

Independent Auditors' Report

To the Members of
M/s Prayag Thermoplast Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Prayag Thermoplast Private Limited**, which comprises the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies(Accounts) Rules,2014.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true & fair view and free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting & auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with Notes to accounts and Significant Accounting policies, give the information required by the Act in the manner so required and give a 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 flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As the company is a Private Limited Company with paid-up capital and reserves not more than fifty lakhs and which does not have loan outstanding exceeding rupees twenty five lakhs from any bank or financial institution and does not have a turnover exceeding rupees five crores at any point of time during the financial year, the provisions of Companies (Auditors' Report) Order, 2003), as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (collectively the Order) issued by the Central Government of India in terms of section 227 (4A) of the Companies Act.1956, is not applicable to the company.
2. As required by Section 143(3) of the Act, we report that :-
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts, as required by the law have been kept by the company so far as it appears from our examination of such books;
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with books of accounts;
 - d. In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we are informed that none of the Director 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 I, and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanation gives to us :
- i. The company did not have any pending litigations
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The company is not required to transfer the amount to the investor education & protection fund

**FOR R.N.SARDA & ASSOCIATES.
CHARTERED ACCOUNTANTS,
FIRM REG. NO: 126475W**

**(R.N.SARDA)
CHARTERED ACCOUNTANT
PROPRIETOR
MEMBERSHIP NO: 118325**

**NAGPUR,
DATED: 5 SEPTEMBER, 2016**

M/s PRAYAG THERMOPLAST PVT. LTD

Annexure I to Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2003 ("the Act ")

We have audited the internal financial Controls over financial reporting of Prayag Thermoplast Pvt. Ltd ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the " Guidance Note ") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Control and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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 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 may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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: NAGPUR
DATED : 5 SEPTEMBER, 2016

FOR R.N.SARDA & ASSOCIATES;
CHARTERED ACCOUNTANT
FIRM REG NO. 126475W

(RAJESH SARDA)
CHARTERED ACCOUNTANT
PROPRIETOR
MEM NO. 118325

M/S PRAYAG THERMOPLAST PVT LTD
BALANCE SHEET AS ON 31ST MARCH, 2016

EQUITY AND LIABILITIES	NOTES	AS ON 31.03.2016	AS ON 31.03.2015
SHAREHOLDER'S FUNDS			
Share Capital	"1"	30,40,000	30,40,000
Reserves & Surplus	"2"	(5,18,272)	(4,61,777)
NON CURRENT LIABILITIES			
Long Term Borrowings		-	-
Deferred Tax Liabilities		-	-
Other Long Term Borrowing	"3"	84,11,363	80,04,713
Long Term Provisions		-	-
		1,09,33,091	1,05,82,936
CURRENT LIABILITIES			
Trade Payables	"4"	34,370	34,370
Other current Liabilities		-	-
Short Term Provisions	"5"	51,890	53,750
		86,260	88,120
	TOTAL	1,10,19,351	1,06,71,056
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS			
Tangible Assets			
Gross Block	"6"	1,02,69,672	1,02,69,672
Less : Depreciation		-	-
		1,02,69,672	1,02,69,672
Tangible Capital Work in Progress		-	-
		1,02,69,672	1,02,69,672
Non-current investments		-	-
Deferred Tax Assets		-	-
Long Term Loans & Advances		-	-
Other non current assets		-	-
CURRENT ASSETS			
Current Investment		-	-
Inventories		-	-
Trade Receivables		-	-
Cash & Bank Balances	"7"	3,06,371	4,01,384
Short Term Loans & Advances		-	-
Other current assets	"8"	4,43,308	-
		7,49,679	4,01,384
	TOTAL	1,10,19,351	1,06,71,056
Significant Accounting Policies and Notes on Account	"1-16"	Signed as per our report of even date attached	
FOR PRAYAG THERMOPLAST PVT LTD		R.N.SARDA & ASSOCIATES	
		CHARTERED ACCOUNTANTS	
GHANSHYAMDAS MUNDRA	NEERAJ SARDA	(RAJESH SARDA)	
DIRECTOR	DIRECTOR	CHARTERED ACCOUNTANT	
		PROPRIETOR	
PLACE : NAGPUR		MEMBERSHIP NO : 118325	
DATED : 05.09.2016		FIRM REG NO.124675W	

M/S PRAYAG THERMOPLAST PVT LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit & Loss	(56,495)	(62,807)
<i>Adjustment for :</i>		
(+) Depreciation	-	-
(+) Preliminary expenses W/off	-	-
(+) Finance Cost	-	-
(-) Interest received	-	-
(-) Dividend	-	-
(-) Interest on Investment (FDR)	-	-
(-) Profit on sale of vehicle	-	-
Operating profit before working capital change	(56,495)	(62,807)
(Increase)/decrease in debtor	-	-
(Increase)/decrease in Inventories	-	-
(Increase)/decrease in deposits	-	-
(Increase)/decrease in other current assets	(4,43,308)	-
Increase/(decrease) in creditors	-	-
Increase/(decrease) in payables	4,04,790	4,04,772
Cash generated from Operations	(95,013)	3,41,965
Income Tax paid	-	-
Previous year adjustment	-	-
Net cash from Operating activities	(A)	3,41,965
B. CASH FLOW FROM INVESTING ACTIVITY		
Interest Recived	-	-
Interest on FDR	-	-
(Increase)/decrease in Investment	-	-
(Increase)/decrease in loans & advances	-	-
(-) Purchase of fixed assets	-	-
(-) Purchase of fixed assets -WIP	-	(4,48,136)
(+) sale of fixed asset	-	(4,48,136)
Net cash used in investing activities	(B)	(4,48,136)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term & other Borrowings	-	-
Repayment of Long term & other Borrowings	-	-
Issue of Share Capital at Premium	-	-
Interest expenses	-	-
Dividend paid	-	-
Tax on Dividend	-	-
Preliminary Expenses	-	-
Net cash from Financing activities	(C)	-
Net Increase in cash & cash equivalents	(A+B+C)	(1,06,171)
Cash & Cash equivalents at the beginning of the year	4,01,384	5,07,555
Cash & Cash equivalents at the end of the year	3,06,371	4,01,384
Notes:		
1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" issued by Institute of Chartered accountants of India.		
2. Cash & Cash equivalents at the end of the year represents cash & bank balances and excudes Fixed Deposits with the bank.		
3. Previous year's figures have been regrouped/reclassified wherever applicable.		
FOR PRAYAG THERMOPLAST PVT LTD		SIGNED AS PER OUR REPORT OF EVEN DATE ATTACHED
		FOR R.N.SARDA & ASSOCIATES
		CHARTERED ACCOUNTANTS
		FIRM REG NO : 126475W
GHANSHYAMDAS MUNDRA	NEERAJ SARDA	
DIRECTOR	DIRECTOR	(RAJESH SARDA)
		PROPRIETOR
PLACE : NAGPUR		MEMBERSHIP NO. 118325
DATED : 05.09.2016		

M/S. PRAYAG THERMOPLAST PRIVATE LIMITED, NAGPUR

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting Basis & Convention:

The Financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principle in India ("Indian GAAP") and comply with the Accounting Standards prescribed in the companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act,2013 ("the Act") read with Rule 7 of the Companies (account) Rules,2014 and other relevant provisions of Companies Act,1956, to the extend applicable. These Financial Statements have been prepared and presented as a going concern under historical cost convention on accrual basis of accounting.

b) Revenue Recognition:

Revenue is recognized on accrual basis.

c) Fixed Assets:

Fixed Assets are stated at cost less depreciation. The Company capitalises all costs relating to the acquisition and installation of Fixed Assets.

d) Inventory:

No business was carried during the year hence no Inventories are maintained.

e) Depreciation :

During the year no depreciation have been charged.

f) Accounting for taxes on Income:

Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognized, subject to the consideration of prudence, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized, such assets are reviewed at each Balance Sheet date to reassess the realisability thereof. During the year under consideration no provision for taxation is made & no deferred tax assets/Liabilities has been provided since there are no timing difference.

M/S PRAYAG THERMOPLAST PVT LTD

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the Current year presentation

		AS ON 31.03.2016	AS ON 31.03.2015	
NOTE " 1 " - SHARE CAPITAL				
AUTHORISED CAPITAL				
	500000 equity shares of Rs.10 each	50,00,000	50,00,000	
	(Prev year 500000 Equity shares of Rs.10/- each)	50,00,000	50,00,000	
ISSUED , SUBSCRIBED & PAID UP				
	304000 Equity Shares of Rs. 10/- each	30,40,000	30,40,000	
	(Prev year 304000 Equity shares of Rs.10/- each)	30,40,000	30,40,000	
1.1	Reconciliation of number of shares outstanding :			
	Equity shares at the beginning of the year	3,04,000	3,04,000	
	Add : Shares issued	-	-	
	Less : Shares cancelled	-	-	
	Equity shares at the end of the year	3,04,000	3,04,000	
1.2	Out of the Equity Shares issued by company, shares held by its holding company, ultimate holding company, & their subsidiaries/ associates are as below :			
	Name of Shareholders	As on 31.03.2016	As on 31.03.2015	
		No. of shares	No. of shares	
	<u>EQUITY SHARES</u>			
	Chattisgarh Investments Limited	3,02,000	3,02,000	
	Neeraj Sarda	1,000	1,000	
	Ghanshyamdas Mundra	1,000	1,000	
1.3	The details of Shareholders holding more than 5% shares.			
	Name of Shareholders	As on 31.03.2016	As on 31.03.2015	
		No. of shares	No. of shares	%
	<u>EQUITY SHARES</u>			
	Chattisgarh Investments Limited	3,02,000	3,02,000	99
NOTE " 2 " - RESERVE & SURPLUS				
<u>Securities Premium Account</u>				
	Balance As per Last Financial Statement	-	-	
	Add : Write Back during the year	-	-	
	Add : Received during the year on issue of equity Shares	-	-	
	Less : Amount utilised toward preference Share redemption premium	-	-	
	Less : Amount utilised towards security issue expenses	-	-	
	Closing Balance	-	-	
<u>Surplus/(Deficit) in Statement of Profit & Loss Account</u>				
	Balance as per Last Financial Statement	(4,61,777)	(3,98,970)	
	Add : Surplus brought forward	(56,495)	(62,807)	
	Less : Appropriation	-	-	
	Net Surplus/(Deficit) in Statement of Profit & Loss	(5,18,272)	(4,61,777)	
		(5,18,272)	(4,61,777)	

M/S PRAYAG THERMOPLAST PVT LTD

NOTE " 7 " - FIXED ASSETS

S.NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 01/04/2015	ADDITIONS	DELETIONS / TRANSFER	AS ON 31-03-16	AS ON 01/04/2015	FOR THE YEAR	DEP ON SOLD ASST	AS ON 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
	TANGIBLE ASSETS										
1	LAND (MIDC LEASEHOLD)	26,42,535.00	-	-	26,42,535.00	-	-	-	-	26,42,535.00	26,42,535.00
2	FACTORY BUILDING & SHED	69,47,381.70	-	-	69,47,381.70	-	-	-	-	69,47,381.70	69,47,381.70
3	PLANT & MACHINERY	6,79,755.00	-	-	6,79,755.00	-	-	-	-	6,79,755.00	6,79,755.00
	TOTAL	1,02,69,671.70	-	-	1,02,69,671.70	-	-	-	-	1,02,69,671.70	1,02,69,671.70
	PREVIOUS YEAR	98,21,535.70	4,48,136.00	-	1,02,69,671.70	-	-	-	-	1,02,69,671.70	98,21,535.70

M/S PRAYAG THERMOPLAST PVT LTD

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

		FOR THE YEAR ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.2015
NOTE " 8 " - OTHER EXPENSES			
ADMINISTRATIVE EXPENSES			
Audit Fees		11,500	10,000
Bank Commission & Charges		229	112
Conveyance Expenses		29,000	40,040
Filing Fees		10,150	10,000
Printing & Stationery		-	320
Lobour Expenses		1,125	-
Office & General Expenses		1,491	2,335
Professional Charges		3,000	-
	TOTAL	56,495	62,807
8.1	Payment To Auditors		
	Statutory Audit Fees	10,000	10,000
	Tax Audit Fees	-	-
	Service Tax	1,500	-
		11,500	10,000
		<u>0</u>	
		<u>0</u>	
		FOR THE YEAR ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.2015
NOTE " 9 " - EARNING PER SHARE			
Net Profit After Tax as per statement of Profit & Loss Attributable to Equity Share Holders			
	Basic Earning Per Share	(19)	(21)
	Face Value Per Equity Share	10	10
NOTE " 10 " - EARNING IN FOREIGN EXCHANGE			
	FOB value of exports	-	-
NOTE " 11 " - RELATED PARTY DISCLOSURES			
Related Parties:			
Holding Company			
	i) M/s Chhatisgarh Investment Limited		
Key Management Personnel			
1)	(i) Shri Neeraj Sarda (Director)		
2)	(i) Shri Ghanshyamdas Mundra (Director)		
Nature of Transaction			
Particulars		Sister Concerns	Key Management Personnel
			Holding Company
	Neeraj Sarda	Loan Taken	1,50,000
	Chhatisgarh Investment Limited	Loan Taken	82,54,713
NOTE " 12 " - SEGMENT REPORTING			
Since the company deals in single Activity & in single region, No segment reporting as per Accounting standard -17 is applicable to the company.			
NOTE " 13 " - CONTINGENT LIABILITIES			
The company does not have any contingent liability.			
NOTE " 14 "			
In opinion of the management, the aggregate value of current assets, loans and advances on realization in ordinary course of business, will not be less than the amount stated in the Balance Sheet.			
NOTE " 15 "			
Previous year figures have been re-classified to confirm to current years classification.			