



**J. A. RAJANI & CO.**  
CHARTERED ACCOUNTANTS

**PRITESH J. RAJANI**  
B. COM., F.C.A., D.I.S.A.

1/8, Ground Floor, Bhagwan Raja Nagar,  
Patel Estate Rd, Jogeshwari (W), Mumbai - 102.  
Tel.: 2679 6678 / 2678 2680  
Email: jarajanica@rediffmail.com

**INDEPENDENT AUDITOR'S REPORT**

To the members of LQ Arrow Security Products (India) Private Limited

**Report on the audit of the standalone financial statements**

**Opinion**

We have audited the accompanying financial statements of LQ Arrow Security Products (India) Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's Report but does not include the standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard on the even date.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system, in relation to the standalone financial statements, in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with the Management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 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 in relation to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting in relation to the standalone financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
According to information and explanations given to us, there no remuneration paid by the Company to its directors during the year .
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which will have an impact on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were 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 J. A. Rajani & Co.

Chartered Accountants

Firm Registration No: 108331-W



Proprietor

Membership No: 116740

Place: Mumbai

Date: 10<sup>th</sup> April 2019

## **ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **LQ Arrow Security Products (India) Private Limited** of even date]

### **Report on the Internal Financial Control over Financial Reporting under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("The Act")**

We have audited the internal financial control over financial reporting of **LQ Arrow Security Products (India) Private Limited** ("the Company") as of March 31, 2019 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 Board of Directors of the Company 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 respective 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting, in relation to the standalone financial statements, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. 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, in relation to the standalone financial statements, 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 control 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 control system over financial reporting in relation to the standalone financial statements of the Company.



## 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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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 authorizations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting, in relation to the standalone financial statements, and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 Control Over Financial Reporting issued by ICAI.

For J. A. Rajani & Co.

Chartered Accountants

Firm Registration No: 108331-W

Proprietor

Membership No: 116740

Place: Mumbai

Date: 10<sup>th</sup> April 2019



**"Annexure B" to the Independent Auditors' Report of even date on the Financial Statements of LQ Arrow Security Products (India) Private Limited**

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- 1) The Company does not hold any fixed assets. Thus, paragraph 3(i) of the Order is not applicable to the Company and hence not commented upon.
- 2) The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company and hence not commented upon.
- 3) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (c.) of the Order are not applicable to the Company and hence not commented upon.
- 4) 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 Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.  
  
b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.



- 11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has not been paid or provided during the year accordingly the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For J. A. Rajani & Co.

Chartered Accountants

Firm Registration No: 108331-W

Proprietor

Membership No: 116740

Place: Mumbai

Date: 10<sup>th</sup> April 2019





# LQ ARROW SECURITY PRODUCTS (INDIA) PRIVATE LIMITED

Notes to Financial Statements for year ended 31st March, 2019

## 1. Company Information

The Company is mainly in business of trade in all types of security products /security equipments.

## 2. Significant Accounting Policies

### A Compliance with Indian Accounting Standards (Ind AS):

- a) These Financial Statements (hereinafter referred to as 'Financial Statements') of the Company, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These financial statements were authorized for issue by the Company's Board of Directors on 10th April 2019

### Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest thousand, except otherwise indicated.

### Basis of measurement

These Financial statements are prepared under the historical cost convention unless otherwise indicated.

### Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

<sup>1</sup> - Useful lives of property, plant, equipment and intangibles (Refer note C)

- Measurement and likelihood of occurrence of provisions and contingencies (Refer note E & F)



## **B Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- 1) Sale of goods: Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are net of GST.
- 2) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- 3) Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

## **C Property, Plant and Equipment, Depreciation and Impairment:**

### **i) Property, Plant and Equipment**

Property, Plant and Equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of Property, Plant and Equipment includes taxes, duties, freight, borrowing cost, if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/ bringing the assets for their intended use.

Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising from derecognition of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

### **ii) Depreciation:**

Depreciation on Property, Plant and Equipment has been provided on written down value basis and manner prescribed in Schedule II to the Companies Act 2013.

## **D Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



### **E Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **F Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### **G Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet includes cash on hand, cheques on hand, cash at bank, other short term, highly liquid investments with original maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash on hand, cheques on hand, cash at bank, other short term, highly liquid investments with original maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and overdrawn bank balance.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payment and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated

### **H Financial instruments**

#### **Initial recognition and measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.



A handwritten signature in blue ink, consisting of a stylized 'R' followed by a long, sweeping line that curves upwards and to the right.

### **Subsequent measurement**

#### **i) Financial assets amortised at cost**

A financial asset is subsequently measured at amortised cost if it is held with in 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.

#### **ii) Financial assets at fair value through other comprehensive income**

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 principal and interest on the principal amount outstanding.

#### **iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### **iv) Financial liabilities**

Financial liabilities are subsequently carried at fair value through profit and loss. For trade payables and other liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition of financial instruments**

Financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or is transferred and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

### **Fair value measurement**

The Company measures financial instruments such as investments, at fair value at each Balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a 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 handwritten signature in blue ink, consisting of a stylized 'R' followed by a large 'A' and a checkmark-like flourish.

A fair value measurement of 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosure, 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 the fair value hierarchy as explained above.

#### **I Current–non-current classification**

All assets and liabilities are classified into current and non-current.

##### **Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.



A large, stylized handwritten signature in blue ink, located to the right of the stamp.

All other liabilities are classified as non-current.

#### **J Taxes on Income**

Income tax expense comprises current tax and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

The income tax expense or credit for the period is tax payable on the current year's taxable income based on the applicable income tax rate adjusted by change in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted / substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty, supported by convincing evidence that the assets will be realized in future against future taxable profits

Carrying amount of deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised against future taxable income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax asset and deferred tax liability relate to same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

#### **K Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD**  
**Statement of profit and loss for year ended 31st March 2019**  
 (All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	Notes	For the Year	For the Year
		Ended 31st March 2019	Ended 31st March 2018
<b>Income</b>			
Other Income	10	105	54
<b>Total Income</b>		<b>105</b>	<b>54</b>
<b>Expenses</b>			
Other Expenses	11	81	71
<b>Total Expenses</b>		<b>81</b>	<b>71</b>
<b>Profit Before Tax</b>		<b>24</b>	<b>(17)</b>
<b>Income tax expenses</b>			
Current Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit after tax</b>		<b>24</b>	<b>(17)</b>
Other Comprehensive Income (OCI)		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>24</b>	<b>(17)</b>
<b>Earnings per equity share</b>			
Basic and Diluted [Nominal value of the shares ₹. 10]	15	0.09	(0.07)

The accompanying notes are an integral part of these financial statements (1-18)

As Per our report of even date.

For **J. A. Rajani & Co.**  
Chartered Accountants



**P. J. Rajani**  
Proprietor  
Membership No.116740  
Place : Mumbai  
Date : 10th April 2019

For and on behalf of the Board of Directors  
LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD

*Shilpa Ph*  
Director

Place : Dubai

*A. K. K*  
Director

Place : Dubai

## LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD

Balance sheet as at 31st March 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
<u>Financial assets</u>			
(i) Investments	3	1,980	1,983
		<b>1,980</b>	<b>1,983</b>
<b>Current assets</b>			
<u>Financial assets</u>			
(i) Cash and Cash Equivalents	4	561	480
(ii) Other financial assets	5	4	30
		<b>565</b>	<b>509</b>
<b>TOTAL ASSETS</b>		<b>2,545</b>	<b>2,492</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(i) Equity Share capital	6	2,500	2,500
(ii) Other Equity	7	7	(17)
<b>Equity attributable to owners of the company</b>		<b>2,507</b>	<b>2,483</b>
<b>Current liabilities</b>			
<u>Financial liabilities</u>			
(i) Trade payables			
- Total outstanding dues to Micro and Small Enterprises		-	-
- Total outstanding dues to others	8	-	1
(ii) Other financial liabilities	9	38	9
		<b>38</b>	<b>9</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,545</b>	<b>2,492</b>
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements (1-18)

As Per our report of even date.

For J. A. Rajani & Co.  
Chartered Accountants



P. J. Rajani  
Proprietor  
Membership No.116740  
Place : Mumbai  
Date : 10th April 2019

For and on behalf of the Board of Directors  
LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD

  
Director

Place : Dubai

  
Director

Place : Dubai



**LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD**

Cash flow statement for the year ended 31st March 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
<b>A Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before Tax & Prior Period Items	24	(17)
Adjustment for		
Loss on Fair Valuation of Investment	3	17
Dividend Income	(105)	(54)
Operating Profit before Working Capital Changes	(79)	(54)
<b>Adjustment for:</b>		
(Increase)/Decrease in Other Current and non Current Assets	26	(30)
(Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions	29	9
Cash Generated from operations	(24)	(74)
Net Cash used in Operation	(24)	(74)
<b>B Cash Flow from Investing Activities</b>		
Investment	3	(2,000)
Dividend Income	102	54
Net Cash from Investing Activities	105	(1,946)
<b>C Cash Flow from Financing Activities</b>		
Issue of Share	-	2,500
Net Cash from Financing Activities	-	2,500
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>81</b>	<b>480</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>480</b>	<b>-</b>
<b>Closing Balance of Cash &amp; Cash Equivalent</b>	<b>561</b>	<b>480</b>

**Notes:**

Above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow"

The accompanying notes are an integral part of these financial statements (1-18)

As Per our report of even date.

For J. A. Rajani & Co.  
Chartered Accountants

For and on behalf of the Board of Directors  
LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD



P. J. Rajani  
Proprietor  
Membership No.116740  
Place : Mumbai  
Date : 10th April 2019

Director

Place : Dubai

Director

Place : Dubai

**LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD**  
**Statement of Changes in Equity for the period ended March 31, 2019**  
**(All amounts in Indian Rupees in thousand unless otherwise stated)**

**a. Equity shares of INR 10 each issued, subscribed and fully paid**

	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	2,50,000	2,500	-	-
Changes in equity share capital during the year	-	-	2,50,000	2,500
<b>Balance at the end</b>	<b>2,50,000</b>	<b>2,500</b>	<b>2,50,000</b>	<b>2,500</b>

**b. Other Equity**

	Reserves and Surplus		
	General Reserve	Retained Earnings	Total
<b>Balance at March 31, 2018</b>	-	(17)	(17)
Profit for the year	-	24	24
Other comprehensive income (net of tax)	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>24</b>	<b>24</b>
<b>Balance at March 31, 2019</b>	-	<b>7</b>	<b>7</b>

The accompanying notes are an integral part of these financial statements (1-18)

As Per our report of even date.

For J. A. Rajani & Co.  
Chartered Accountants

For and on behalf of the Board of Directors of  
LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD



P. J. Rajani  
Proprietor  
Membership No.116740  
Place : Mumbai  
Date : 10th April 2019

*[Signature]*  
Director

Place : Dubai

*[Signature]*  
Director

Place : Dubai

**LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD**

Notes to Financial Statements for year ended 31st March, 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 3</b>		
<b>Non current Investments</b>		
<b>Investment in Mutual Funds (Quoted) (Non Trade)</b>		
ICICI Prudential Equity Arbitrage Fund-Dividend		
- 145396.387 units (PY 145396.387 units)	1,980	1,983
	<b>1,980</b>	<b>1,983</b>
<b>Note 4</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balance with banks</b>		
On Current Accounts	561	478
Cash on Hand	0	2
	<b>561</b>	<b>480</b>
<b>Note 5</b>		
<b>Other financial assets</b>		
Balance with Government Authorities	-	3
Advances to Suppliers	-	27
Dividend Receivables	4	-
	<b>4</b>	<b>30</b>



**LQ Arrow Security Product (India) Private Limited**

Notes to Financial Statements for year ended 31st March, 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

Note no. 6 :

**a) Equity share capital**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Share Capital</b>				
Authorised share capital	5,00,000	5,000	5,00,000	5,000
Equity shares of ₹. 10 each				
Issued, Subscribed and Paid Up :				
Equity shares of ₹. 10 each fully paid	2,50,000	2,500	2,50,000	2,500
	2,50,000	2,500	2,50,000	2,500

**b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	2,50,000	2,500	-	-
Add: Issue of Equity Share Capital	-	-	2,50,000	2,500
Less:	-	-	-	-
Outstanding at the end of the year	2,50,000	2,500	2,50,000	2,500

**c) Terms /Rights attached to Equity shares**

The company has only one class of equity shares having par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Details of shares held by each shareholder holding more than 5% equity shares**

Name of Share holder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Arrow Greentech Limited	1,27,499	50.99%	2,49,999	99.99%
Landqart AG	1,22,500	49.00%	-	0%
<b>Total</b>	<b>2,49,999</b>	<b>99.99%</b>	<b>2,49,999</b>	<b>99.99%</b>



Handwritten signature in blue ink.

**LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD**

Notes to Financial Statements for year ended 31st March, 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Note 7</b>		
<b>Other Equity</b>		
Profit & Loss account	(17)	-
Add: Profit/(loss) for the year	24	(17)
	<b>7</b>	<b>(17)</b>
<b>Note 8</b>		
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues to others (Refer Note 12)	-	1
	-	<b>1</b>
<b>Note 9</b>		
<b>Other financial liabilities</b>		
Provision for expenses	38	9
	<b>38</b>	<b>9</b>



Handwritten signatures in blue ink.

## LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD

Notes to Financial Statements for year ended 31st March, 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	For the Year	For the Year
	Ended	Ended
	31st March 2019	31st March 2018
<b>Note 10</b>		
<b>Other Income</b>		
Dividend Income		
Dividend From Investment	105	54
<b>Total Other Income</b>	<b>105</b>	<b>54</b>
<b>Note 11</b>		
<b>Other Expenses</b>		
Legal & Professional Charges	39	31
Payment to Auditors (Inclusive of GST) (Refer Note 16)	37	9
Loss on fair valuation of Investments	3	17
Miscellaneous Expenses	3	15
<b>Total Expenses</b>	<b>81</b>	<b>71</b>



Handwritten signatures in blue ink.

## LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD

Notes to Financial Statements for year ended 31st March, 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

- 12 The Company does not possess information as to which of its suppliers are covered under micro, small and medium Enterprise Development Act, 2006. However, the company is regular in making payment to its suppliers and has not received any claim in respect of interest for delayed payment.
- 13 Based on the guiding principles given in Ind AS 108 - "Operating segments", the Company is primarily engaged in the business of trading and manufacturing of security based products. As the Company's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.
- 14 **Related party disclosures**  
Related parties with whom transactions have taken place during the year:

Sr.	Name of Related Party	Relationship
1	Arrow Greentech Limited	Holding Company
2	Landqart AG	Entities with Significant Influence
3	Shilpan Patel	Key Managerial Personnel
4	Neil Patel	
5	Axel Wilhelm Wappler	
6	Stefan Arpagaus	

There were no transactions with related party during the year.

- 15 **Earnings Per Share :**  
Calculation of basic and diluted EPS is as follows:

Particulars	31st March, 2019	31st March, 2018
Profit for the year attributable to Owners of the Company	23.54	(16.68)
Weighted average number of equity shares	2,50,000	2,50,000
Earning per Share Basic / Diluted (Rs.) (On Nominal Value of Rs. 10/- per Share)	0.09	(0.07)

- 16 **Payment to Auditors (Inclusive of GST)**

Particulars	31st March, 2019	31st March, 2018
Audit Fees	37	9
Taxation and Other Matters	30	-
<b>Total</b>	<b>67</b>	<b>9</b>



Handwritten initials/signature.

## LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD

Notes to Financial Statements for year ended 31st March, 2019

(All amounts in Indian Rupees in thousand unless otherwise stated)

### 17 Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

A	As at March 31, 2018	Carrying value			Fair value			
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>Non Current Financial assets</b>								
	Investments	-	1,983	-	1,983	1,983	-	-
		-	1,983	-	1,983	1,983	-	-
<b>Current Financial assets</b>								
	Cash and cash equivalents	480	-	-	480	-	-	-
	Other financial assets	30	-	-	30	-	-	-
		509	-	-	509	-	-	-
	<b>Total</b>	<b>509</b>	<b>1,983</b>	<b>-</b>	<b>2,492</b>	<b>1,983</b>	<b>-</b>	<b>-</b>
<b>Current Financial liabilities</b>								
	Trade payables	1	-	-	1	-	-	-
	Other financial liabilities	9	-	-	9	-	-	-
	<b>Total</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B</b>								
B	As at March 31, 2019	Carrying value			Fair value			
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>Non Current Financial assets</b>								
	Investments	-	1,980	-	1,980	1,980	-	-
		-	1,980	-	1,980	1,980	-	-
<b>Current Financial assets</b>								
	Cash and cash equivalents	561	-	-	561	-	-	-
	Other financial assets	4	-	-	4	-	-	-
		565	-	-	565	-	-	-
	<b>Total</b>	<b>565</b>	<b>1,980</b>	<b>-</b>	<b>2,545</b>	<b>1,980</b>	<b>-</b>	<b>-</b>
<b>Current Financial liabilities</b>								
	Trade payables	-	-	-	-	-	-	-
	Other financial liabilities	38	-	-	38	-	-	-
	<b>Total</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the reporting period ending 31 March 2019 and 31 March 2018, there was no transfer between level 2 and level 3 fair value measurements.



Handwritten signature and initials in blue ink.



18 Previous Years figures have been re grouped, re arranged wherever necessary to confirm current year classification.

As per our Report fo even date.



For J.A Rajani & Co.  
Chartered Accountants

P. J. Rajani  
Proprietor  
Membership No. 116740  
Place : Mumbai  
Date : 10th April 2019

For and on behalf of the Board of Directors of  
LQ ARROW SECURITY PRODUCTS (INDIA) PVT LTD

*Shrikanth P. K.*  
Director  
Place : Dubai

*A. K. Mehta*  
Director  
Place : Dubai