



Independent Auditor's Report

**TO THE MEMBERS OF Recyclers Costa Rica S.A
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Recyclers Costa Rica S.A** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in Costa Rica, including the specified Accounting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone 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 Companies Act, 2013 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.





Swarnkar & Co

Chartered Accountants

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. 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2019, and its profit or loss for the year ended on that date.

For Swarnkar & Co.

Chartered Accountant

Firm Reg. No.:- 025928C



Deepak Kumar Swarnkar

(Proprietor)

M. No:-424940

Date: 08/05/2019

Place: Jaipur

Recyclers Costa Rica S.A
BALANCE SHEET AS AT 31st MARCH 2019


Amount in CRC

Particulars	Note	As at Mar 31, 2019	As at March 31, 2018
I. ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	1	110,134,667	110,279,271
(b) Capital work-in-progress	2	-	48,570,100
(c) Financial Assets			
(i) Loans	7(a)	3,421,994	-
(d) Other non current assets	4(a)	-	16,122,260
2 Current assets			
(a) Inventories	5	8,570,656	41,100,936
(b) Financial Assets			
(i) Loans	7(b)	-	2,741,300
(ii) Trade receivables	3	68,054,914	6,661,577
(iii) Cash and cash equivalents	6	7,981,714	5,514,988
(c) Other current assets	4(b)	4,074,573	2,409,770
Total Assets		202,238,518	233,400,202
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity : Share capital	8	111,101,143	111,101,143
(b) Other equity	9	(195,068,754)	(46,858,445)
2 Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	188,923,270	14,355,809
3 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	12	66,506,520	55,656,612
(b) Other current liabilities	11	30,776,339	99,145,082
Total Equity and Liabilities		202,238,518	233,400,202

See accompanying notes to the financial statements


1 to 21

For Swarnkar & Co.
Chartered Accountant
FRN 025928C


Deepak Kumar Swarnkar
(Proprietor)
M No 424940

Place: Jaipur
Date: 08/05/2019

For and on behalf of the Board of Directors


Vijendra Singh Tanwar
(Director)

Recyclers Costa Rica S.A
Statement of profit and loss For the period ended Mar 31, 2019


Amount in CRC

Particulars	Note	For the year ended Mar 31, 2019	For the year ended March 31, 2018
I Revenue from operations	13	653,278,365	179,320,948
II Other income	14	534,892	3,315
III Total income (I + II)		653,813,257	179,324,263
IV Expenses:			
(a) Cost of materials consumed	15	319,991,253	93,776,860
(b) Excise duty			
(c) Purchases of Stock-in-trade	16	113,442,374	56,019,277
(d) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	17	25,245,479	(31,361,158)
(e) Employee benefits expense	18	124,247,770	42,606,427
(f) Finance costs	19	3,013,444	118,015
(g) Depreciation and amortisation expense	20	12,320,088	3,430,094
(h) Other expenses	21	203,763,158	61,593,192
Total expenses (IV)		802,023,565	226,182,708
V Share of profit of associates			
VI Profit before tax (III - IV + V)		(148,210,309)	(46,858,445)
VI Tax expense:			
(a) Current tax		-	-
(b) Deferred tax charge		-	-
VIII Profit for the year (VI - VII)		(148,210,309)	(46,858,445)

See accompanying notes to the financial statements


1 to 21

For Swarnkar & Co.
Chartered Accountant
FRN 025928C


Deepak Kumar Swarnkar
(Proprietor)
M No 424940

Place: Jaipur
Date: 08/05/2019

For and on behalf of the Board of Directors


Vijendra Singh Tanwar
(Director)

Recyclers Costa Rica S.A
Notes forming part of the financial statements

Note 1 - Property, Plant and Equipment

Particulars	As at March 31, 2019 and March 31, 2018						Amount in CRC
	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	Electrical Equipment	
Cost							
As at March 31, 2017	-	-	-	-	11,684,020	-	11,684,020
Additions during the year	103,292,417	-	162,000	68,500	-	-	103,522,917
As at March 31, 2018	103,292,417	-	162,000	68,500	11,684,020	-	115,206,937
Additions during the year	189,075	1,612,747	595,000	294,400	7,497,661	1,986,600	12,175,483
As at Mar 31, 2019	103,481,492	1,612,747	757,000	362,900	19,181,681	1,986,600	127,382,420
Depreciation							
As at March 31, 2017	-	-	-	-	296,102	-	296,102
Charge for the year	3,626,652	-	12,072	5,300	1,168,402	-	4,812,426
Deletions	-	-	-	-	-180,862	-	-180,862
As at March 31, 2018	3,626,652	-	12,072	5,300	1,283,642	-	4,927,666
Charge for the year	10,339,717	92,176	51,826	10,546	1,669,616	156,207	12,320,088
As at Mar 31, 2019	13,966,369	92,176	63,898	15,846	2,953,257	156,207	17,247,754
Net block							
As at Mar 31, 2019	89,515,123	1,520,571	693,102	347,054	16,228,424	1,830,393	110,134,667
As at March 31, 2018	99,665,765	-	149,928	63,200	10,400,378	-	110,279,271
As at March 31, 2017	-	-	-	-	11,387,918	-	11,387,918

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Recyclers Costa Rica S.A
Notes forming part of the financial statements

Note 2 - Capital work-in-progress

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Opening balance of CWIP	48,570,100	23,487,354
Add: additions made during the year	-	25,082,746
Less: Capitalised during the year	(48,570,100)	-
Add/(Less): Translation difference	-	-
Closing balance as on reporting date	-	48,570,100
Capital work-in-progress	-	48,570,100
Total	-	48,570,100



Recyclers Costa Rica S.A
Notes forming part of the financial statements

Note 3 - Trade receivables

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Unsecured, considered good	68,054,914	6,661,577
	68,054,914	6,661,577

Note 4 - Other assets

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Non Current		
Capital advances	-	16,122,260
Total (a)	-	16,122,260
(b) Current		
Advances to vendors	3,548,377	69,000
Advances to employees	56,085	411,500
Prepaid expenses	470,111	1,929,270
Total (b)	4,074,573	2,409,770

Note 5 - Inventories *

(At lower of cost and net realisable value)

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
(a) Raw materials and bought out components	2,397,933	9,647,128
(b) Work-in-progress	6,115,527	29,905,018
(c) Finished goods (other than those acquired for trading)	-	1,456,141
(d) Stock-in-trade (in respect of goods acquired for trading)	152	-
(e) Stores and spares	14,660	92,650
(f) Consumables	42,383	-
	8,570,656	41,100,936
	8,570,656	41,100,936

Note 6 - Cash and cash equivalents

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks		
-on current accounts	7,751,719	4,950,117
Cash on hand	229,995	564,871
Total (a)	7,981,714	5,514,988

Note 7 - Loans

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
(a) Non current, Unsecured, considered good		
(i) Security deposits	3,421,994	-
Total (a)	3,421,994	-
(b) Current, Unsecured, considered good		
(i) Security deposits	-	2,741,300
Total (b)	-	2,741,300

Note 8 - Equity share capital

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Authorised		
200000 Shares of 1 USD Each	111,101,143	111,101,143
	111,101,143	111,101,143
(a) Issued, subscribed and fully paid up		
145000 Shares of 1 USD Each	111,101,143	111,101,143
	111,101,143	111,101,143

Note 9 - Other Equity

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Opening balance	(46,858,445)	-
1. Profit for the year	(148,210,309)	(46,858,445)
Total comprehensive income for the year	(195,068,754)	(46,858,445)
Closing balance	(195,068,754)	(46,858,445)

Note 10 - Non - current financial liabilities - Borrowings (at amortised cost) #

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Secured		
(a) Term loans from banks*		
-From related party	188,923,270	14,355,809
	188,923,270	14,355,809

Note 11 - Other Liabilities

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
(a) Current		
Advance received from Customer-related party	30,776,339	87,083,323
Contractually reimbursable expenses to related parties	-	11,978,773
Unealised-Foreign Exchange gain/Loss	-	82,986
	30,776,339	99,145,082

Note 12 - Trade payables

Particulars	Amount in CRC	
	As at Mar 31, 2019	As at March 31, 2018
Outstanding dues to parties other than Micro and Small enterprises	66,506,520	55,656,612
	66,506,520	55,656,612

Note 13 - Revenue from operations

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
(a) Sale of products (including excise duty)		
Manufactured goods	521,018,723	113,068,718
Traded goods	132,259,641	66,252,230
Revenue from operations	653,278,365	179,320,948

Note 14 - Other income

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
(a) Interest income		
Interest income earned on financial assets that are not designated as at fair value through profit and loss		
On bank deposits (at amortised cost)	10,887	3,315
Miscellaneous income	524,005	-
Total	534,892	3,315

Note 15 - Cost of material consumed

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
Raw materials and bought out components consumed	319,991,253	93,776,860
	319,991,253	93,776,860

Note 16 - Purchase of stock-in-trade

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
Others	113,442,374	56,019,277
	113,442,374	56,019,277

Note 17 - Changes in inventory of finished goods, work-in-progress and stock-in-trade

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
Opening stock		
Finished goods	1,456,141	-
Work-in-progress	29,905,018	-
Less: Closing stock		
Finished goods	-	1,456,141
Work-in-progress	6,115,527	29,905,018
Stock-in-trade	152	
Net increase/ (decrease) in inventory of finished goods, work-in-progress and stock-in-trade	25,245,479	(31,361,158)

Note 18 - Employee benefits expense

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
(i) Salaries and wages	116,563,503	41,118,679
(ii) Staff welfare expenses	7,684,267	1,487,748
	124,247,770	42,606,427

Note 19 - Finance cost

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
(a) Interest costs on		
- Borrowings	3,013,444	-
- Others	-	118,015
	3,013,444	118,015

Note 20 - Depreciation and amortisation expense

Particulars	Amount in CRC	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
(a) Depreciation of Property, Plant and Equipment	12,320,088	3,430,094
	12,320,088	3,430,094


Note 21 - Other expenses

Amount in CRC

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
Power and fuel	3,957,535	-
Rates and taxes	13,163	363,847
Legal and professional	5,037,370	216,400
Repairs and maintenance		
-Plant & machinery	26,985,182	13,297,896
-Buildings	345,225	2,959,154
-Others	8,815,051	5,019,926
Freight and forwarding	52,397,888	4,714,914
Travelling and conveyance	21,605,463	2,505,113
Insurance	426,631	30,616
Rent	52,803,444	14,642,922
Advertising and sales promotion	703,276	-
Communication	3,386,272	1,281,448
Printing and stationery	600,371	297,595
Written off/provision for doubtful trade receivables, loans ar	-	(16,156)
Net loss on foreign currency transactions and translation	6,659,495	(334,968)
Loss on property plant and equipment discarded/scrap/writt	2,230,260	-
Bank charges	5,387,711	2,062,141
Vehicle hire expenses	6,200,000	11,980,751
Vehicle running expenses	6,595,861	2,268,110
Miscellaneous expenses	(387,040)	303,483
	203,763,158	61,593,192

See accompanying notes to the financial statements

For Swarnkar & Co.
Chartered Accountant
FRN 025928C


Deepak Kumar Swarnkar
(Proprietor)
M No 424940

Place: Jaipur
Date: 08/05/2019
Date:

For and on behalf of the Board of Directors


Vijendra Singh Tanwar
(Director)