

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, 2018, 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, 2018, 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, 2018 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
PARTNER
MEMBERSHIP NO: 118325**

**NAGPUR,
DATED: 30 AUG 2018**

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, 2018 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, 2018, 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 : 30 AUG 2018

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

(RAJESH SARDA)
CHARTERED ACCOUNTANT
PARTNER
MEM NO. 118325

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
BALANCE SHEET AS ON 31ST MARCH, 2018

EQUITY AND LIABILITIES	NOTES	AS ON	AS ON
		31.03.2018	31.03.2017
SHAREHOLDER'S FUNDS			
Share Capital	"1"	3,040,000	3,040,000
Reserves & Surplus	"2"	(788,184)	(576,902)
NON CURRENT LIABILITIES			
Long Term Borrowings		-	-
Deferred Tax Liabilities		-	-
Other Long Term Borrowing	"3"	10,403,045	9,710,045
Long Term Provisions		-	-
		12,654,861	12,173,143
CURRENT LIABILITIES			
Trade Payables	"4"	34,370	34,370
Other current Liabilities		-	-
Short Term Provisions	"5"	70,255	34,817
		104,625	69,187
	TOTAL	12,759,486	12,242,330
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS			
Tangible Assets	"6"		
Gross Block		10,269,672	10,269,672
Less : Depreciation		-	-
		10,269,672	10,269,672
Tangible Capital Work in Progress		-	-
		10,269,672	10,269,672
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"	469,016	424,483
Short Term Loans & Advances - Income Tax Deposit	"8"	699,682	691,682
Other current assets	"9"	1,321,117	856,493
		2,489,815	1,972,658
	TOTAL	12,759,486	12,242,330
Significant Accounting Policies and Notes on Account	"1-17"	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	
DIN:00035877	DIN:00040884	PARTNER	
PLACE : NAGPUR		MEMBERSHIP NO : 118325	
DATED : 30 AUG 2018		FIRM REG NO.124675W	

M/S PRAYAG THERMOPLAST PVT LTD					
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018					
The previous year figures have been regrouped/reclassified, wherever necessary to conform to the Current year presentation					
			AS ON		AS ON
			31.03.2018		31.03.2017
NOTE " 1 " - SHARE CAPITAL					
AUTHORISED CAPITAL					
500000 equity shares of Rs.10 each			5,000,000		5,000,000
(Prev year 500000 Equity shares of Rs.10/- each)			5,000,000		5,000,000
ISSUED , SUBSCRIBED & PAID UP					
304000 Equity Shares of Rs. 10/- each			3,040,000		3,040,000
(Prev year 304000 Equity shares of Rs.10/- each)			3,040,000		3,040,000
1.1	Reconciliation of number of shares outstanding :				
	Equity shares at the beginning of the year		304,000		304,000
	Add : Shares issued		-		-
	Less : Shares cancelled		-		-
	Equity shares at the end of the year		304,000		304,000
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 31.03.2018		As on 31.03.2017
			No. of shares		No. of shares
	<u>EQUITY SHARES</u>				
	Chattisgarh Investments Limited		302,000		302,000
	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 31.03.2018		As on 31.03.2017
			No. of shares	%	No. of shares
					%
	<u>EQUITY SHARES</u>				
	Chattisgarh Investments Limited		302,000	99	302,000
					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			(576,902)		(518,272)
Add : Surplus brought forward			(211,282)		(58,630)
Less : Appropriation			-		-
Net Surplus/(Deficit) in Statement of Profit & Loss			(788,184)		(576,902)
			(788,184)		(576,902)

M/S PRAYAG THERMOPLAST PVT LTD

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

		AS ON 31.03.2018	AS ON 31.03.2017
	NOTE " 3 " - OTHER LONG TERM BORROWINGS		
	Related Parties		
	Neeraj Sarda	150,000	150,000
	Chattisgarh Investment Limited	10,253,045	9,560,045
		10,403,045	9,710,045
	NOTE " 4 " - TRADE PAYABLES		
	Micro, Small & Medium Enterprises	NIL	NIL
	Others		
	Sundry Creditors for Capital Goods		
	Veer Machinery	34,370	34,370
		34,370	34,370
4.1	Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into effect on October 2, 2006, certain disclosures are required to be made relating to Micro, Medium and Small Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosures have been made in the account.		
	NOTE " 5 " - SHORT TERM PROVISIONS		
	Other Provisions		
	Audit Fees Payable	6,490	6,490
	Water Fire service Charges Payable	63,765	28,327
	Provision for Income Tax	-	-
		70,255	34,817
	NOTE " 7 " - CASH & BANK BALANCE		
	Cash in Hand	316,491	308,314
	Balances With Bank's		
	Axis Bank	152,524	116,169
		469,016	424,483
	NOTE " 8 " - SHORT TERM LOAN,ADVANCES & DEPOSIT		
	Deposit		
	Income Tax Deposit	691,682	691,682
	Advances		
	Vilash Nichat - Company Secretary	8,000	-
		699,682	691,682
	NOTE " 9 " - OTHER CURRENT ASSETS		
	Preliminary Expenditure to extent not written off	1,321,117	856,493
	Less : Preliminary Expenditure Written off	-	-
		1,321,117	856,493

M/S PRAYAG THERMOPLAST PVT LTD**NOTES FORMING PART OF ACCOUNTS**

			FOR THE YEAR	FOR THE YEAR
			ENDED 31.03.2018	ENDED 31.03.2017
NOTE " 10 " - OTHER EXPENSES				
ADMINISTRATIVE EXPENSES				
	Audit Fees		12,490	6,490
	Bank Commission & Charges		1,055	345
	Conveyance Expenses		2,000	1,770
	Filling Fees		25,000	-
	Printing & Stationery		-	-
	Legal Fees		-	7,000
	Labour Expenses		23,820	6,575
	Miscellaneous Expenses		40,919	33,928
	Office & General Expenses		1,562	2,522
	Repairs & Maintenance		4,936	-
	Professional Charges		29,500	-
		TOTAL	141,282	58,630
8.1	Payment To Auditors			
	Statutory Audit Fees		5,500	5,500
	Tax Audit Fees		-	-
	GST Tax		990	990
	Service Tax		-	-
			6,490	6,490

M/S PRAYAG THERMOPLAST PVT LTD

NOTES FORMING PART OF ACCOUNTS

			FOR THE YEAR ENDED 31.03.2018	FOR THE YEAR ENDED 31.03.2017
	NOTE " 11 " - EARNING PER SHARE			
	Net Profit After Tax as per statement of Profit & Loss Attributable to Equity Share Holders			
	Basic Earning Per Share		(70)	(20)
	Face Value Per Equity Share		10	10
	NOTE " 12 " - EARNING IN FOREIGN EXCHANGE			
	FOB value of exports		-	-
	NOTE " 13 " - 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
	Neeraj Sarda	Loan Taken	150,000	
	Chhatisgarh Investment Limited	Loan Taken		9,560,045
	NOTE " 14 " - 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 " 15 " - CONTINGENT LIABILITIES			
	The company does not have any contingent liability.			
	NOTE " 16 "			
	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 " 17 "			
	Previous year figures have been re-classified to confirm to current years classification.			

M/S PRAYAG THERMOPLAST PVT LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
PARTICULARS		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit & Loss	(141,282)	(58,630)
<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	(141,282)	(58,630)
(Increase)/decrease in debtor	-	-
(Increase)/decrease in Inventories	-	-
(Increase)/decrease in deposits	-	-
(Increase)/decrease in other current assets	(472,624)	(1,104,867)
Increase/(decrease) in creditors	-	-
Increase/(decrease) in payables	728,438	255,814
	1,281,609	176,742
Cash generated from Operations	114,533	118,112
Income Tax paid	(70,000)	-
Previous year adjustment	-	-
Net cash from Operating activities	(A) 44,533	118,112
B. CASH FLOW FROM INVESTING ACTIVITY		
Interest Received	-	-
Interest on FDR	-	-
(Increase)/decrease in Investment	-	-
(Increase)/decrease in loans & advances	-	-
(-) Purchase of fixed assets	-	-
(-) Purchase of fixed assets -WIP	-	-
(+) sale of fixed asset	-	-
Net cash used in investing activities	(B) -	-
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) 44,533	118,112
Cash & Cash equivalents at the beginning of the year	424,483	306,371
Cash & Cash equivalents at the end of the year	469,016	424,483
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 excludes 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)
DIN:00035877	DIN:00040884	PARTNER
NAGPUR		MEMBERSHIP NO. 118325
DATED : 30 AUG 2018		