

KHANNA & PANCHMIA

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**To the Members of
Percept Waterproofing Services Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Percept Waterproofing Services Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the 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 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 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 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 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.

While conducting the 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.

303/304, Shyam Kamal "D", Tejpal Road, Vile Parle (E), Mumbai - 400
Tel: 022 2616 0149 / 022 2619 1557 E-mail : office@knpca.com



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 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.

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, of the state of affairs of the Company as at 31st March, 2016 and its profit and its 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 Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 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, Statement of Profit and Loss and 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 Standards 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 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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". Our report expresses an unmodified opinion on the adequacy opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- (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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

Place: Mumbai
Date: 2-5-2016



For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W

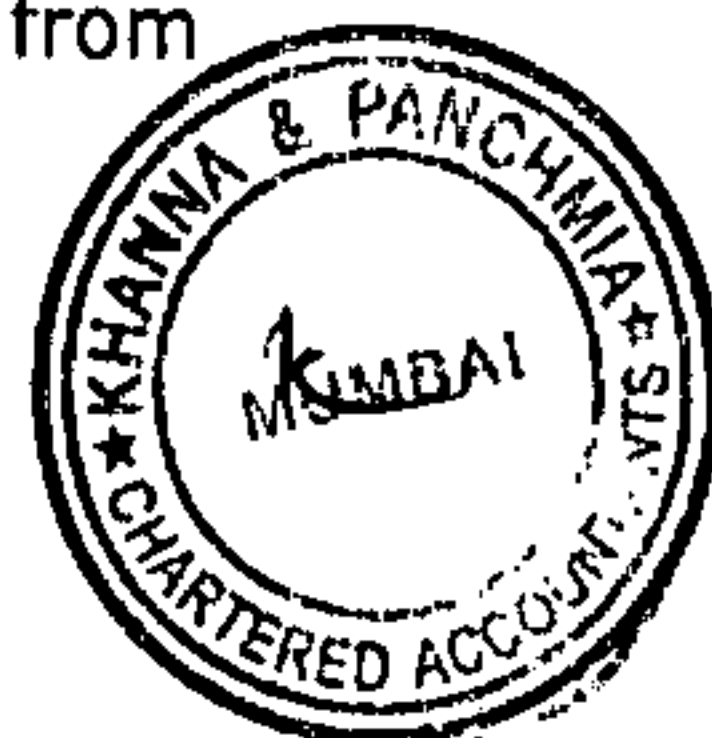
Ketan Panchmia

Ketan Panchmia
Partner
Membership No. 038985

Annexure "A" to the Independent Auditor's Report

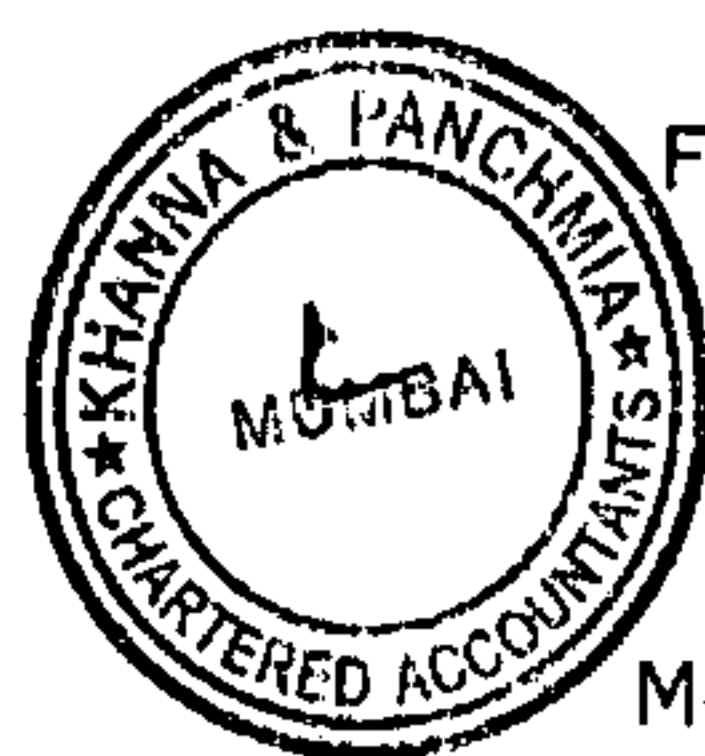
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i)
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to Information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) As the Company does not have any immovable properties, Clause 3(i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investment or provided guarantee. Hence, reporting under Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) The Cost records prescribed under Section 148(1) of the Act is not applicable to the Company and hence Clause 3(vi) of the Order is not applicable.
- (vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they become payable.



- (b) There were no dues which have not been deposited In respect of Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax on account of any dispute.
- (viii) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of its loans and borrowings to financial institutions, bank, government or dues to debentures holders.
- (ix) In our opinion and according to information and explanation given to us, The Company has utilised the Term Loan for the purpose for which they were raised. The Company has not raised any money by way of initial Public Offer or further public offer during the year.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officer/employees has been noticed or reported during the year nor have we been informed about any such case by the Management.
- (xi) In our opinion and according to information and explanations given to us, the Company has paid/provided remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- (xii) As the Company is not Nidhi Company, the reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai
Date: 2-5-2016



For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia

Ketan Panchmia
Partner
Membership No. 038985

Annexure "B" to the Independent Auditor's Report

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

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 **Percept Waterproofing Services Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

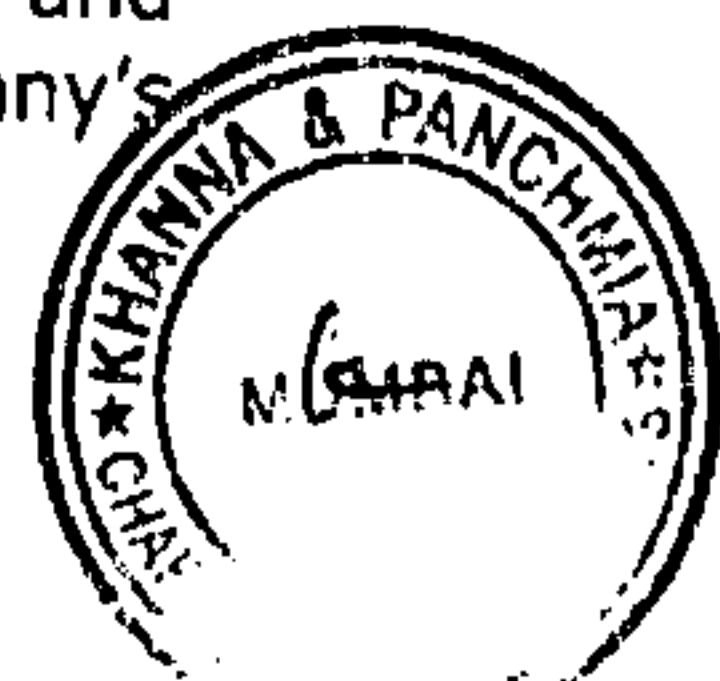
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, to the extent applicable to an audit of internal financial controls, 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 judgement, 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 adverse 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, to the best of information and explanations given to us, the Company has, in all materials respects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting are operating effectively as at March 31, 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.

Place: Mumbai
Date: 2-5-2016



For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia

Ketan Panchmia
Partner

Membership No. 038985



PERCEPT WATERPROOFING SERVICES LIMITED
Registered Office: Regent Chambers, 7th Floor,
Jamnalal Bajaj Marg, 208,
Nariman Point, Mumbai 400021,
Maharashtra, India
Tel: 022-22822708, Fax: 022 22043969

BALANCE SHEET AS AT MARCH 31st 2016

Particulars		Note No.	As at 31st March 2016	As at 31st March 2015
A	<u>EQUITY AND LIABILITIES</u>			
1	<u>Shareholder's Fund</u>			
	Share capital	2	600,00,000	600,00,000
	Reserves and surplus	3	142,41,968	76,53,161
2	<u>Non-current liabilities</u>			
	Long-term borrowings	4	16,98,000	25,00,004
	Deferred tax liabilities	5	23,21,506	27,00,199
3	<u>Current liabilities</u>			
	Short term borrowings	6	290,06,551	272,19,357
	Trade payables	7	1052,47,819	696,98,858
	Other current liabilities	8	233,20,529	160,90,257
	Short-term provisions	9	20,54,660	49,924
	TOTAL		2378,91,033	1859,11,760
B	<u>ASSETS</u>			
1	<u>Non-current assets</u>			
	Fixed assets			
	(i) Tangible assets	10	117,92,512	83,58,082
	(ii) Intangible Assets	10	308,98,944	379,85,486
	Long term Loan and Advances	11	70,30,816	25,90,318
	Other non-current assets	12	-	26,22,510
2	<u>Current assets</u>			
	Inventories	13	541,55,919	434,34,886
	Trade receivables	14	1086,76,483	773,83,836
	Cash and cash equivalents	15	49,129	74,969
	Short-term loans and advances	16	71,83,194	77,12,876
	Other current assets	17	181,04,036	57,48,797
	TOTAL		2378,91,033	1859,11,760
	Summary of Significant Accounting Policies	1		
	The accompanying notes form an integral part of the Financial Statements	2-40		

As per our report of even date attached

For Khanna & Panchmia
Chartered Accountants
Firm Reg.No:136041 W

Ketan Panchmia

Ketan Panchmia
Partner
Membership No. 38985

Place: Mumbai
Date: 02.05.2016

For and on behalf of the Board

M.S. Sudish

M.S. Sudish
Managing Director

[Signature]
Company Secretary

Sanjay Bahadur

Sanjay Bahadur
Director

Place: Mumbai
Date: 02.05.2016



PERCEPT WATERPROOFING SERVICES LIMITED
Registered Office: Regent Chambers, 7th Floor,
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Nariman Point, Mumbai 400021,
Maharashtra, India
Tel: 022-22022708, Fax: 022 22043969

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

SL. NO	PARTICULARS	NOTE NO	For the year ended	For the year ended
			31st March 2016	31st March 2015
1	Revenue From Operations	18	2915,53,771	2003,32,322
2	Other Income		1,10,748	10,74,155
3	Total Income (1+2)		2916,64,519	2014,06,477
4	Expenses			
	Cost of Materials Consumed	19	1550,52,302	1021,22,085
	Purchase of Stock in trade	20	245,99,600	172,92,605
	Changes in inventories of work in progress	21	(61,53,955)	(32,35,084)
	Direct Labour & Site Expenses	22	456,31,701	269,37,706
	Employee benefit expenses	23	368,70,739	273,90,880
	Finance Cost	24	37,74,281	18,82,982
	Depreciation and amortization expense	25	82,05,699	79,13,286
	Administrative and other expenses	26	156,74,917	98,83,074
	Total Expenses		2836,55,284	1901,87,534
5	Profit/(Loss) Before Tax		80,09,235	112,18,943
6	Provision For Tax			
	(a)Current year Tax		27,00,000	22,44,658
	(b)Deferred Tax		(3,78,693)	13,03,663
	(c) Excess provision of tax of previous year		(7,62,168)	-
7	Profit/(Loss) for the year after tax		64,50,096	76,70,622
8	EARNING PER EQUITY SHARE			
	Basic and Diluted		1.08	1.28
	Summary of Significant Accounting Policies	1		
	The accompanying notes form an integral part of the Financial	2-40		

As per our report of even date attached

For Khanna & Panchmia
Chartered Accountants
Firm Reg.No:136041W

Ketan Panchmia

Ketan Panchmia
Partner
Membership No. 38985

Place: Mumbai
Date: 02.05.2016

For and on behalf of the Board

M.S. Sudish

M.S. Sudish
Managing Director

Sanjay Bahadur

Sanjay Bahadur
Director

[Signature]
Company Secretary

Place: Mumbai
Date: 02.05.2016

PERCEPT WATERPROOFING SERVICES LTD

Notes forming part of financial statements.

1 Summary of Significant Accounting Policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements are prepared under the historical cost convention, on the basis of a going concern and as per applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India as notified under Section 133 of the Companies Act 2013. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis (except as otherwise stated)

(a) Presentation and disclosure of financial statements

As notified by Ministry of Corporate Affairs, Schedule III under the Companies Act, 2013 is applicable to the financial statements for the financial year commencing on or after 1st April, 2014. Accordingly, the financial statements for the period ended 31st March, 2016 are prepared in accordance with the Schedule III.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods

(c) Tangible Fixed Assets, Depreciation and Impairment Loss

1 Fixed Assets are stated at cost of acquisition or construction as reduced by accumulated depreciation and impairment loss, if any

2 The Company provides depreciation as under :-

(i) On Straight Line Method (SLM) based on useful life prescribed under schedule II of the Companies Act 2013.

(ii) For additions made during the year, depreciation is provided on pro-rata basis

3 In case, the recoverable amount of the fixed assets is lower than its carrying amount, provision is made for the impairment loss

(d) Intangible Assets, Amortization and Impairment Loss

1 The Trademarks acquired by the Company are amortized over a period of 10 years on SLM basis

2 In case, the recoverable amount of the intangible assets is lower than its carrying amount, provision is made for the impairment loss

3 The Non-Compete fees is amortized over a period of 3 years on SLM basis

(e) Inventories

1 Raw Materials and Packing materials, WIP are valued at cost or net realisable value which ever is lower

2 Work In Progress are valued as per Accounting Standard-7

3 Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for

(f) Revenue recognition

1 Accounting of Services relating to construction contracts

The Company follows the percentage of completion method, based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/ variations as per Accounting Standard 7 and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done

Revenue is recognized as follows:

a) In case of item rate contracts on the basis of physical measurement of work actually completed at the balance sheet date.

b) In case of Lump sum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration

2 Accounting of Sale of goods

Revenue from Sale of goods is recognized when the substantial risk and rewards of ownership is transferred to the buyer.

3 Accounting Policy for Claims

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received

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(g) Retirement and other employee benefits

- 1 Contribution to Provident and Employee State Insurance are funded as a percentage of salary/wages at the year end
- 2 Payment of Gratuity Act, 1972 is applicable and provision is made towards Gratuity liability on Actuarial method
- 3 Payment of Bonus Act, 1965 is applicable, but Bonus scheme will not arise for first 5 years of Operations of the company

(h) Taxes

Provision for current tax is made as per the Income Tax Act

(f) Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material are disclosed by way of notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements

(j) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

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PERCEPT WATERPROOFING SERVICES LTD

Notes forming part of financial statements.

2 SHARE CAPITAL

(Amount in Rs.)

	As at 31st March 2016	As at 31st March 2015
Authorized capital		
1,00,00,000 (1,00,00,000) shares of 10 each	100,00,000	100,00,000
Issued, called up, paid up capital		
60,00,000 (60,00,000) shares of 10 each	60,00,000	60,00,000
	60,00,000	60,00,000

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of shares	Amount	No. of shares	Amount
Shares at the beginning	6,000,000	60,000,000	6,000,000	60,000,000
Add: Shares issued during the year	-	-	-	-
Shares at end	6,000,000	60,000,000	6,000,000	60,000,000

b. Terms/ Rights attached to equity shares

i. The Company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share.

ii. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

c. Details of shareholders holding more than 5% shares in the Company

Name of the share holder	As at 31st March 2016		As at 31st March 2015	
	No. of shares	% held	No. of shares	% held
Pidilite Industries Limited (HOLDING COMPANY)	4,800,000	80%	4,800,000	80%
M.S.Sudsh	1,200,000	20%	1,200,000	20%
	6,000,000	100%	6,000,000	100%

3 RESERVES AND SURPLUS

(Amount in Rs.)

	As at 31st March 2016	As at 31st March 2015
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	7,653,101	(17,461)
Add: Prior year adjustment on account of Depreciation	138,711	-
Add: Profit for the year	6,450,090	7,670,622
TOTAL	14,241,902	7,653,161

PERCEPT WATERPROOFING SERVICES LTD

Notes forming part of financial statements.

4 LONG TERM BORROWINGS

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Secured - Term Loan From HDFC Bank	1,898,000	2,500,004
TOTAL	1,898,000	2,500,004

Secured by first exclusive charge on Stock, Book Debts and Non disposal undertaking backed by board resolution from Holding company Pidilite Industries Ltd.

5 DEFERRED TAX LIABILITIES (NET)

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Deferred Tax Liabilities (net)	2,321,506	2,700,189
TOTAL	2,321,506	2,700,189

6 SHORT TERM BORROWINGS

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Secured - Cash credit from HDFC Bank	25,374,547	24,719,381
Secured - Term Loan From HDFC Bank	3,632,004	2,499,999
TOTAL	29,006,551	27,219,357

Secured by first exclusive charge on Stock, Book Debts and Non disposal undertaking backed by board resolution from Holding company Pidilite Industries Ltd.

7 TRADE PAYABLES

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Sundry Creditors		
Micro, Small and Medium Enterprises	109,889	1,809,093
Others	105,077,930	67,889,765
TOTAL	105,247,819	69,698,858

8 OTHER CURRENT LIABILITIES

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Employee related liabilities		
Statutory remittances	4,738,972	3,079,584
Accrued Liabilities for Expenses	833,455	550,598
Provision for Warranty Expenses	3,720,038	4,871,070
Advances from Customers	418,028	-
Retention Money Payable	10,036,179	6,926,631
TOTAL	23,320,529	16,090,257

9 SHORT TERM PROVISIONS

	(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits		
Gratuity	273,641	49,924
Compensated absences	1,781,019	-
TOTAL	2,084,660	49,924

PERCEPT WATERPROOFING SERVICES LIMITED

10 FIXED ASSET SCHEDULE AS AT 31-03-2016

Description Of Asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	As at 01.04.2015	Provided during the year	Prior Year Adjustment	Deductions/A djustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1. Tangible											
Computer and Accessories	592,324 (78,390)	259,963 (513,934)	- -	852,287 (592,324)	104,392 (2,149)	227,980 (102,243)	- -	- -	332,372 (104,392)	519,915 (487,932)	487,932 (76,241)
Furniture & Fixtures	806,149 -	- (806,148)	- -	806,149 (806,148)	47,848 -	76,584 (47,847)	- -	- -	124,432 (47,847)	681,717 (758,301)	758,301 -
Office Equipments	130,101 (6,400)	76,800 (123,701)	- -	206,901 (130,101)	4,717 (33)	36,024 (4,684)	13,088 -	- -	53,828 (4,717)	153,072 (125,384)	125,384 (6,367)
Plant & Machinery	7,473,385 (2,279,019)	3,825,370 (5,202,965)	- (8,600)	11,298,755 (7,473,384)	486,919 (5,074)	534,812 (481,844)	(160,784) -	- -	860,947 (486,918)	10,437,808 (6,986,466)	6,986,466 (2,273,944)
Total	9,001,959 (2,363,809)	4,162,133 (6,646,748)	- (8,600)	13,164,092 (9,001,957)	643,876 (7,256)	875,400 (636,618)	(147,696) -	- -	1,371,580 (643,874)	11,792,512 (8,358,083)	8,358,083 (2,356,552)
2. Intangible											
Non Compete	11,236,000 (11,236,000)	- -	- -	11,236,000 (11,236,000)	4,442,720 (697,761)	3,744,958 (3,744,959)	- -	- -	8,187,678 (4,442,720)	3,048,322 (6,793,280)	6,793,280 (10,538,239)
Software	133,103 (51,599)	252,742 (81,503)	- -	385,845 (133,102)	8,986 (1,159)	61,458 (7,826)	8,985 -	- -	79,429 (8,985)	306,416 (124,117)	124,117 (50,440)
Trade mark	35,238,820 (35,238,820)	- -	- -	35,238,820 (35,238,820)	4,170,732 (646,850)	3,523,882 (3,523,882)	- -	- -	7,694,614 (4,170,732)	27,544,206 (31,068,088)	31,068,088 (34,591,970)
Total	46,607,923 (46,526,419)	252,742 (81,503)	- -	46,860,665 (46,607,922)	8,622,438 (1,345,770)	7,330,298 (7,270,667)	8,985 -	- -	15,961,721 (8,622,437)	30,898,944 (37,985,485)	37,985,485 (45,180,649)
GRAND TOTAL	55,609,882 (48,890,228)	4,414,875 (6,728,251)	- (8,600)	60,024,757 (55,609,879)	9,266,314 (1,353,026)	8,205,698 (7,913,285)	(138,711) -	- -	17,333,301 (9,266,311)	42,691,456 (46,343,568)	46,343,568 (47,537,201)

PERCEPT WATERPROOFING SERVICES LTD

Notes forming part of financial statements.

11 LONG TERM LOANS & ADVANCES		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Advance Payment of Tax (Net of Provisions)	5,440,667	2,590,318	
Balance with Govt Authorities	1,502,149	-	
TOTAL	7,030,816	2,590,318	
12 OTHER NON CURRENT ASSETS		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Security Deposits (Under Lien)	-	2,622,510	
TOTAL	-	2,622,510	
13 INVENTORIES		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Raw Material	43,666,888	39,099,890	
Work in Progress	10,488,951	4,334,998	
TOTAL	54,155,839	43,434,888	
14 TRADE RECEIVABLES		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
(Unsecured)			
Outstanding over six months :			
Considered good	11,012,270	4,452,510	
Others :			
Considered good	87,064,207	72,931,326	
TOTAL	108,676,483	77,383,836	
15 CASH AND BANK BALANCE		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Cash in hand	18,323	34,025	
HDFC petty cash card accounts	30,806	40,944	
TOTAL	49,129	74,969	
16 SHORT TERM LOANS AND ADVANCES		(Amount in Rs.)	
	Sub schedule	As at 31st March 2016	As at 31st March 2015
(Unsecured, considered good unless stated otherwise)			
Short-term Loans and Advances			
Security Deposits		2,299,900	1,177,400
Balance with Govt Authorities		3,312,888	3,581,049
Advance to Vendors		495,979	2,731,771
Other Advances Considered good		-	-
Prepaid Expenses		166,137	-
Loans and Advance to Employees		908,290	222,656
TOTAL		7,183,194	7,712,876
17 OTHER CURRENT ASSETS		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Retention receivable	16,196,892	5,046,153	
Uncertified Revenue from Works Contract	1,907,144	609,042	
Accrued Interest	-	33,602	
TOTAL	18,104,036	5,748,797	
18 REVENUE FROM OPERATIONS		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Revenue from Operations			
Certified Revenue from Works Contract	259,648,146	170,415,298	
Uncertified Revenue from Works Contract	1,907,144	-	
Trading Sales	29,998,481	20,817,024	
TOTAL	291,553,771	200,332,322	

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PERCEPT WATERPROOFING SERVICES LTD

Notes forming part of financial statements.

19 Cost of Materials Consumed		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Inventory at the beginning of the year	39,099,890	10,233,268	
Add : Purchases	159,819,360	130,988,707	
	198,719,270	141,221,975	
Less : Inventory at the end of the year	43,666,968	39,099,890	
TOTAL	155,052,302	102,122,085	
20 PURCHASE OF STOCK IN TRADE		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Chemicals	24,599,600	17,292,605	
TOTAL	24,599,600	17,292,605	
21 CHANGES IN INVENTORIES OF WORK IN PROGRESS		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Opening stock of work in progress	4,334,896	1,099,912	
Less : Closing stock of work in progress	10,488,951	4,334,896	
TOTAL	(6,153,955)	(3,235,084)	
22 Direct Labour & Site Expenses		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Manpower Cost at Sites	35,254,559	18,830,054	
Site Establishment Expenses	10,377,142	8,107,052	
TOTAL	45,631,701	26,937,706	
23 EMPLOYEE BENEFIT EXPENSES		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Salaries	34,952,666	25,955,216	
Contribution to Provident Fund	975,200	910,810	
Staff welfare expenses	942,873	524,854	
TOTAL	36,870,739	27,390,880	
24 FINANCE COST		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Interest Expenses	3,774,281	1,882,982	
TOTAL	3,774,281	1,882,982	
25 DEPRECIATION AND AMORTISATION		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Depreciation on Tangible Assets	875,400	636,619	
Amortisation on Intangible Assets	7,330,299	7,276,667	
TOTAL	8,205,699	7,913,286	
26 ADMINISTRATIVE AND OTHER EXPENSES		(Amount in Rs.)	
	As at 31st March 2016	As at 31st March 2015	
Office Rent	2,168,303	1,524,168	
Travelling expenses	4,613,047	3,022,683	
Promotional expenses	708,136	546,448	
Payments to Auditors			
- Statutory Audit fees	171,750	200,000	
- Tax Audit fees	57,250	-	
- Others	35,910	-	
Professional Charges	1,229,739	867,461	
Guest house expenses	443,328	423,207	
License and Statutory fee	586,036	943,390	
Office expenses	799,200	656,997	
Electricity charges	141,338	138,040	
Postage and telegram	383,902	116,974	
Printing and stationery	354,991	433,804	
Bank charges	217,935	352,763	
Repairs & Maintenance	369,106	317,791	
Insurance Charges	651,581	339,298	
Foreign Exchange Loss on Import	291,526	-	
Warranty Expenses	415,628	-	
Manpower Cost	1,898,151	-	
TOTAL	15,674,817	9,883,074	

PERCEPT WATERPROOFING SERVICES LTD

Notes forming part of financial statements.

27. Contingent Liabilities and Commitments

		(Amount in Rs.)	
		As at 31st March, 2016	As at 31st March, 2015
A)	Contingent liabilities not provided for:		
	Guarantees given by Banks in favour of Government and Customers	41,078,230	25,321,185
B)	Commitments:		
	Other Commitments - Non Cancellable Operating Leases (Refer Note 37)	-	-
28.	The net amount of exchange differences (credited) / debited to Statement of Profit and Loss	291,526	-
29.	Details of consumption of Imported and Indigenous Raw Materials and Packing Materials and percentage thereof :		

	For the year ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	(Amount in Rs.)		%	
Material Consumed				
Imported	4,207,009	837,624	2.7	0.8
Indigenous	150,845,293	101,484,461	97.3	99.4
TOTAL	155,052,302	102,122,085	100.0	100.0

30. Value of Imports calculated on CIF basis

		(Amount in Rs.)	
		For the year ended 31st March, 2016	For the year ended 31st March, 2015
Materials			
Capital Goods		6,803,764	637,624
TOTAL		2,354,521	839,270
		9,158,285	1,476,894

31. Expenditure in foreign currency (accrual basis)

		(Amount in Rs.)	
		For the year ended 31st March, 2016	For the year ended 31st March, 2015
Foreign Travel			
TOTAL		158,028	-
		158,028	-

32. Segment Information

In accordance with the principles given in Accounting Standard on Segment Reporting (AS 17) notified by Companies (Accounting Standards) Rules, 2006, the Company has one reportable business segment i.e. "Waterproofing Services". The Company has no other reportable segment. Further, business of the Company is within India hence there is no Geographical segment.

33. Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

		(Amount in Rs.)	
		As at 31st March 2016	As at 31st March 2015
Basic & Diluted:			
Total Operations for the year			
Profit for the year			
No. of Equity Shares		6,450,096	7,870,622
Par value per share (Rs.)		6,000,000	6,000,000
Earning per share (Basic) (Rs.)		10.00	10.00
		1.08	1.28

34. Related Party Disclosures

Related Party Disclosures as required by AS-18, "Related Party Disclosure" are given below:

(i) Relationships:

- a. Pidilite Industries Ltd. Holding Company
- b. Percept Engineers Private Ltd. Enterprise on which Key Management having significant influence
- c. Nina Waterproofing Systems Pvt Ltd. Holding Company is having a significant influence
- d. Hybrid Coatings. Holding Company is having a significant influence

(ii) Key Management Personnel :

- a. Shri M S Sudish Managing Director

Transactions with Related Parties for the year ended 31st March, 2016 are as follows :

Nature of Transaction	Remuneration to Directors	(Amount in Rs.)			
		Pidilite Ind Ltd	Percept Engineers Pvt Ltd.	Nina Waterproofing Systems Pvt Ltd	Hybrid Coatings
a Sales /Works Contact Income		305,061	5,415,827	5,772,407	-
b Other Income		(2,189,534)	(53,809,821)	-	-
c Purchases and Other Services		-	-	53,334	-
d Remuneration to Directors: Managing Director	6,781,872 (6,676,056)	130,011,069 (131,753,301)	(6,282,657)	-	10,000
e Outstanding Balances :					
- Debtors including advances		-	4,012,291	368,617	-
- Creditors		81,560,850 (66,037,623)	(15,423,378)	-	10,000
- Net Receivable/(Payable)		-	-	-	-

Notes forming part of financial statements.

35. Employee Benefits

The Company has classified various employee benefits as under :

- (A) Defined Contribution Plans
- (a) Provident Fund
 - (b) State Defined Contribution Plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss :

	(Amount in Rs.)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(i) Contribution to Provident Fund	4,22,299	3,58,237
(ii) Contribution to Employees' State Insurance Scheme	76,147	1,94,099
(iii) Contribution to Employees' Pension Scheme 1995	4,76,754	3,58,474
TOTAL	9,75,200	8,10,810

(B) Defined Benefit Plans

- (a) Gratuity
- (b) Compensated absences

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions

(i) Discount Rate (per annum)	7.40%	7.75%
(ii) Rate of increase in Compensation levels (per annum)	6.50%	6.50%
(iii) Attrition Rate	35.00%	20.50%
(iv) Retirement Age	60 years	60 years

- (v) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.
- (vi) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations
- (vii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

	(Amount in Rs.)	
	31st March 2016	31st March 2015
	Gratuity	Gratuity
(i) Changes in Present value of Obligation		
(a) Opening Present value of Obligation	49,924	-
(b) Interest Cost	3,869	-
(c) Current Service Cost	47,156	-
(d) Benefits Paid	-	-
(e) Actuarial (Gains)/Loss	-	-
(f) Closing Present value of Obligation	1,72,688	49,924
(ii) Changes in Fair value of Plan Assets	2,73,637	49,924
(a) Opening Present value of Plan Assets	-	-
(b) Expected Return on Plan Assets	-	-
(c) Actuarial Gain/(Loss)	-	-
(d) Employer's Contributions	-	-
(e) Benefits Paid	-	-
(f) Closing Fair value of Assets	-	-
(iii) Actual Return on Plan Assets	-	-
(a) Expected Return on Plan Assets	-	-
(b) Actuarial Gains/(Losses) on Plan Assets	-	-
(c) Actual Return on Plan Assets	-	-
(iv) Percentage of each category of Plan Assets to total closing fair value	-	-
(a) Administered by Life Insurance Corporation of India	-	-
(v) Reconciliation of the Present Value of Defined Present Obligations and Fair Value of Assets	-	-
(a) Closing Present value of Funded Obligation	2,73,637	49,924
(b) Closing Fair value of plan Assets	-	-
(c) Funded (Asset) / Liability recognised in the Balance Sheet	2,73,637	49,924
(vi) Amounts recognized in the Balance Sheet	2,73,637	49,924
(a) Closing Present value of Obligation	2,73,637	49,924
(b) Closing Fair value of Plan Assets	-	-
(c) (Asset) / Liability recognized in the Balance Sheet	2,73,637	49,924
(vii) Expenses recognized in the Statement of Profit and Loss	2,73,637	49,924
(a) Current Service Cost	47,156	-
(b) Interest Cost	3,869	-
(c) Expected Return on Plan Assets	-	-
(d) Net Actuarial (Gain) / Loss	1,72,688	-
(e) Total Expenses recognized in the Statement of Profit and Loss	2,23,713	-

(viii) Experience adjustments

Particulars	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Fair value of Plan Assets, End of Period	-	-	-	-
Projected Benefit Obligation, End of Period	2,73,637	49,924	-	-
(Surplus)/Deficit in the Plan	2,73,637	49,924	-	-
Experience Adjustments on Plan Assets	-	-	-	-
(Gains)/Losses due to change in Assumptions	1,26,021	-	-	-
Experience (Gains)/Losses on PBO	46,667	-	-	-
Total (Gain)/Loss	1,72,688	-	-	-

(ix) Expected company contribution for the next year

-

36 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

	(Amount in Rs.)	
	As at 31st March, 2016	As at 31st March, 2015
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	169,889	1,809,093
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
TOTAL	169,889	1,809,093

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.

37. Operating Lease

a) Operating lease payment recognised in Statement of Profit and Loss amounting to Rs. 2,168,303/- (Rs. 1,524,168/-)

b) General description of the leasing arrangement:

i) Leased Assets : Godowns, Office space, etc.

ii) Future lease rentals are determined on the basis of agreed terms.

iii) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

The Company has entered into operating lease arrangements for certain facilities. The lease is cancellable for a period of 11 months to 3 years and may be renewed for a further period based on mutual agreement of the parties.

38. In the opinion of the Management, all assets other than Fixed Assets and Non- Current investments have a realisable value in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

39. Figures in brackets indicate previous year's figures.

40. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.



PERCEPT WATERPROOFING SERVICES LIMITED
 Registered Office: Regent Chambers, 7th Floor,
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 Narlman Point, Mumbai 400021,
 Maharashtra, India
 Tel: 022-22822708, Fax: 022 22043969

CASH FLOW STATEMENT FOR PERCEPT WATERPROOFING SERVICES LIMITED

Cash Flow Statement

Particulars	For the Period ended 31 March, 2016		For the Period ended 31 March, 2015	
	RS.	RS.	RS.	RS.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		8,009,235		11,218,943
<i>Adjustments for:</i>				
Depreciation and amortization	8,205,699		7,913,286	
Finance costs	3,774,281		-	
Operating profit / (loss) before working capital changes		11,979,980		7,913,286
<i>Changes in working capital:</i>		19,989,215		19,132,229
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(10,721,033)		(32,101,706)	
Trade receivables	(31,292,647)		(72,407,244)	
Short-term loans and advances	(1,052,467)		(7,602,565)	
Other current assets	(12,355,239)		3,046,072	
		(55,421,386)		(109,065,443)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	35,548,961		50,609,990	
Other current liabilities	7,230,272		12,163,286	
Short-term provisions	2,004,737		-	
Cash generated from operations		44,783,970		62,773,276
Net income tax (paid) / refunds		9,351,799		(27,159,938)
		(4,796,181)		-
Net cash flow from / (used in) operating activities (A)		4,555,618		(27,159,938)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(4,414,875)	(4,414,875)	(6,719,651)	(6,719,651)
Net cash flow from / (used in) investing activities (B)		(4,414,875)		(6,719,651)
C. Cash flow from financing activities				
Net Proceeds from Issue of share capital			-	
Net Proceeds from long-term borrowings	330,004		5,000,000	
Net Proceeds from short-term borrowings	655,184		24,719,361	
Net Proceeds from Security Deposit Prematured	2,622,510		-	
Finance cost	(3,774,281)		-	
Net cash flow from / (used in) financing activities (C)		(166,583)		29,719,361
		(166,583)		29,719,361
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(25,840)		(4,160,228)
Cash and cash equivalents at the beginning of the year		74,969		4,235,199
Cash and cash equivalents at the end of the year		49,128		74,969

Subject to our Report of even Date

For Khanna & Panchmia
 Chartered Accountants
 Firm Reg.No:136041 W

Ketan Panchmia

Ketan Panchmia
 Partner
 Membership No. 38985

Place: Mumbai
 Date: 02.05.2016

For and on behalf of the Board

M.S. Sudish

M.S. Sudish
 Managing Director

S. W.
 Company Secretary

Sanjay Bahadur

Sanjay Bahadur
 Director

Place: Mumbai
 Date: 02.05.2016