

LITEZ INDIA LIMITED

2015-16



DAMLE DHANDHANIA & CO.
CHARTERED ACCOUNTANTS

TEMPLE TOWER
P-17A, Ashutosh Chowdhury Avenue
G - 1, Ground Floor
Opp. Ballygunge Birla Mandir
Kolkata - 700 019
Phone : 033 4003 1388
E-mail : damledhandhanian@gmail.com

Independent Auditor's Report
To the Members of Litez India Limited

Report on the Financial Statements

We have audited the attached financial statements of LITEZ INDIA Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

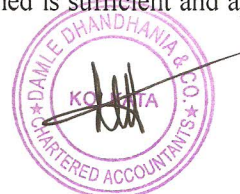
Our responsibility is to express an opinion on these financial statements based on our audit.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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





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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31 March 2016
- b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date: and
- c) in the case of the Cash Flow Statement, of the Cash flows 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 the paragraph 3 and 4 of the Order, to the extent applicable.
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 it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (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 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Damle Dhandhanias & Co

Chartered Accountants

Firm Registration number: 325361E

Manish Dhandhanias

Partner

Membership number: 065901

Place: Kolkata

Date : 29th April, 2016



Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has no Fixed Assets .Therefore, the provision of this Paragraph is not applicable due to the reasons mentioned above.
 - (b) The provision of this Paragraph is not applicable due to the reasons referred to in paragraph (i)(a) above.
 - (c) The provision of this paragraph is not applicable due to the reason referred in paragraph (i)(a)
- (ii) (a) The management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders or government during the year.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Damle Dhandhanian & Co
Chartered Accountants
Firm Registration number: 325361E



Manish Dhandhanian
Manish Dhandhanian

Partner

Membership number: 065901

Place: Kolkata
Date : 29th April, 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Litez India Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For
Damle Dhandhanias & Co
Chartered Accountants
Firm Registration Number:325361E

Manish Dhandhanias

Manish Dhandhanias
Partner
Membership No: 065901
Place: Kolkata
Date:29th April,2016



LITEZ INDIA LIMITED
Balance Sheet as at March 31, 2016

	Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
			₹	₹	₹	₹
I	EQUITY AND LIABILITIES					
1	Shareholders' Funds					
a	Share Capital	2	500,000.00		500,000.00	
b	Reserves and Surplus	3	(1,759,118.43)	(1,259,118.43)	(1,183,519.50)	(683,519.50)
2	Share Application money pending allotment					
3	Non-current liabilities					
4	Current Liabilities					
	Trade Payables	4a	6,871,573.67		-	
	Payable to Related Party		1,671,910.57		-	
	Advance from Suppliers		8,338.13		-	
	Statutory Dues		15,364.86		-	
	Other current liabilities	4b	42,460.00	8,609,647.23	702,688.50	702,688.50
	TOTAL			7,350,528.80		19,169.00
II	ASSETS					
1	Non-current assets					
	Long-term loans and advances	5		8,174.00		5,975.00
2	Current assets					
	Inventories	6	6,468,842.60		-	
	Cash and Bank balances	7	43,260.00		13,194.00	
	Other Current Assets	8	830,252.20	7,342,354.80	-	13,194.00
	TOTAL			7,350,528.80		19,169.00

Significant Accounting Policies and Notes to Accounts

1

In terms of our report attached.
For Damle Dhandhanias & Co.
Chartered Accountants
FRN :325361E

Manish Dhandhanias



Partner
Manish Dhandhanias
Membership No.065901
Place : Kolkata
Date : 29th April, 2016

For and on behalf of the Board of Directors

S. Saha
Director

S. Saha

Tehnaz Punwani

Tehnaz Punwani
Director

LITEZ INDIA LIMITED
Statement Of Profit And Loss for the year ended March 31, 2016

Particulars	Note No	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
		₹	₹	₹	₹
I. Revenue from operations(Gross)	8	307,297.01		-	
Less: Excise Duty		-	307,297.01	-	-
II. Other Income	9		21,988.00		180.00
III. Total Revenue (I + II)			329,285.01		180.00
IV. Expenses:					
Purchase of Stock-in-Trade			6,700,248.02		-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			(6,468,842.60)		-
Others	10		673,478.52		1,006,699.47
Total Expenses			904,883.94		1,006,699.47
V. (Loss) before exceptional and extraordinary items and tax (III - IV)			(575,598.93)		(1,006,519.47)
VI. Exceptional Items			-		-
VII. (Loss) before extraordinary items and tax (V - VI)			(575,598.93)		(1,006,519.47)
VIII. Extraordinary Items			-		-
IX. (Loss) before tax (VII - VIII)			(575,598.93)		(1,006,519.47)
X. Tax expense:					
(1) Current tax			-		-
(2) Deferred tax			-		-
XI. (Loss) from the period from continuing operations (IX-X)			(575,598.93)		(1,006,519.47)
XII. (Loss) from discontinuing operations			-		-
XIII. Tax expense of discounting operations			-		-
XIV. (Loss) from Discontinuing operations (XII - XIII)			-		-
XV. (Loss) for the period (XI + XIV)			(575,598.93)		(1,006,519.47)
XVI. Earning per equity share:					
(1) Basic			(11.51)		(20.13)
(2) Diluted			(11.51)		(20.13)

In terms of our report attached.
For **Damle Dhandhanias & Co.**
Chartered Accountants
FRN :325361E

Manish Dhandhanias



Partner
Manish Dhandhanias
Membership No.065901
Place : Kolkata
Date : 29th April, 2016

For and on behalf of the Board of Directors

S. Saha
Director

S. Saha

Tehnaz Punwani
Tehnaz Punwani
Director

LITEZ INDIA LIMITED

SCHEDULE 1 -SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1) Accounting Policies :

A) Accounting Conventions :

The Accounts have been prepared under the historical cost convention on an Accrual basis and in accordance with requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act and are consistent with generally accepted accounting principles and conform to the statutory provisions and practices prevailing in the industry.

B) Preliminary Expenses :

Preliminary Expenses have been amortised in the year in which the same has been incurred.

C) Income Taxes :

Tax expenses comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the income tax authorities in accordance with the Income Tax Act, 1961.

D) Sales :

Sales comprise sale of goods less discounts as applicable and include excise duty but exclude central sales tax / VAT.

E) Sales :

Inventories are carried at cost or Market Value whichever is lower.

2) Notes to Accounts :

- a) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- b) Related party disclosures as required under Accounting Standard-18 on 'Related Party Disclosure' required by the Central Government under the Companies (Accounting Standard) Rules, 2006

Name of the company	Description of Relationship	Nature of Transactions	Outstanding at the year end (₹)
Payable			
Eveready Industries India Ltd	Entity having Significant Influence	Payment made on our Behalf	1671910.57

3) Payment to Auditor

Statutory audit fees includes payment of ₹ 11450 to the auditors



Notes to Balance Sheet

	31.03.2016		31.03.2015		
	₹	₹	₹	₹	
2 Share Capital					
a) Authorised Share Capital					
100000 Nos of Equity Shares of Rs. 10 each		<u>1,000,000.00</u>		<u>1,000,000.00</u>	
b) Issued, Subscribed & fully paid up					
50000 Nos of Equity Shares of Rs. 10 each		<u>500,000.00</u>		<u>500,000.00</u>	
Of the above:					
(i) List of shareholders holding more than 5% shares & number of shares held:					
Name	Class of Share	No of Share Holding	Class of Share	No of Share Holding	% of Holding
Eveready Industries India Ltd.	Equity Shares	49,800.00	Equity Shares	49,800.00	99.60%
3 Reserves and Surplus					
		1006519.47			
a) Surplus					
Balance of Profit brought forward from Previous Year		(1,183,519.50)		(177,000.03)	
Add: Balance Carried Forward from Statement of Profit & Loss		(575,598.93)		(1,006,519.47)	
Less: Proposed Dividend		-		-	
Less: Tax on Proposed Dividend		-		-	
Less: Transferred to General Reserve		(1,759,118.43)		(1,183,519.50)	
		<u>(1,759,118.43)</u>		<u>(1,183,519.50)</u>	
4 Current liabilities					
a) Liabilities					
- Payable to Related Party		1,671,910.57		683,370.50	
- Advances from Supplier		8,338.13			
- Statutory Dues		15,364.86			
- Trade Payables		6,871,573.67			
b) Other Liabilities		<u>42,460.00</u>		<u>19,318.00</u>	
		<u>8,609,647.23</u>		<u>702,688.50</u>	
5 Long Term Loans and Advances					
Advance income tax [net of provisions ₹ 6326.00 (As at 31 March, 2012 ₹ Nil)]		8,174.00		5,975.00	
		<u>8,174.00</u>		<u>5,975.00</u>	
6 Current assets					
a) Inventories		6,468,842.60			
		<u>6,468,842.60</u>		<u>-</u>	
7 Cash and Bank balances					
a) Cash and cash equivalents:					
Balance with Banks				3,194.00	
i) Current Accounts		43,260.00			
Cheques, drafts on hand					
Cash on hand		<u>43,260.00</u>		<u>3,194.00</u>	
8 Deposites					
i) Deposit Accounts with maturity of more than twelve months		769,789.00		10,000.00	
Deposit - General		60,463.20		13,194.00	
		<u>830,252.20</u>		<u>23,194.00</u>	



Notes to Profit and Loss Account

	2015-16		2014-15	
	Qty in Pcs	₹	Qty in Pcs	₹
8 Revenue from operations:				
a) Sale of Products:				
Flashlights	5000	307,297.01		
		<u>307,297.01</u>		<u>-</u>
9 Other Income				
Interest income-Interest on Fixed deposits		21,988.00		-
Interest income		-		180
		<u>21,988.00</u>		<u>180.00</u>
10 Expenses :				
Rates and Taxes		16,810.00		
Promotion Activity		171,919.65		
Selling		210,804.01		
Staff Welfare		2,685.00		
Postage, Stationery & Communication, Maintenance		30,960.06		
Distribution		1,650.00		
Consultancy Charges		209,697.80		19,268.00
Bank Charges		17,502.00		
Audit Fees		11,450.00		5,618.00
Debtors Written-Off				981,023.47
Filing fees				790
		<u>673,478.52</u>		<u>1,006,699.47</u>



LITEZ INDIA LIMITED

Cash flow statement for the year ended 31 March 2016

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
A. Cash flow from operating activities		
Loss before tax from continuing operations	(575,598.93)	(1,006,519.47)
Operating Loss before working capital changes	(575,598.93)	(1,006,519.47)
Movements in working capital:		
Increase / (decrease) in Trade Payables	6,871,573.67	-
Increase / (decrease) in other current liabilities	1,035,385.06	16,259.00
Decrease / (Increase) in trade receivables	-	981,023.47
Decrease / (increase) in Long-term loans and advances	(2,199.00)	3,690.00
Decrease / (increase) in short-term loans and advances	-	-
Decrease / (increase) in Inventories	(6,468,842.60)	-
Decrease / (increase) in Other Current Assets	(820,252.20)	-
Cash generated from / (used in) operations	40,066.00	(5,547.00)
Net Cash flow from operating activities	40,066.00	(5,547.00)
B. Cash flow from investing activities	-	-
C. Cash flow from financing activities		
Proceeds from issuance of share capital	-	-
Net cash flow from in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	40,066.00	(5,547.00)
Cash and cash equivalents at the beginning of the year	3,194.00	8,741.00
Cash and cash equivalents at the end of the year	43,260.00	3,194.00
Components of cash and cash equivalents		
Cash on hand		
Cheques/ drafts on hand		
With banks- on current account	43,260.00	3,194.00
on deposit account		
unpaid dividend accounts*		
unpaid matured deposits*		
unpaid matured debentures*		
Total cash and cash equivalents	43,260.00	3,194.00

In terms of our report attached.

For **Damle Dhandhanias & Co.**

Chartered Accountants

FRN :325361E




Partner

Manish Dhandhanias

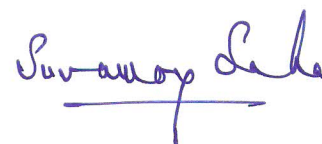
Place : Kolkata

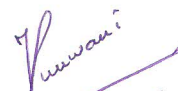
Date : 29th April, 2016

For and on behalf of the Board of Directors

S. Saha

Director





Tehnaz Punwani

Director