

**APL ENGINEERING
SERVICES PRIVATE
LIMITED**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
APL ENGINEERING SERVICES PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of APL ENGINEERING SERVICES PRIVATE LIMITED ("the Company") which comprise the balance sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow 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 Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 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 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 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 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 thereunder.

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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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 financial statements.

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 31st March 2015; and
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement as required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.

2. 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 appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements 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 the written representations received from the directors as on 31st March, 2015 taken on record by the board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 has no pending litigation that can have impact on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended.

For Bhandari Dastur Gupta & Associates
Chartered Accountants
FRN No. 119739W

Nisha Doshi
Partner
Membership No.118100
Place: Mumbai
Date: 27th May, 2015

APL ENGINEERING SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in `)

	Note No.	As at 31st March 2015	As at 31st March 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Funds			
Share Capital	2	10,000,000	10,000,000
Reserves and Surplus	3	(32,594,408)	(25,651,614)
Non-Current Liabilities			
Long-Term Borrowings	4	24,500,000	30,500,000
Current Liabilities			
Short-Term Borrowings	5	66,404,253	44,270,527
Trade Payables	6	3,130,921	1,474,773
Other Current Liabilities	7	2,749,934	8,359,470
Total		74,190,700	68,953,156
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	57,745,865	60,449,808
Current Assets			
Inventories	9	4,665,155	3,057,613
Trade Receivables	10	5,386,690	1,446,485
Cash and Cash Equivalents	11	2,625,232	621,735
Short Term Loans and Advances	12	3,718,708	3,328,059
Other Current Assets	13	49,049	49,457
Total		74,190,700	68,953,156
Significant accounting policies	1		
See accompanying Notes to Financial Statements	2 to 22		
As per our attached Report of even date			
For Bhandari Dastur Gupta and Associates Chartered Accountants Firm Registration No.: 119739W		For on behalf of Board of Directors	
Nisha Doshi Partner Membership No- 118100		(Director)	(Director)
Date : 27th May, 2015 Place: Mumbai		Date : 27th May, 2015 Place: Mumbai	

APL ENGINEERING SERVICES PRIVATE LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH , 2015

(Amount in `)

	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
Revenue from Operations	14	21,035,107	13,762,160
Other Income	15	17,778	37,430
Total		21,052,885	13,799,590
Expenses:			
Cost of Materials Consumed	16	9,436,226	4,040,011
Manufacturing and Operating Costs	17	1,059,453	806,211
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	18	(1,172,500)	498,435
Employee Benefits Expenses	19	9,218,800	8,206,397
Finance Costs	20	4,935,738	6,498,343
Depreciation and Amortization Expenses		2,724,542	2,764,599
Other Expenses	21	1,793,420	1,977,612
Total		27,995,680	24,791,608
Profit / (Loss) before tax		(6,942,795)	(10,992,019)
Tax expense:			
Current tax		-	-
Profit / (Loss) for the period		(6,942,795)	(10,992,019)
Earning per equity share:			
(1) Basic		(6.94)	(10.99)
(2) Diluted		(6.94)	(10.99)
Significant accounting policies	1		
See accompanying Notes to Financial Statements	2 to 22		
As per our attached Report of even date			
For Bhandari Dastur Gupta and Associates Chartered Accountants Firm Registration No.: 119739W		For on behalf of Board of Directors	
Nisha Doshi Partner Membership No- 118100 Date : 27th May, 2015 Place: Mumbai		(Director)	(Director)
		Date : 27th May, 2015 Place: Mumbai	

APL ENGINEERING SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in `)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A Cash Flow from Operating Activities		
Net profit/(loss) before tax and extraordinary items	(6,942,795)	(10,992,019)
Adjustments for:		
Depreciation	2,724,542	2,764,599
Interest paid	4,922,115	6,468,083
Operating profit before working capital changes	703,863	(1,759,337)
Adjustments for:		
Trade and other receivables	(4,330,447)	1370879
Inventories	(1,607,542)	(626,444)
Trade payables	(3,953,388)	381,827
Cash generated from operations	(9,187,513)	(633,076)
Direct taxes (paid) /Refund (net of tax paid)	-	-
Net cash flow from operating activities (A)	(9,187,513)	(633,076)
B Cash Flow from Investing Activities		
Purchase of fixed Assets	(20,600)	(118,827)
Net cash flow from investing activities (B)	(20,600)	(118,827)
C Cash Flow from Financing Activities		
Proceeds/(Repayment) from Short Term Borrowings	22,133,726	14,910,160
Proceeds/(Repayment) from long Term Borrowings	(6,000,000)	(7,390,274)
Interest paid	(4,922,115)	(6,468,083)
Net cash flow from financing activities (C)	11,211,611	1,051,803
Net increase/(decrease) in cash and cash equivalents	2,003,498	299,900
Total = A+B+C		
Cash and Cash equivalents - Opening Balance	621,734	321,834
- Closing Balance	2,625,232	621,734
Notes		
1. Previous year's figures have been regrouped/recast, wherever necessary.		
For Bhandari Dastur Gupta and Associates Chartered Accountants Firm Registration No.: 119739W	For and on behalf of the Board	
Nisha Doshi Partner Membership No- 118100	Director	Director
Date : 27th May, 2015 Place : Mumbai	Date : 27th May, 2015 Place : Mumbai	

APL ENGINEERING SERVICES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

2 Share Capital

(Amount in `)

Particulars			As at 31.03.2015	As at 31.03.2014
Authorised				
10,00,000 (10,00,000) Equity Shares of ` 10/- each			10,000,000	10,000,000
10,00,000 (10,00,000) Equity Shares of ` 10/- each			100,000	100,000
			10,100,000	10,100,000
Issued, Subscribed & Paid up				
10,00,000 (10,00,000) Equity Shares of ` 10/- each			10,000,000	10,000,000
Total			10,000,000	10,000,000

2.1 Rights of Equity Shareholders

The Company has only one class of shares referred to as equity shares having a par value of ` 10. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31st March 2015 Company has not declared any dividend.

2.2 Reconciliation of numbers of Equity shares

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	`	Number	`
Shares outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

2.3 Details of members holding equity shares more than 5%

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Amines & Plasticizers Limited (Holding Company)	1,000,000	100.00%	1,000,000	100.00%

2.4 No bonus shares have been issued, no shares have been issued for consideration other than cash and no shares have been bought back during last five years.

3 Reserve & Surplus

(Amount in `)

Particulars	As at 31.03.2015	As at 31.03.2014
Balance brought forward from previous year	(25,651,614)	(14,659,595)
Add: Profit / Loss for the period	(6,942,795)	(10,992,019)
Total	(32,594,408)	(25,651,614)

APL ENGINEERING SERVICES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

4 Long Term Borrowings

(Amount in `)

Particulars	As at 31.03.2015	As at 31.03.2014
Unsecured Loan		
From Bodies Corporates	24,500,000	27,500,000
From Directors / Members	-	3,000,000
Total	24,500,000	30,500,000

(Amount in `)

4.1 Repayment & other terms of the Borrowings as at 31st March, 2015 are as follows :

Particulars	Rate of interest	Total	0-1 years	1-4 years
Unsecured Loan				
Loan from Holding Company - Amines & Plasticizers Limited	Nil	-	-	-
Other Bodies Corporate	15%	24,500,000	-	24,500,000
Total		24,500,000	-	24,500,000

Repayment & other terms of the Borrowings as at 31st March, 2014 are as follows :

Particulars	Rate of interest	Total	0-1 years	1-4 years
Secured Loans				
Term loan from Bank	13.75%	7,311,518	7,311,518	-
Term loan from bank ` 73,11,518 /- is secured by Hypothecation charge on Plant & Machinaries ,Shed , Electricals situated at Village Khalapur Dist Raigad and Collateral of Hypothecation charge on entire current assets and is also personally guaranteed by Managing Director of company and Corporate Guarantee of Holding Company.				
Unsecured Loan				
From Holding Company - Amines & Plasticizers Limited		-	-	-
From Other Bodies Corporate	15%	27,500,000	-	27,500,000
Loan from Director	14%	3,000,000	-	3,000,000
Total		37,811,518	7,311,518	30,500,000

5 Short Term Borrowings

(Amount in `)

Particulars	As at 31.03.2015	As at 31.03.2014
From Holding Company	66,404,253	44,270,527
Total	66,404,253	44,270,527

APL ENGINEERING SERVICES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

6 Trades Payable

(Amount in `)

Particulars	As at 31.03.2015	As at 31.03.2014
Sundry Creditors		
Due to Small,medium and Micro Enterprises *	-	-
Others	3,130,921	1,474,773
Total	3,130,921	1,474,773

6.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under :

(Amount in `)

Particulars	As at 31.03.2015	As at 31.03.2014
Principal amount remaining unpaid	-	-
Interest paid in terms of section 16	-	-
Interest due & payable for the period of delay in payments	-	-
Interest accrued & remaining unpaid	-	-
Interest due & payable even in succeeding years	-	-
The Company has compiled the above information based on the status submitted by the suppliers under the said Act.	-	-

* Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act,2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March,2015.

7 Other Current Liabilities

(Amount in `)

Particulars	As at 31.03.2015	As at 31.03.2014
Current Maturities of long -term borrowings (Refer Note 4.1)	-	7,311,518
Statutory Dues	247,303	198,997
Employees Related	561,269	536,528
Provison for Expenses	520,642	312,427
Excise Duty on Job Work	1,420,720	-
Total	2,749,934	8,359,470

APL ENGINEERING SERVICES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Note : 8 Fixed Asset

(Amount in `)

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		Balance as at 1st April, 2014	Additions	Deduction on Disposals	Balance as at 31st March, 2015	Balance up to 31st March, 2014	Depreciation charge for the Year	Deduction on Disposals	Balance as at 31st March, 2015	Balance as at 31st March, 2015	Balance as at 31st March, 2014
	Tangible Assets										
1	Factory Shed	26,483,464	-	-	26,483,464	1,802,742	834,102	-	2,636,844	23,846,620	24,680,722
2	Plant and Equipment	39,394,303	-	-	39,394,303	3,772,566	1,869,375	-	5,641,941	33,752,362	35,621,737
3	Furnitures & Fixtures	168,575	-	-	168,575	23,973	17,021	-	40,994	127,581	144,602
4	Office Equipment	4,934	20,600	-	25,534	4,934	1,298	-	6,232	19,302	-
5	Computer	7,900	-	-	7,900	5,154	2,746	-	7,900	-	2,746
	Total	66,059,176	20,600	-	66,079,776	5,609,368	2,724,542	-	8,333,911	57,745,865	60,449,808
	(Previous Year)	65,940,349	118,827	-	66,059,176	2,844,770	2,764,599	-	5,609,368	60,449,808	63,095,579

8.1 Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. Consequent to this, depreciation charge for the year ended on March 31, 2015 is lower by ` 44,586.

APL ENGINEERING SERVICES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

9 Inventories		(Amount in `)	
Particulars	As at 31.03.2015	As at 31.03.2014	
Raw Material	2,413,905	1,978,863	
Work-in-Progress	2,251,250	1,078,750	
Total	4,665,155	3,057,613	

10 Trade Recievables		(Amount in `)	
Particulars	As at 31.03.2015	As at 31.03.2014	
<u>Outstanding for more than six months</u>			
a) Secured, Considered Good :	-	-	
b) Unsecured, Considered Good :	862,376	305,586	
<u>Others</u>			
a) Secured, Considered Good :	-	-	
b) Unsecured, Considered Good :	4,524,314	1,140,899	
Total	5,386,690	1,446,485	

11 Cash & Cash Equivalent		(Amount in `)	
Particulars	As at 31.03.2015	As at 31.03.2014	
<u>Balance with Scheduled Banks:</u>			
In Current Accounts	2,456,807	604,277	
Cheque in Hand	162,688	-	
Sub Total (A)	2,619,495	604,277	
<u>Cash-in-Hand</u>			
Cash Balance	5,737	17,458	
Sub Total (B)	5,737	17,458	
Total [A + B]	2,625,232	621,735	

12 Short Terms Loans and Advances		(Amount in `)	
Particulars	As at 31.03.2015	As at 31.03.2014	
<u>Advance Recoverable in cash or in kind or for value to be received</u>			
Unsecured, Considered Good			
Advance to Suppliers	23,500	1,283	
Advance Income Tax/Refund Due	326,481	189,017	
Balance With Customs, Excise ,etc	2,064,035	1,263,169	
Vat Recoverable	1,235,065	1,344,139	
Deposits	59,100	91,100	
Service Tax Receivable	10,041	439,351	
LWF Recoverable	486	-	
Total	3,718,708	3,328,059	

13 Other Current Assets		(Amount in `)	
Particulars	As at 31.03.2015	As at 31.03.2014	
Prepaid Insurance	19,049	23,777	
Prepaid Expenses	-	16,500	
Advance against expenses	30,000	9,180	
Total	49,049	49,457	

APL ENGINEERING SERVICES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

14 Revenue from Operations (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Domestic Sales Gross	13,015,490	6,526,742
Domestic Services	10,150,981	8,510,890
Less: Excise Duty	(2,131,364)	(1,275,472)
Total	21,035,107	13,762,160

15 Other Income (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest received	17,778	4,769
Sundry Balances W/back	-	32,661
Total	17,778	37,430

16 Cost of materials consumed (100% indigenous) (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Opening Stock	1,978,863	853,984
Add : Purchases	9,871,268	5,164,890
Less- Closing Stock	2,413,905	1,978,863
Total	9,436,226	4,040,011

17 Manufacturing and Operating Expenses (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Power and Fuel	332,169	178,753
Packing, Freight & Forwarding	14,288	8,002
Miscellaneous Labour Charges	476,672	287,849
Repair & Maintenance Machinery	9,700	58,890
Repair & Maintenance Others	103,539	179,245
Other Manufacturing Expenses	-	3,138
Laboratory Expenses	123,085	90,334
Total	1,059,453	806,211

18 Changes in Inventories of Finished Goods & Work in Progress (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Opening Stock		
Finished Goods	-	-
Work in Progress	1,078,750	1,577,185
Total I	1,078,750	1,577,185.00
Closing Stock		
Finished Goods	-	-
Work in Progress	2,251,250	1,078,750
Total II	2,251,250	1,078,750
Total I + II	(1,172,500)	498,435

APL ENGINEERING SERVICES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

19 Employment Benefit Expenses (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Salaries, Bonus, PF & ESIC	8,400,236	7,532,093
Contribution to PF and Other Funds	642,099	523,819
Staff Welfare Expenses	176,465	150,485
Total	9,218,800	8,206,397

20 Financial Cost (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest on Term Loan	633,072	1,859,252
Interest on Other loans	4,289,043	4,608,831
Bank Charges	13,623	30,260
Total	4,935,738	6,498,343

Depreciation & Amortisation Cost (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Depreciation	2,724,542	2,764,599
Total	2,724,542	2,764,599

21 Other Expenses (Amount in `)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Telephone Expenses	42,361	27,642
Conveyance & Travelling Expenses	189,298	257,951
Legal & Professional Expenses	137,802	190,098
Freight & Octroi outward	221,446	328,626
Rent	60,000	158,100
Filing fees	4,390	2,772
Maharastra Profession Tax	2,500	2,500
Excise Duty paid	52,655	-
Insurance	35,629	94,754
Rates & Taxes	126,150	40,957
General Expenses	55,722	35,019
Stationery Expenses	14,984	26,153
Security Charges	620,709	633,840
Payment to Auditors		
- Audit Fess	7,500	7,000
- Tax Audit Fees	15,000	-
Sales Promotion Expenses	207,274	172,200
Total	1,793,420	1,977,612

APL ENGINEERING SERVICES PRIVATE LIMITED

NOTE: 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2015

1. The Company is in the fabrication and engineering services.

2. Basis for Preparation of Financial Statements:

a) The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) The Company follows the mercantile system of accounting and recognizes income and expenditure on the accrual basis.

c) The accounting policies have been consistently followed.

3. Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4. Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date.

The exchange differences arising on forward foreign currency contracts other than those entered into to hedge the foreign currency risk of firm commitments or highly probable forecast transactions are recognized in the period in which they arise based on the difference between

- i) foreign currency amount of the contract translated at the exchange rate on the reporting date and
- ii) the same foreign currency amount translated at the later of the date of inception of the forward exchange contract or the last reporting date.

The premium or discount arising at the inception of the forward foreign currency contracts is amortized as an expense or income over the life of the contract.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognized as income or expense for the year.

5. Fixed Assets

Tangible Assets:

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible Assets:

Tangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition for its intended use.

6. Depreciation

Tangible Assets

- a) Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule II to the Companies Act, 2013 with effect from April 01, 2014. Further, in the case of revalued assets, depreciation is calculated on straight line method on the revalued amounts as determined by the valuer. The difference between the depreciation on the assets based on such revaluation and that on original cost is transferred from Revaluation Reserve Account to Profit and Loss Account.
- b) Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.
- c) Depreciation on Fixed Assets added/disposed off/discarded during the year has been provided on the pro-rata basis with reference to the month of addition/disposal/discarding.

Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised in a straight line basis over their estimated useful life.

7. Accounting for Taxes on Income:

Provision for current income tax is made on the basis of the estimated taxable income for the year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax resulting from timing differences between book profits and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/ reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

8. Valuation of Inventories

- a) Inventories are valued at lower of cost and estimated net realizable value. Obsolete, defective and unserviceable stocks are provided for.
- b) Cost of Stores and Spares is computed on Moving Weighted Average and other Inventories on FIFO basis.
- c) Materials-in-process are valued at raw material cost and estimated cost of conversion
- d) Cost of finished goods includes conversion and other costs incurred in bringing the inventories to their present location and condition

9. Revenue Recognition:

- a) Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customers which coincides with the date of dispatch/bill of lading.
- b) Sale includes excise duty and freight, wherever applicable and is net of sales tax /VAT.

10. Borrowing Costs

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalized as a part of the cost of respective assets upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

11. Provisions, Contingent Liability and Contingent Assets:

- a) A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation.
- b) Contingent liabilities, unless the possibility of the outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts.
- c) Contingent assets are not recognized or disclosed in the financial statement.

APL ENGINEERING SERVICES PRIVATE LIMITED

NOTE: 22. NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. Contingent Liabilities not provided for – Nil.

2. Earnings per share (EPS):

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Net (Loss) as per Profit and Loss Account ()	(69,42,795)	(109,92,019)
Weighted Average Number of Equity Shares (Nos.)	1,000,000	1,000,000
Basic and Diluted Earning per Equity Share ()	(6.94)	(10.99)
Nominal value per Equity Share ()	10	10

3. Going Concern

Though the accumulated losses of the Company are in excess of paid up share capital, the Management is of the view that going concern assumption hold true considering the ongoing business of the Company. Further, the Management is taking necessary steps to improve the liquidity of the Company.

4. Related Party Transactions

Disclosure in respect of Related Parties as required by AS-18 “Related Party Disclosures”, are given below:

A. List of Related Parties

- i) Parties where control exists: Holding Company - Amines & Plasticizers Limited
- ii) Companies where Key Management Personnel have significant influence: Associates
 - Multiwyn Investments & Holdings Private Limited
 - Chefair Investment Private Limited
- iii) Key Managerial Personnel: Mr. Hemant Kumar Ruia

B. During the year following transactions were carried out with the related parties in the ordinary course of business:

Name of the Party	Nature of Transactions	Amounts in `			
		Transaction during the year ended		Balance as on	
		31.03.15	31.03.14	31.03.15	31.03.14
Referred to in A (i) Amines & Plasticizers Limited (Holding Company)	i) Rent Paid	18,000	18,000	-	-
	ii) Reimbursement of Expenses	3,32,169	2,03,579	64,058	38,904
	iii) Sales & Services	14,89,050	30,23,888	-	-
	iv) Equity issued	-	-	-	-
	v) Loan taken (Repaid)	2,56,83,726 (35,50,000)	1,65,66,020 (16,55,860)	6,64,04,253	4,42,70,527
Referred to in A (ii) Multiwyn Investment & Holdings Private Limited	i) Interest	39,60,000	41,19,125		
	ii) Loan taken (Repaid)	7,00,000 (37,00,000)	2,00,000 -	2,45,00,000	2,75,00,000
Referred to in A (ii) Chefair Investment Private Limited	i) Interest	10,479	-	-	-
	ii) Loan taken (Repaid)	3,00,000 (3,00,000)	- -	- -	- -

- i) Related party relationship is as identified by the management and relied upon by the auditors.
- ii) No balance in respect of the related parties have been written off / written back / provided for during the year.

5. A scheme of arrangement under section 391 to 394 of the Companies Act, 1956 for merger of APL Engineering Services Pvt. Ltd, 100% subsidiary of the Amines & Plasticizers Ltd.(Holding Company), has been approved by Board of Directors of the Company on 13.02.2013 and BSE Ltd. has issued observation letter on the same which is available for Members information on Company's website. The company had filed the application in the

Gauhati High Court for necessary directions. The financial results do not carry effect of the said merger.

6. In the opinion of the Board, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. Provision for all known and determined liabilities and depreciation is adequate and not in excess.

7. Balances of sundry debtors, sundry creditors and advances given are, however, subject to confirmations and adjustments, if any. In the opinion of the management, adjustments as may be required on such confirmations would not be significant.

8. Deferred Tax Liability

The Company has reviewed Deferred Tax Assets as on 31st March, 2015 as per Para 26 of Accounting Standard (AS-22) on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India (ICAI), the deferred tax liability (DTL) comprises of the following :

Item	Amounts in `	
	2014-2015	2013-2014
Deferred Tax Liability		
Related to Fixed Assets	53,13,690	43,17,314
Deferred Tax Asset		
Unabsorbed losses and Depreciation and Dis-allowances / allowances under the Income Tax Act, 1961/ Provisions	75,07,527	62,23,203
Net Deferred Tax Assets/ (Liability)	21,93,837	19,05,889

As a matter of prudence the Company has not recognized deferred tax assets.

9. Figures of the previous year have been regrouped / rearranged, wherever considered necessary to conform to the current year's presentation.

For Bhandari Dastur Gupta & Associates
Chartered Accountants
Firm Reg. No.: 119739W

For on behalf of Board of Directors

Nisha Doshi
Partner
Membership No. : 118100

(Director) (Director)

Date: 27th May, 2015
Place: Mumbai

Date: 27th May, 2015
Place: Mumbai

APL ENGINEERING SERVICES PRIVATE LIMITED

NOTE: 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2015

1. The Company is in the fabrication and engineering services.

2. Basis for Preparation of Financial Statements:

a) The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) The Company follows the mercantile system of accounting and recognizes income and expenditure on the accrual basis.

c) The accounting policies have been consistently followed.

3. Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4. Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date.

The exchange differences arising on forward foreign currency contracts other than those entered into to hedge the foreign currency risk of firm commitments or highly probable forecast transactions are recognized in the period in which they arise based on the difference between

- i) foreign currency amount of the contract translated at the exchange rate on the reporting date and
- ii) the same foreign currency amount translated at the later of the date of inception of the forward exchange contract or the last reporting date.

The premium or discount arising at the inception of the forward foreign currency contracts is amortized as an expense or income over the life of the contract.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognized as income or expense for the year.

5. Fixed Assets

Tangible Assets:

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible Assets:

Tangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition for its intended use.

6. Depreciation

Tangible Assets

- a) Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule II to the Companies Act, 2013 with effect from April 01, 2014. Further, in the case of revalued assets, depreciation is calculated on straight line method on the revalued amounts as determined by the valuer. The difference between the depreciation on the assets based on such revaluation and that on original cost is transferred from Revaluation Reserve Account to Profit and Loss Account.
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APL ENGINEERING SERVICES PRIVATE LIMITED

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Deferred Tax Asset		
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9. Figures of the previous year have been regrouped / rearranged, wherever considered necessary to conform to the current year's presentation.

For Bhandari Dastur Gupta & Associates
Chartered Accountants
Firm Reg. No.: 119739W

For on behalf of Board of Directors

Nisha Doshi
Partner
Membership No. : 118100

(Director) (Director)

Date: 27th May, 2015
Place: Mumbai

Date: 27th May, 2015
Place: Mumbai