SHILPA BALDOTA & ASSOCIATES
Chartered Accountants
Flat No.1, Gangotri Complex, 927 Synagogue Street, Camp, Pune - 411001.
Tel. : 020-30423537 **E-mail** : baldotaoffice@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Zero Waste Agro Organics Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Zero Waste Agro Organics Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone 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 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 and ensuring their operating effectivenessand the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalonefinancial 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 standalone financial statements based on our 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 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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

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standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion/qualified audit opinion/adverse 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 standalone financial statements gives 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 March 31, 2016, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

g. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

i. 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 does not have any pending litigations which would impact its financial position;

(ii)The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Shilpa Baldota & Associates
FRN: 135699W
Chartered Accountants

Shilpa Baldota & Associates FRN 135699 W Chartered Accountants

Shilpa Baldota
Proprietor
M No. 127112
Date: 20|4|2016
Place: Pune

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Zero Waste Agro Organics Limited on the financial statements as of and for the year ended March 31, 2016

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

ii. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were found during physical verification.

iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.

iv. The provisions of section 185 and 186 of the Act are not applicable to the company since it had not undergone any transaction covering the provisions of above sections of the Act.

v. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act and the rules framed there under.

vi. Maintenance of Cost records is not applicable to the Company.

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 regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b)According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth-tax, service-tax and customs duty which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the company has not borrowed any loan from any financial institution, bank, and government or does not hold any due to any debenture holder; the clause (viii) is not applicable to the company.

ix. As the company is registered for a period less than five years, clause (ix) of the Companies (Auditor's Report) Order, 2016, is not applicable to the company for the current year.

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x. In our opinion and according to the information and explanations given to us, no fraud has been noticed or reported during the year.

xi. According to the information and explanations given to us, managerial remunerations has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act.

xii. Since the company is not a Nidhi company, clause (xii) is not applicable.

xiii. According to the information and explanations provided to us, the transactions with related parties are in compliance with section 177 and 188 of the Act wherever applicable and also disclosed in the financial statements as per the relevant accounting standards.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the said clause (xiv) is not applicable.

xv. According to the information and explanations provided to us, the company has not entered into any non-cash transaction with the director or any person connected to him; the clause (xv) is not applicable.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India 1934 and hence clause (xvi) is not applicable.

For Shilpa Baldota& Associates
FRN 135699W
Chartered Accountants

Shilpa Baldota & Associates FRN 135699 W Chartered Accountants

Shilpa Baldota
Proprietor
Membership Number 127112

Pune
Date: 20/4/2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZERO WASTE AGRO ORGANICS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Zero Waste Agro Organics Limited (hereinafter referred to as "the Company")

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company are responsible for establishing and maintaining 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 (ICAI). 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 the respective 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.

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") issued by the ICAI 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 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 audit opinion on the Company's internal financial controls system over financial reporting.

SHILPA BALDOTA & ASSOCIATES

Chartered Accountants

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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, 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.

Shilpa Baldota & Associates
FRN: 135699W
Chartered Accountants

Shilpa Baldota & Associates, FRN 135699 W, Chartered Accountants

Shilpa Baldota
Proprietor
M No. 127112
Date: 20/4/2016
Place: Pune

Zero Waste Agro Organics Ltd
BALANCE SHEET AS AT 31ST MARCH, 2016

` lacs

	Note No.	As at 31st March, 2016	*As at 31st March, 2015*
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	7.36	*7.36*
Reserves and surplus	3	1,413.73	*1,387.61*
		1,421.09	*1,394.97*
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings		-	-
Deferred tax liabilities (Net)		-	-
Long-term provisions		-	-
Current liabilities		-	-
Short-term borrowings		-	-
Trade payables		193.44	*205.09*
Other current liabilities	4	8.87	*1.41*
Short-term provisions		-	-
		202.31	*206.50*
Total		1,623.40	*1,601.47*
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	100.08	*164.41*
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax assets (net)	6	175.16	*185.37*
Long-term loans and advances	7	63.74	*58.89*
Other non-current assets		-	-
		338.98	*408.67*
Current assets			
Current investments	8	940.00	*550.00*
Inventories	9	147.04	*267.84*
Trade receivables	10	134.86	*286.83*
Cash and cash equivalents	11	6.93	*2.32*
Short-term loans and advances	12	55.59	*85.81*
Other current assets		-	-
		1,284.42	*1,192.80*
Total		1,623.40	*1,601.47*
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 attached
For Shilpa Baldota and Associates
FRN: 135699W
Chartered Accountants

Shilpa Baldota & Associates FRN 135699 W Chartered Accountants

Shilpa Baldota
Proprietor
M.No. 1[illegible]7112
Date: 20/4/2016
Place: Pune

For and on behalf of directors,

SANJAY BHIMASHANKAR THOBDE
DIN: 00013559

MRS MEENA SANJAY THOBDE
DIN: 00013957

VENKATADRI KARUPPAMPALAYAM RANGANATHAN
DIN: 03409857

Krishnasamy Sundar Desamanickam
DIN: 02621560

VEERAMANI SHANKAR
DIN: 01385240

5

Zero Waste Agro Organics Ltd

Statement of Profit and Loss for the year ended 31st March, 2016 ` lacs

	Note No.	For the year ended 31st March, 2016	*For the year ended 31st March, 2015*
Revenue from operations	13	1,145.21	*1,134.98*
Less : Excise Duty		-	-
Net Revenue from Operations		1,145.21	*1,134.98*
Other income	14	56.33	*62.70*
Total Revenue (I)		1,201.54	*1,197.68*
Expenses:			
Cost of materials consumed	15	697.96	*648.72*
Purchases of Traded Goods		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	16	81.98	*133.13*
Employee benefits expense	17	134.12	*140.93*
Other expenses	17	219.35	*371.81*
Total expenses (II)		1,133.41	*1,294.59*
Earnings before interest, depreciation, tax and amortization (I-II)		68.13	*(96.91)*
Finance costs		-	-
Depreciation and amortization expense	5	31.80	*33.84*
Profit before tax		36.33	*(130.75)*
Tax expense:			
a. Current tax		-	-
c. Deferred tax Charge (net)		10.21	*(38.55)*
Profit for the year		26.12	*(92.20)*
Earnings per equity share (`):	18		
(1) Basic		35.47	*-125.20*
(2) Diluted		35.47	*-125.20*
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 attached
For Shilpa Baldota and Associates
FRN: 135699W
Chartered Accountants

Shilpa Baldota & Associates
FRN 135699 W
Chartered Accountants

Shilpa Baldota
Proprietor
M.No. 127112
Date: 20|4|2016
Place: Pune

For and on behalf of directors,

SANJAY BHIMASHANKAR THOBDE
DIN: 00013559

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DIN: 00013957

VENKATADRI KARUPPAMPALAYAM RANGANATHAN
DIN: 03409857

Krishnasamy Sundar Desamanickam
DIN: 02621560

VEERAMANI SHANKAR
DIN: 01385240

Ze o Waste Agro Organics Ltd

Ca h Flow Statement for the year ended 31st March, 2016

` lacs

		For the year ended 31st March, 2016	*For the year ended 31st March, 2015*
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before Taxation	36.33	*(130.75)*
	Adjustments for :		
	Depreciation and amortisation expense	31.80	*33.84*
	Interest expenses	-	-
	Interest income	(54.13)	*(62.70)*
	(Profit)/Loss on sale of assets (net) (includes assets w/off)	(2.20)	-
	Operating Profit before Working Capital Changes	11.80	*(159.61)*
	Adjustments for :		
	Trade payables and other current liabilities	(4.19)	*78.77*
	Trade receivables	151.97	*(170.37)*
	Inventories	120.80	*51.14*
	Long term loans and advances	1.41	*11.78*
	Short term loans and advances	30.22	*36.30*
	CASH GENERATED FROM OPERATIONS	312.01	*(151.99)*
	Taxes paid (Net of Refund and interest on refund received)	(6.26)	*(4.52)*
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	305.75	*(156.51)*
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets (including CWIP)	-	*(72.80)*
	Proceeds on sale of fixed assets	34.73	-
	Proceeds from redemption of Investments	(390.00)	*92.12*
	Interest/Dividend received	54.13	*62.70*
	Dividends received	-	-
	Investments in Bank Deposits (original maturity of more than 3 montl	-	-
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(301.14)	*153.88*
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of equity shares	-	-
	Interest Paid	-	-
	NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	-	-
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B)	4.62	*(2.62)*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash in Hand	-	-
	Balances with Scheduled Banks on Current Account	2.32	*4.95*
		2.32	*4.95*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in Hand	-	-
	Balances with Scheduled Banks on Current Account	6.93	*2.32*
		6.94	*2.33*
	Footnotes:		
	Cash and Cash Equivalents as above	6.94	*2.33*
	CASH AND BANK BALANCES AS PER NOTE 11	6.94	*2.33*

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 attached

For Shilpa Baldota and Associates
FRN: 135699W
Chartered Accountants

Shilpa Baldota
Proprietor
M.No. 127112
Date: 20|4|2016
Place: Pune

Shilpa Baldota & Associates * Chartered Accountants * FRN 135699 W

For and on behalf of Directors,

SANJAY BHIMASHANKAR THOBDE
DIN: 00013559

MRS MEENA SANJAY THOBDE
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VENKATADRI KARUPPAMPALAYAM RANGANATHAN
DIN: 03409857

KRISHNASAMY SUNDAR DESAMANICKAM
DIN: 02621560

VEERAMANI SHANKAR
DIN: 01385240

ZERO WASTE AGRO ORGANICS LIMITED

Registered Office: Kapil Tower, 1st Floor, S No. 40-1/B, Near Sangam Bridge, Dr. Ambedkar Road, Pune 411 001

PART I

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FOR THE PERIOD ENDED 31ST MARCH 2016

	Particulars	Quarter ended 31st March 2016	Quarter ended 31st Dec 2015	Quarter ended 31 March 2015	Period ended 31 March 2016	Period ended 31 March 2015
		Audited	Unaudited	Audited	Audited	Audited
	Gross Sales/Income from operations	182	257	261	1145	1,134
a)	Net sales/income from operations(Net of excise duty)					
b)	Other operating income					1
	Total income from operations (net)	182	257	261	1145	1,135
2	**Expenses**					
a)	Cost of materials consumed	106	138	118	698	649
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	24	64	82	133
	c) Consumption of packing materials					
d)	Employee benefits expense	35	34	40	134	141
e)	Depreciation and amortisation expense	7	8	9	32	34
f)	Other expenses	47	50	58	219	372
	Total expenses	219	254	290	1165	1,329
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	(37)	3	(28)	(20)	(194)
4 a.	Other income	19	11	57	56	63
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4a+4b)**	(18)	14	29	36	(131)
6	Finance costs					
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)**	(18)	14	29	36	(131)
8	Exceptional Items					
9	**Profit / (Loss) from ordinary activities before tax (7 - 8)**	(18)	14	29	36	(131)
10	Deferred Tax	10		(39)	10	(39)
11	**Net Profit from Ordinary Activities after**	(28)	14	68	26	(92)
12	Extraordinary item					
11	**Net Profit / (Loss) for the period (9 - 10)**	(28)	14	68	26	(92)

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 attached
For Shilpa Baldota and Associates
Chartered Accountants
FRN: 135699

Shilpa Baldota & Associates FRN 135699 W Chartered Accountants

Shilpa Baldota
Proprietor
M.No. 127112
Date: 20|4|2016
Place: Pune

Note 1

Notes to Financial Statements for the year ended 31st March, 2016

1. Significant Accounting Policies: -

(a) Basis of Accounting

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 2013, and the applicable Accounting Standards referred to in section 133 of the Companies Act, 2013. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets and Depreciation / Amortisation

(i) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to bring the asset to the location and condition for its intended use. Examples of directly attributable expenses included in the acquisition cost are delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation is provided on a straight line basis at rates and in the manner specified in Schedule II to the Companies Act, 2013, unless the use of a higher rate or an accelerated charge is justified through technical estimates. Extra shift depreciation is applied to applicable items of plant and machinery for days additional shifts are worked. Freehold land is not depreciated since it is deemed to have an indefinite economic life. The premium paid for acquiring leasehold land is amortised over the period of lease on a straight line basis.

(ii) Intangible assets and amortisation

Intangible assets other than goodwill are valued at cost less amortisation. These generally comprise of costs incurred to acquire computer software licences and implement the software for internal use (including software coding, installation, testing and certain data conversion) as well as costs paid to acquire studies for obtaining approvals from registration authorities of products having proven technical feasibility.

Research costs are charged to earnings as they arise.

Costs incurred for applying research results or other knowledge to develop new products, are capitalised to the extent that these products or registrations are expected to generate future financial benefits. Other development costs are expensed as and when they arise.

Goodwill comprises the portion of purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition, on the share in the acquired company's assets acquired by the Company.

Intangible assets are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.

Amortisation is provided on a straight line basis over the asset's anticipated useful life. The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years.

An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

(d) Impairment of assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

(e) Investments

Long term investments are valued at cost, less provision for other than temporary diminution in value, if any. Current investments are valued at the lower of cost and fair value.

(f) Inventory

Inventories are valued at the lower of cost and net realisable value.

In case of raw materials, packing materials, stores and spare parts and traded finished goods, costs are determined in accordance with continuous moving weighted average principle. Costs include purchase price, non-refundable taxes and delivery and handling costs.

Cost of finished goods and work-in-progress are determined using the absorption costing principles. Cost includes cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

(g) Revenue Recognition

Sales include products and services, net of trade discounts and exclude sales tax, state value added tax and service tax.

With regard to sale of products, income is reported when practically all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

Income recognition for services takes place as and when the services are performed.

Amounts received from customers specifically towards setting up / expansion of manufacturing facilities, linked to a contractual arrangement for supply of specified quantities of product manufactured from the said facilities at pre-determined prices, are treated as current liabilities and recognized as revenue in the Statement of Profit and Loss over the contracted period of supply in proportion to the quantities dispatched.

(h) Financial Income and Borrowing Cost

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use when interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are valued at year end rates, and unrealised translation differences are included in the Statement of Profit and Loss.

Investments in foreign currency (non monetary items) are reported using the exchange rate at the date of the transaction.

The Company's forward exchange contracts are not held for trading or speculation. The premium/discount arising on entering into such contract is amortised over the life of such contracts and exchange differences arising on such contracts are recognised in the Statement of Profit and Loss.

Hedge Accounting

The Company uses currency option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. The Company designates such currency option contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 Financial Instruments: Recognition and Measurement.

These contracts are stated at fair value at each reporting date. Changes in the intrinsic value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes. The ineffective portion and the time value is recognised immediately in the Statement of Profit and Loss.

Amounts accumulated in Hedging Reserve Account are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the Statement of Profit and Loss for the period.

(j) Employee Benefits

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

(ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.

(iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet, as the discounting rate.

(iv) Actuarial gains and losses in respect of post employment and other long-term benefit ts are charged to the Profit and Loss Account.

(k) Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been enacted or substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(l) Lease Accounting

(i) Operating Leases

Lease of an asset whereby the lessor essentially remains the owner of the asset is classified as operating lease. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

(ii) Finance Leases

Assets taken on finance lease after 1st April, 2001, are capitalised at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per the Company's accounting policy on depreciation as stated above. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged in accordance with the Company's depreciation policy as stated above or in a straight line basis over the lease period, which ever is shorter.

Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

(m) Segment Reporting

Not applicable

(n) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is neither recognised nor disclosed.

(o) Cash Flow Statements

Cash-flow statements are prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 - Cash Flow Statements as prescribed under section 133 of the Companies Act, 2013.

(p) Cash and Cash Equivalents

Cash and bank balances and current investments that have insignificant risk of change in value, which have durations up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

(q) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

2 Share Capital:

	As at 31st March, 2016		As at 31st March 2015	
	Number	` lacs	Number	` lacs
Authorised				
Equity Shares of ` 10 each	75,000	7.50	75,000	7.50
Issued, Subscribed and Fully Paid up				
Equity Shares of ` 10 each fully paid-up	73,645	7.36	73,645	7.36
Total	73,645	7.36	73,645	7.36

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

	As at 31st March, 2016		As at 31st March 2015	
	Number	` lacs	Number	` lacs
At the beginning of the year	73,645	7.36	73,645	7.36
Fresh issue during the year		-	-	-
Outstanding at the end of the period	73,645	7.36	73,645	7.36

b. The Equity Shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The Equity Shares are also subject to restrictions as prescribed under the Companies Act, 2013.

c. **Shares held by Holding /Ultimate Holding Company and /or its subsidiaries /associates:**
Out of total equity shares issued by the Company, shares held by its holding company, ultimate holding company and its subsidiaries/associates are as below:

Name of the Promoter	As at 31st March, 2016		As at 31st March 2015	
	Number	` lacs	Number	` lacs
Rallis India Limited * (Holding/ Ultimate Holding Company)	54,224	5.40	54,198	5.40

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

Name of Shareholder	As at 31st March, 2016		As at 31st March 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
Rallis India Limited	54,224	73.63%	54,198	73.59%
Benjamin James	7,049	9.57%	7,049	9.57%
Sanjay Thobde	7,866	10.68%	7,866	10.68%

e. As per records of the company, no calls remain unpaid by the directors and officers of the Company as on 31 March, 2016.

3 Reserves and Surplus

` lacs

	As at 1st April, 2015	Additions	Deductions	As at 31st March, 2016	As at 1st April, 2014	Additions	Deductions	As at 31st March, 2015
Securities Premium Account	1,797.74	-	-	1,797.74	1,797.74	-	-	1,797.74
	1,797.74	-	-	1,797.74	1,797.74	-	-	1,797.74
Surplus in the Statement of Profit and Loss								
Balance as per last financial statements	(410.13)	-	-	(410.13)	-317.93	-	-	-317.93
Net Profit For the current year	-	26.12	-	26.12	-	(92.20)	-	-92.20
Net Surplus in the Statement of Profit and Loss	(410.13)	26.12	-	(384.01)	(317.93)	(92.20)	-	(410.13)
	1,387.61	26.12	-	1,413.73	1479.81	(92.20)	-	1387.61

4 Other Current Liabilities:

` lacs

	As at 31st March, 2016	*As at 31st March 2015*
a. Trade Payables *		
Other Liabilities		
i. Other Payables:		
Salary and Reimbursements	0.30	*0.15*
Other employee deductions	0.36	*0.55*
Customer Advances and Deposits	-	-
VAT payable	4.26	*0.18*
Tax deducted at source	3.95	*0.53*
Total	8.87	*1.41*

5 Fixed Assets

` lacs

	Gross Block (At Cost)				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April 2015	Additions	Disposals	As at 31st March, 2016	Balance as at 1st April 2015	Depreciation charge for the year	On disposals	As at 31st March, 2016	As at 31st March, 2016	*Balance as at 31st March 2015*
a Tangible Assets										
Plant and Equipment	231.03	-	52.18	178.85	68.09	32.04	20.02	80.11	98.74	*162.94*
Furniture and Fixtures	1.84	0.27	-	2.11	0.37	0.40	-	0.77	1.34	*1.47*
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Total	232.87	0.27	52.18	180.96	68.46	32.44	20.02	80.88	100.08	*164.41*
c Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total Fixed Assets	232.87	0.27	52.18	180.96	68.46	32.44	20.02	80.88	100.08	*164.41*

6 Deferred tax assets and liabilities: -

(a) The components of deferred tax assets and liabilities are as under:

` lacs

Particulars	2015-16	2014-15
Deferred Tax Assets		
On Provision against debts and advances	-	*0.00*
On other items	185.36	*146.81*
Total	**185.36**	***146.81***
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	-	*0.00*
On other items	10.21	*-38.55*
Total	**10.21**	***-38.55***
Net Deferred Tax Asset / (Liability) Recognised	**175.15**	**185.36**

(b) Deferred tax charge for the year:

` lacs

Particulars	2015-16	2014-15
Opening Net Deferred Tax Asset	185.36	*146.81*
Less: Closing Net Deferred Tax Liability	175.15	*185.36*
Deferred Tax charge for the year	10.21	*(38.55)*

7 Long-term loans and advances:

(Unsecured, considered good unless otherwise stated) ` lacs

	As at 31st March, 2016	*As at 31st March 2015*
Capital Advances	-	-
Security Deposits	52.97	*54.38*
Other Loans and Advances	-	-
Advance Income Tax (net of provisions)	10.77	*4.51*
Total	63.74	*58.89*

No amount due by Direcors / officers of the company as on date *(Previous Year ` Nil)*

Other Non-current Assets:

` lacs

	As at 31st March, 2016	*As at 31st March 2015*
Deposits with various Government authorities	-	-
Interest accrued on long term investments	-	-
Total	-	-

8 Current investments

Particulars	**As at 31st March, 2016**	**As at 31st March 2015**
	` Lacs	**` Lacs**
a. Investments in Debentures or Bonds		-
b. Investments in Mutual Funds	940.00	550.00
Total (A)	**940.00**	**550.00**
Less : Provision for dimunition in the value of Investments		
Total	**940.00**	**550.00**

9 **Inventories:**

(Valued at the lower of cost and net realisable value)

` lacs

	As at 31st March, 2016	*As at 31st March 2015*
a. Raw Materials and components	29.75	*62.79*
b. Work-in-progress	10.96	*14.75*
c. Finished goods	8.35	*86.54*
d. Packing Materials	97.98	*103.76*
Total	**147.04**	*267.84*

10 **Trade Receivables:**

` lacs

	As at 31st March, 2016	*As at 31st March 2015*
Trade receivables outstanding for a period less than six months		
Secured, considered good	-	-
Unsecured, considered good	**134.86**	*286.83*
	134.86	*286.83*
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	-
Total	**134.86**	*286.83*

Shilpa Baldota & Associates
FRN 135699 W
Chartered Accountants

11 Cash and cash equivalents:

(including other Bank Balances)

` lacs

	As at 31st March, 2016	*As at 31st March 2015*
Cash and Cash equivalents		
a. Balances with banks :		
on Current accounts	6.93	*2.32*
Total	6.93	*2.32*

12 Short-term loans and advances:

(Unsecured, considered good unless otherwise stated)

` lacs

	As at 31st March, 2016	*As at 31st March 2015*
a. Advances Recoverable in Cash or in Kind	28.20	*62.86*
b. Balances with Government Authorities	27.39	*22.95*
	27.39	*22.95*
Total	55.59	*85.81*

13 **Revenue from Operations:**

` lacs

	For the year ended 31st March, 2016	*For the year ended 31st March 2015*
Sale of products (Refer Note No. 33)		
Own Manufactured Goods	1,145.04	*1,133.97*
Traded Goods	-	-
Sale of services	-	-
Other operating revenues		
Scrap and Sundry Sales	0.17	*1.01*
Export Incentives	-	-
Discounts Earned	-	-
Royalty Income	-	-
Others	-	-
	1,145.21	*1,134.98*
Less : Excise duty	-	-
Total	1,145.21	*1,134.98*

14 **Other Income:**

` lacs

	For the year ended 31st March, 2016	*For the year ended 31st March 2015*
Interest Income		
On refund of taxes	-	-
On term and fixed deposits	54.13	*62.70*
Income from Investments		
On current investments	-	-
On long term investments	-	-
Dividend income		
On current investments	-	-
On long term investments	-	-
Net gain on Foreign currency transactions and translation	-	-
Gains in Forex Transactions	-	-
Loss in Forex Transactions	-	-
(other than considered as finance cost)		
Surplus on Liquidation of Subsidiary	-	-
Profit on sale of Fixed Assets (net)	2.20	-
Sundry Income	-	-
Rent	-	-
Insurance Claim Received	-	-
Cash Discounts & Other Sundry	-	-
Balances W/back	-	-
Total	56.33	*62.70*

15 Cost of materials consumed:

` lacs

	For the year ended 31st March, 2016	*For the year ended 31st March 2015*
Raw Materials Consumed		
Opening Stock	62.79	*32.69*
Add : Purchases	500.50	*512.24*
Less : Closing Stock	29.75	*62.79*
	533.54	*482.14*
Packing Materials Consumed	164.42	*166.58*
Total	697.96	*648.72*

Purchase of Stock-in-Trade

Purchase of Stock-in-Trade	-	-

16 Changes in inventories of finished goods work-in-progress and Stock-in-Trade:

` lacs

	For the year ended 31st March, 2016	*For the year ended 31st March 2015*
Opening Stock		
Finished Goods - Own Manufacured	86.54	*216.06*
Work in progress	14.75	*18.36*
	101.29	*234.42*
Closing Stock		
Finished Goods - Own Manufacured	8.35	*86.54*
Finished Goods - Traded	-	*0.00*
Work in progress	10.96	*14.75*
	19.31	*101.29*
Total	81.98	*133.13*
Total Consumption - Derived	**779.94**	**781.85**

17 Employee benefits expense:

` lacs

	For the year ended 31st March, 2016	*For the year ended 31st March 2015*
(a) Salaries and Wages	133.38	*139.91*
(d) Staff welfare	0.74	*1.02*
Total	134.12	*140.93*

19 Earnings per Share: -

` lacs

Particulars	2015-16	*2014-15*
Net Profit After Tax	26.12	*-92.20*
Weighted average No. of Equity Shares for Basic / Diluted EPS (Nos)	73,645	*73,645*
Nominal Value of Equity Per Share (in `)	10.00	*10.00*
Basic / Diluted Earning Per Share (in `)	35.47	*-125.20*

20 Estimated amounts of contracts remaining to be executed in capital account is Nil

21 The Company has not received any intimation from its vendors regarding their status under Micro, Small & Medium Enterprises Development Act, 2006 & hence disclosures, if any, required under the said Act have not been made. In the absence of any such intimation, the company has not made provisions of interest payable if any. The same is not expected to be material.