893</b>

**SUDARSHAN NORTH AMERICA, Inc.**

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(All amounts are in USD, unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 10 : ADMINISTRATIVE AND SELLING EXPENSES</b>		
Payments to and Provisions for the Employees		
Salaries	1,030,705	949,598
Contribution to Social Security Indl. Insurance	119,423	162,549
	1,150,128	1,112,147
Printing, Stationery and Communication Expenses	27,065	20,382
Travelling and Conveyance	221,439	212,293
Advertisement	10,694	34,495
Legal, Professional and Consultancy Charges	81,256	81,037
Audit Fees	5,400	5,968
Freight and Forwarding	208,838	250,869
Rates and Taxes	4,240	908
Insurance	25,185	57,128
Warehouse Rent	123,663	208,081
Foreign exchange difference	1,246	501
Bank Charges	6,431	10,097
General Expenses	16,885	5,520
Selling and Distribution Expenses	51,088	13,117
Subscription	1,869	475
Donation	3,700	3,500
<b>TOTAL</b>	<b>1,939,127</b>	<b>2,016,518</b>

**SUDARSHAN NORTH AMERICA, Inc.**

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(All amounts are in USD, unless otherwise stated)

<b>Particulars</b>	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>SCHEDULE - 11 : FINANCE COST</b>		
<b>Interest :</b>		
Interest to Financial Inst.	95,430	59,332
On Unsecured Loans	12,037	7,526
TOTAL	<b>107,467</b>	<b>66,858</b>