

**CHAG PAHWA & SHAH**  
**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To The Members,  
**RALLIS CHEMISTRY EXPORTS LIMITED,**

We have audited the accompanying Financial Statements of **RALLIS CHEMISTRY EXPORTS LIMITED** ("the company"), which comprise Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit & Loss Account 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**

The Company's Board of Director is responsible for the matters stated in Section 134 (5) of 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 principle 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 the Assets of the Company and for preventing & detecting fraud's 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 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.

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 provision of the Act and Rules made there under.

We conducted our audit in accordance with 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 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 the 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 statement.

### **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 there on 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 31<sup>st</sup> March 2016 and its Loss and its cash flows for the year ended on that date.

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

As required by the Companies (Auditor's Report) Order, 2016, (\*The Order\*) issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we annex here to a statement on the matters specified in paragraphs 3 and 4 of the said Order.

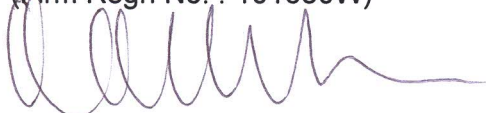
Further to our comments in the Annexure referred to above, and as required by Section 143 (3) of the Act, we report that;

- 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, the Statement of Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the Balance Sheet and the Statement of Profit and Loss Account and Cash Flow Statement 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 written representations received from the Directors, as on 31<sup>st</sup> March 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a Director in terms of sub-section (2) of section 164 of the Act.
- f. With reference to the size of the company and nature of its business company has adequate Internal Financial Control and is operating effectively.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies ( Audit and Auditors ) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us;
- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- c. There has been no delay in transferring amounts, required to be transferred, if any, to the investor education and protection fund by the company.

For CHAG PAHWA & SHAH  
Chartered Accountants  
(Firm Regn No. : 101630W)



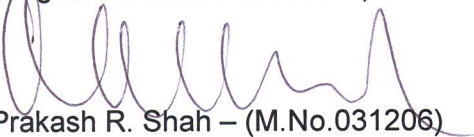
PRAKASH R. SHAH  
PARTNER  
Membership No. FCA 031206  
Mumbai  
Date: 18<sup>th</sup> April, 2016



## ANNEXURE TO THE AUDITORS' REPORT

1. The company has not commenced any commercial activities since incorporation and therefore Paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016, is not applicable and / or has NIL information, except the following clauses.
2. In respect of loans, secured or unsecured, granted by the company to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 :
  - a) The Company has not granted any secured or unsecured loan to companies, firms, Limited Liability Partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 and therefore sub- clause (a), (b) and (c) of clause 3 (iii) of the order not applicable.
3. As explained to us, by the management, no fraud on or by the company, by its officer or employees has been reported during the course of our audit.
4. As explained to us, by the management, the provisions of section 177 is not applicable to the Company and as further explained, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 and proper disclosure is made in the Financial Statement as per the applicable accounting standard.
5. As explained to us, by the management, company has not entered into any non- cash transactions with Directors or persons connected with him.

For CHAG PAHWA & SHAH  
Chartered Accountants  
(Registration No. : 101630W)

  
Prakash R. Shah – (M.No.031206)  
Partner Mumbai  
Date: 18<sup>th</sup> April, 2016.



RALLIS CHEMISTRY EXPORTS LIMITED  
Balance Sheet as at 31st March, 2016

Figures Rupees in lacs

Particulars	Note No.	As at 31st Mar, 2016	As at 31st Mar, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	5.00	5.00
Reserves and surplus	3	(21.03)	(20.40)
<b>Non-current liabilities</b>			
Long-term borrowings		18.61	18.61
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long-term provisions		-	-
<b>Current liabilities</b>			
Short-term borrowings		-	-
Other current liabilities		0.25	0.25
Short-term provisions		-	-
<b>Total</b>		<b>2.83</b>	<b>3.45</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets		-	-
Non-current investments		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
<b>Current assets</b>			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents		2.83	3.45
Short-term loans and advances		-	-
Other current assets		-	-
<b>Total</b>		<b>2.83</b>	<b>3.45</b>
Summary of significant accounting policies	1		

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith.

In terms of our Report of even date.  
For CHAG PAHWA & SHAH  
Chartered Accountants



PRAKASH R SHAH  
Partner



For and on behalf of the Board of Directors



V.SHANKAR



K.R.VENKATADRI



ASHISH MEHTA

Mumbai: 18<sup>th</sup> April, 2016

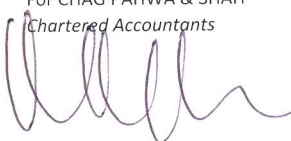
RALLIS CHEMISTRY EXPORTS LIMITED  
Statement of Profit and Loss for the Year ended 31st March, 2016

Figures Rupees in lacs

Particulars	Note No.	For the Year ended 31st Mar, 2016	For the Year ended 31st Mar, 2015
Revenue from operations		-	-
Less : Excise Duty		-	-
<b>Net Revenue from Operations</b>		-	-
Other income		-	-
<b>Total Revenue (I)</b>		-	-
<b>Expenses:</b>			
Cost of materials consumed		-	-
Purchases of Traded Goods		-	-
Increase / decrease in closing stocks of Finished Goods and Work in Process		-	-
Employee benefits expense		-	-
Other expenses	4	0.63	0.49
<b>Total expenses (II)</b>		<b>0.63</b>	<b>0.49</b>
<b>Earnings before interest, depreciation, tax and amortization (I-II)</b>		<b>(0.63)</b>	<b>(0.49)</b>
Finance costs		-	-
Depreciation and amortization expense		-	-
<b>Profit / (Loss) before exceptional items</b>		<b>(0.63)</b>	<b>(0.49)</b>
<b>Exceptional items</b>		-	-
<b>Profit before extraordinary items and tax</b>		<b>(0.63)</b>	<b>(0.49)</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>(0.63)</b>	<b>(0.49)</b>
<b>Tax expense:</b>			
Current tax		-	-
<b>Profit / (Loss) for the period</b>		<b>(0.63)</b>	<b>(0.49)</b>
<b>Earnings per equity share in ₹</b>		<b>(1.27)</b>	<b>(0.98)</b>
Summary of significant accounting policies	1		

Notes referred to above form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

In terms of our Report of even date.  
For CHAG PAHWA & SHAH  
Chartered Accountants



PRAKASH R SHAH  
Partner



Mumbai: 18th April, 2016

For and on behalf of the Board of Directors



V.SHANKAR



K.R.VENKATADRI



ASHISH MEHTA

**RALLIS CHEMISTRY EXPORTS LTD**

**Cash Flow Statement For The Year Ended 31st March, 2016**

Figures Rupees in lacs

**A. CASH FLOW FROM OPERATING ACTIVITIES:**

Net Profit before Taxation  
 Adjustment for:  
 Preliminary Expenses - Amortised  
**Operating Profit before working capital charges**  
 Adjustment for:  
 Trade and other Receivables  
 Inventories  
 Trade Payables and other current liabilities

**CASH GENERATED FROM OPERATIONS**

**NET CASH FROM OPERATING ACTIVITIES (A)**

**B. NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)**

**C. CASH FLOW FROM FINANCING ACTIVITIES :**

Proceeds from issue of Equity Share Capital  
 Long Term Borrowing taken

**NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)**

**NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A) + (B) + (C)**

**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR**

Cash in hand  
 Balances with Scheduled Banks on Current Account

**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR**

Cash in hand  
 Balances with Scheduled Banks on Current Account

For the year ended 31st Mar, 2016		For the Year ended 31st Mar, 2015	
	(0.63)		(0.49)
	-		-
	(0.63)		(0.49)
	-		-
	-		-
0.01	0.01	0.07	0.07
	(0.62)		(0.43)
	(0.62)		(0.43)
	-		-
	-		-
	-		-
	(0.62)		(0.43)
3.45	3.45	3.88	3.88
2.83	2.83	3.45	3.45

Notes referred to above form an integral part of the Cash Flow Statement and should be read in conjunction therewith.

In terms of our Report of even date.  
 For CHAG PAHWA & SHAH  
 Chartered Accountants



PRAKASH R SHAH  
 Partner



Mumbai: 18th April, 2016

For and on behalf of the Board of Directors



V.SHANKAR



K.R.VENKATADRI



ASHISH MEHTA

**RALLIS CHEMISTRY EXPORTS LIMITED**

## Note 1: NOTES TO THE ACCOUNTS

1.The company has not commenced any commercial activities and therefore most of the accounting standards are not applicable or have NIL information. Except that the company is 100% subsidiary of Rallis India Ltd

2.The accounts are prepared on Mercantile system of accounting and based on Going Concern Concept.

3. Long Term borrowings of Rupees 18.61 lacs pertains to parent company Rallis India Ltd.

4.Related Party Disclosure:-

a) Name of the Related parties and description of relationship:-

(i) **Promoters** **Rallis India Ltd**

(ii) **Key Managerial Personnel** **None**

b) Details of transactions:-

Nature of Transaction	Figures Rupees in lacs		
	As at 1st April, 2015	Transactions during year	As at 31st Mar, 2016
<b>Balance as at</b>			
Long Term Borrowings	18.61	-	18.61
Services Received		0.11	
	18.61	-	18.61

*Figures in italics relate to the previous year.*

The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company and approved by the Board of Directors of the Company, which has been relied upon by the Auditors.

5. Earning per Share

Particulars	Units	For the Year	For the Year
		ended 31st Mar, 2016	ended 31st Mar, 2015
Net profit /(loss) for the year attributable to equity shareholders	Figures Rupees in lacs	(0.63)	(0.49)
Weighted Average Number of Equity Shares	Nos	50,000	50,000
Basic Earing Per Share in Rs.		(1.27)	(0.98)

6.Previous years figures have been regrouped and rearranged wherever so.

Signature to Notes 1 to 4

In terms of our Report of even date.

For CHAG PAHWA & SHAH

Chartered Accountants

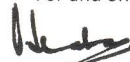


PRAKASH R SHAH

Partner



For and on behalf of the Board of Directors



V.SHANKAR



K.R.VENKATADRI



ASHISH MEHTA

Mumbai: 18th April ,2016



2 Share Capital

Figures Rupees in lacs

**Authorised**

Equity Shares of ₹10 each

**Issued, Subscribed & Paid up**

Equity Shares of ₹10 each fully paid (Previous Year ₹10 each)

**Total**

As at 31st Mar, 2016		As at 31st Mar, 2015	
Number	Figures Rupees in lacs	Number	Figures Rupees in lacs
25,000,000	2,500	25,000,000	2,500
50,000	5	50,000	5
50,000	5.00	50,000	5.00

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

At the beginning of the year

Outstanding at the end of the year

As at 31st Mar, 2016		As at 31st Mar, 2015	
Number	Figures Rupees in lacs	Number	Figures Rupees in lacs
50,000	5.00	50,000	5.00
50,000	5.00	50,000	5.00

b. Shares held by Holding /Ultimate Holding Company and /or their subsidiaries /associates

Out of total equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Rallis India Limited

As at 31st Mar, 2016		As at 31st Mar, 2015	
Number	Figures Rupees in lacs	Number	Figures Rupees in lacs
50,000	5.00	50,000	5.00

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

Rallis India Limited

As at 31st Mar, 2016		As at 31st Mar, 2015	
No. of Shares	% Holding	No. of Shares	% Holding
50,000	100.00%	50,000	100.00%



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3 Reserves & Surplus

Figures Rupees in lacs							
As at 1st April, 2015	Additions	Deductions	As at 31st Mar, 2016	As at 1st April, 2014	Additions	Deductions	As at 31st Mar, 2015
20.40	0.63	-	21.03	19.91	0.49	-	20.40

Debit balance in Profit and Loss Account

4 Other expenses

Figures Rupees in lacs	
For the Year ended 31st Mar, 2016	For the Year ended 31st Mar, 2015
0.21	0.32
0.02	0.01
0.17	-
<b>0.40</b>	<b>0.32</b>

- a. Other Expenses  
 Professional charges  
 Bank charges  
 Rent, Rates & Taxes

Total

b. Payments to Auditors

Figures Rupees in lacs	
For the Year ended 31st Mar, 2016	For the Year ended 31st Mar, 2015
0.23	0.17
<b>0.23</b>	<b>0.17</b>

Audit Fees

Total

Grand Total

0.63	0.49
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