V. K. Thanawala
B.COM., F.C.A

thanawala & co.
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To,
AMBANI ORGAINCS PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/S. *AMBANI ORGAINCS PRIVATE LIMITED*, which comprise the Balance Sheet as at March 31, 2014 these financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in term of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs). and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

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Annexure referred to in paragraph 3 of the Report of even date of the Auditors to the members of M/s Ambani Organics Private Limited on the financial statement s for the year ended 31st March, 2014

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;

   b. As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.

2. a. The inventories have been physically verified by the management during the year, at reasonable intervals;

   b. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

   c. The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.

3. a. The Company has taken Unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956; The year end Balance of Loan taken from such parties was Rs. 9,82,794/- and is from four parties.

   b. In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintain under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company;

   c. As explanation to us, in respect of the loans taken there are no stipulations as to repayment. However the company is regular in the payment of interest.

   d. There is no overdue amount of loans, Secured or unsecured, taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

   e. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act and hence clause (iii) sub-clause (a),(b),(c) and (d) of para 4 not applicable.

4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.

5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register maintained under section 301 of the Companies Act, 1956. Accordingly, the Clause 4(v)(b) of the order is not applicable

6. The Company has not accepted any deposit from the public and consequently the provision of Section 58A and 58AA of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules, 1975 are not applicable.

7. The Company is not required to have an internal audit system.

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8. We have broadly reviewed the Books of Accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, and are of opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.

9. a. According to the information and explanations given to us and according to the books and records as produced and examine by us, in our opinion the undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Wealth-tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited by the company with appropriate authorities., there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period more than six months from the date they became payable;

   b. The Company does not have any undisputed statutory liability payable.

10. The Company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

11. The Company has not defaulted in repayment of its dues to banks and institute.

12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirements of Para 4(xiv) are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

16. The Company has not taken any term loan during the year.

17. According to the information and explanation given to us, the funds raised on short-term basis have not been used for long-term investments and vice versa.

18. The Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

19. The Company has not raised any money by way of public issues during the year.

20. According to the information and explanations given to us, during the year, no fraud on or by the company, has been noticed or reported.

For and on behalf of –
THANAWALA & COMPANY
Chartered Accountants
Firm Reg. No.110948W

Place : Mumbai

Dated :07/09/2014

[V.K. Thanawala]
Proprietor

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and

b) in the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date;

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order 2004, (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India ('the Act') is not applicable.

1. As required by section 227(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 account as required by law have been kept by the Company so far as appears from our examination of those books

   c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the Balance Sheet and Statement of Profit and Loss Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of –
THANAWALA & COMPANY
Chartered Accountants
Firm Reg. No.110948W

Place : Mumbai

[V.K. Thanawala]
Proprietor
M.N. 15632

Dated : 07/09/2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements :

The financial statements have been prepared on historical cost convention and as a going concern and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the Section 211(3C) of the Companies Act, 1956.The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

Estimates and Assumptions used in the preparation of financial statements are based upon the management's evaluation of relevant fact and the circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

1.2 Inventories :

Inventories are valued at cost or net realizable value whichever is lower; cost is ascertained on the following basis :

a) Raw Material, Packing Material, tools, spares and consumable are valued at cost on plus direct cost incurred to bring the stock to its existing level.

b) Work in progress/ Finished Goods are valued at cost of manufacturing based on cost of Raw material and labour and overheads cost up to the relevant stage of completion.

c) Cost includes taxes and duties as applicable.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement) :

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.4 Events occurring after the date of Balance Sheet :

Material events occurring after the date of Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

1.5 Prior Period Items and Changes in Accounting Policies :

There is no change in the Accounting Policies, except in case of presentation of inventory Tools & Dies for sale which were previously shown under capital WIP now the same are routed through statement of Profit & Loss Account, which are being consistently applied by the company. No Prior Period items have materially affected this year's financial statements. Figures of previous year have been regrouped, rearranged and stated in line with the current year's presentation.

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1.6 Depreciation :

Depreciation on all tangible assets has been calculated on written down value Method as per the rates and manner prescribed under Schedule XIV of the Companies Act, 1956. Intangible assets are written off over the period of 5 years.

1.7 Revenue recognition :

Sales are accounted on net of tax less sales Returns/ rejection. Revenue from sale of products is recognized upon passage of title to the customer on acceptance of goods which generally coincides with the dispatch of materials.

Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.

Interest Income is recognised on accrual basis.

1.8 Fixed Asset :

Fixed Assets are accounted at cost of acquisition or construction. Fixed assets are capitalized net of CENVAT / VAT for which credit is taken and includes borrowing cost directly attributable to construction or acquisition of fixed assets, up to the date the asset is ready to use. Foreign Exchange gain / loss on loan taken, which is directly attributable to construction or acquisition of Fixed Assets is also capitalized.

1.9 Foreign currency transactions and translations :

Foreign Exchange transactions are accounted for at exchange rate prevailing on the date of transactions. Year-end monetary asset and liabilities in foreign currency are translated at the applicable year-end exchange rate and the resultant difference in case of revenue item is recognized as gain / loss for the year and in case of capital account the same is adjusted against the respective fixed asset.

1.10 Government grants, subsidies and export incentives :

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. The same is treated as revenue/ capital as per the scheme framed by the Government and the same is routed through statement of Profit & Loss account

1.11 Investments :

Investments are recorded at cost of purchase.

1.12 Employee benefits Costs :

Contribution to Provident Fund are accrued in accordance with applicable statues and deposited with the Regional Provident Fund Commissioner.

1.13 Borrowing costs :

Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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1.14 Related Party Transactions :

The related parties are identified by the management of the Company and relied upon by the Auditors. The related party transactions are reported at their net value (Including indirect taxes).

1.15 Taxes on income :

Tax Expenses for the year, comprising Current Tax including Wealth Tax, and is included in determining the net profit for the year. A provision is made for the current tax and based on tax liability computed in accordance with relevant tax rates and tax laws.

1.16 Deferred Tax- Asset/ Liability :

The Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered accountants of India, has become applicable to the Company. The Deferred Tax is recognized for all timing differences being the difference between "Taxable Income" and "Accounting Income" that originate in one period, and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

1.17 Miscellaneous Expenditure :

Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.

1.18 Deferred Revenue Expenditure :

The deferred revenue expenditure is considered in respect of Bank Processing fees, professional fees paid for new term loans, the period of which is more than 5 years and foreclosure charges in respect of term loan foreclosed. The same is written off over the period of loan taken / original period of loan foreclosed.

1.19 Capital work in Progress :

The Expenditure which are of Capital nature and the assets for which it is incurred which has not come into existence/put to use during the year is shown under this head.

As per Our Report of Even date
For and on Behalf of
Thanawala & Company
Chartered Accountants
Firm Reg.No.110948W

V.K. Thanawala
Proprietor
[Director]
M N 15632

Place : Mumbai,

Dated :

For, Ambani Organics Pvt. Ltd.

For AMBANI ORGANICS PVT. LTD.
Director

For AMBANI ORGANICS PVT. LTD.
Director

[Director]

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