

**APL INFOTECH
LIMITED**

Independent Auditor's Report

**To the Members of
APL INFOTECH LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of APL INFOTECH LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for 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, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the 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 statement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, the state of affairs of the company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the Nil (Profit/ loss) of the Company 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. 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, we give in the Annexure a statement on matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it 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.

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

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

Annexure to Independent Auditor's Report

The annexure referred to in our Independent Auditor's to members of the company on financials statement for the year ended 31 March, 2015, we report that:

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

(b) According to information and explanations given to us, and records examined by us, the management conducted physical verification of fixed assets in a phased programmed manner to cover all the items over period of 3 years which, in our opinion, in reasonable having regards to size of the company and nature of its assets. Pursuant to the program, a portion of fixed assets has been physical verified by the management during the year and no material discrepancies between the book records and physical inventory have been noticed.
2. (a) The Company does not have any inventory therefore; the provisions of clause 3(iv) of the order are not applicable to the company.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013("the Act").
4. In our opinion and according to information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
5. The Company has not accepted any deposits from the public.
6. In our opinion and according to information and explanation given to us, the Company is not required to maintain various accounts and records in respect of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise ,value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, provident fund, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(c) There were no amounts which were required to be transferred to investor education and protection fund by the company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.

- 8. During the year the Company has not commenced its operation and accordingly this clause is not applicable.**
- 9. According to records of the Company examined by us and information and explanations given to us, the company has not defaulted in any of dues to financial institutions or bank as the balance sheet date.**
- 10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.**
- 11. In our opinion and according to the information and explanation given to us, on an overall basis, the Company has not obtained any term loan during the year.**
- 12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.**

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

**Nisha Doshi
(Partner)
(Membership No: 118100)
Place: Mumbai
Date : 27th May, 2015**

APL INFOTECH 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 | 11,715,200 | 11,715,200 |
| Reserves and Surplus | 3 | (3,139,243) | (3,139,243) |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 4 | 33,775,000 | 27,000,000 |
| Current Liabilities | | | |
| Short-Term Borrowings | 5 | 35,343,854 | 35,343,854 |
| Trade Payables | 6 | - | 460,774 |
| Other Current Liabilities | 7 | 29,163,973 | 20,485,952 |
| | | 106,858,784 | 91,866,537 |
| <u>ASSETS</u> | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 8 | - | 275,172 |
| Intangible Assets under Development | | 104,292,679 | 89,184,997 |
| Long -Term Loans and Advances | 9 | 28,581 | 28,580 |
| Current Assets | | | |
| Cash and Cash equivalents | 10 | 62,596 | 18,491 |
| Other Current Assets | 11 | 2,474,928 | 2,359,297 |
| | | 106,858,784 | 91,866,537 |
| Significant Accounting Policies | 1 | | |
| See accompanying Notes to financial statements | 2 to 15 | | |
| As per our attached Report of even date | | | |
| 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 INFOTECH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in `)

| | Note No. | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|-------------------|---|--|
| Revenue from operations | | - | - |
| Total | | - | - |
| Expenses: | | | |
| Employee Benefit Expense | 12 | 1,569,562 | 1,651,725 |
| Financial Costs | 13 | 11,515,625 | 9,976,137 |
| Depreciation and Amortization Expense | 8 | 275,172 | 108,105 |
| Other Administrative Expenses | 14 | 1,747,323 | 1,908,430 |
| Less :Transferred to Capital Work in Progress | | (15,107,682) | (13,644,397) |
| Total | | - | - |
| Profit / (Loss) before tax | | - | - |
| Tax expense: | | | |
| Current tax | | - | - |
| Deferred Tax | | - | - |
| Profit / (Loss) for the period | | - | - |
| Earning per equity share: | | | |
| Basic and Diluted (in Rs.) | | - | - |
| Significant Accounting Policies | 1 | | |
| See accompanying Notes to financial statements | 2 to 15 | | |
| As per our attached Report of even date | | | |
| 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 INFOTECH 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 | - | - |
| | Adjustments for: | | |
| | Depreciation | 275,172 | 108,105 |
| | Interest Paid | 11,513,704 | 9,975,577 |
| | Operating profit before working capital changes | 11,788,876 | 10,083,682 |
| | Adjustments for: | | |
| | Trade and Other Receivables | (115,632) | (169,279) |
| | Trade payables | 8,217,247 | 8,869,768 |
| | Cash generated from operations | 19,890,491 | 18,784,172 |
| | Direct taxes (paid) /Refund (net of tax paid) | - | - |
| | Cash flow before extraordinary items | 19,890,491 | 18,784,172 |
| | Net cash flow from operating activities (A) | 19,890,491 | 18,784,172 |
| B | Cash Flow from Investing Activities | | |
| | Purchase of Fixed Assets | (15,107,682) | (13,644,397) |
| | Net cash flow from investing activities (B) | (15,107,682) | (13,644,397) |
| C | Cash Flow from Financing Activities | | |
| | Proceeds/(Repayment) from Short Term Borrowings (Net) | 6,775,000 | 4,678,000 |
| | Interest paid | (11,513,704) | (9,975,577) |
| | Net cash flow from financing activities (C) | (4,738,704) | (5,297,577) |
| | Net increase/(decrease) in cash and cash equivalents Total = A+B+C | 44,105 | (157,803) |
| | Cash and Cash equivalents - Opening Balance | 18,491 | 176,294 |
| | - Closing Balance | 62,596 | 18,491 |
| | Notes | | |
| | 1. Previous year's figures have been regrouped/recast, wherever necessary. | | |
| | 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 INFOTECH LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

2 Share Capital (Amount in `)

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|---|-----------------------|-------------------|-----------------------|-------------------|
| | No. of Shares | | No. of Shares | |
| Authorized Capital | | | | |
| 1,10,00,000 (1,10,00,000) Equity Shares of ` 10/- each. | 11,000,000 | 110,000,000 | 11,000,000 | 110,000,000 |
| | 11,000,000 | 110,000,000 | 11,000,000 | 110,000,000 |
| Issued, Subscribed & Paid Up Capital | | | | |
| 11,71,520 (11,71,520) Equity Shares of ` 10/- each | 1,171,520 | 11,715,200 | 1,171,520 | 11,715,200 |
| Total | 1,171,520 | 11,715,200 | 1,171,520 | 11,715,200 |

2.1 Right, Preference and Restrictions attached to Equity Shares

The Company has only one class of equity shares having par value of ` 10 per share. Each Shareholder is entitled to one vote per share. In the event of liquidation of the Company the holder of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential payments. However, no such preferential amount 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 | 1,171,520 | 11,715,200 | 1,171,520 | 11,715,200 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,171,520 | 11,715,200 | 1,171,520 | 11,715,200 |

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) | 597,500 | 51.00% | 597,500 | 51.00% |
| Hemant Kumar Ruia | 574,020 | 49.00% | 574,020 | 49.00% |

3 Reserve & Surplus (Amount in `)

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|----------------------------|-----------------------|-----------------------|
| Surplus | | |
| Opening Balance | (3,139,243) | (3,139,243) |
| Add: Profit for the period | - | - |
| Closing Balance | (3,139,243) | (3,139,243) |
| Total | (3,139,243) | (3,139,243) |

APL INFOTECH LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

4 Long Term Borrowings (Amount in `)

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|------------------------------|--------------------------|--------------------------|
| From other Bodies Corporates | 33,775,000 | 27,000,000 |
| Total | 33,775,000 | 27,000,000 |

4.1 Repayment & other terms of the Borrowings are as follows : (Amount in `)

| Nature of Security | Rate of Interest | Repayment terms as at 31st March 2015 | | |
|-----------------------------|------------------|---------------------------------------|-----------|-------------------|
| | | Total | 0-1 Years | 1-4 Years |
| Unsecured Loans: | | | | |
| From Holding Company | 14% | - | - | - |
| From Other Bodies Corporate | 15% | 33,775,000 | - | 33,775,000 |
| Total | | 33,775,000 | - | 33,775,000 |

4.2 Repayment & other terms of the Borrowings are as follows : (Amount in `)

| Nature of Security | Rate of Interest | Repayment terms as at 31st March 2014 | | |
|-----------------------------|------------------|---------------------------------------|-----------|-------------------|
| | | Total | 0-1 Years | 1-4 Years |
| Unsecured Loans: | | | | |
| From Holding Company | 14% | - | - | - |
| From Other Bodies Corporate | 15% | 27,000,000 | - | 27,000,000 |
| Total | | 27,000,000 | - | 27,000,000 |

5 Short Term Borrowings (Amount in `)

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|--------------------------|--------------------------|
| Loans & Advances From Holding Company -Amines & Plasticizers Limited | 35,343,854 | 35,343,854 |
| Total | 35,343,854 | 35,343,854 |

6 Trade Payables (Amount in `)

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-------------------------------------|--------------------------|--------------------------|
| Micro, Small and Medium Enterprises | - | - |
| Others | - | 460,774 |
| Total | - | 460,774 |

The Company has compiled the above information based on the status submitted by the suppliers under the said Act.

7 Other Current Liabilities (Amount in `)

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--------------------------------------|--------------------------|--------------------------|
| Interest Accrued & Due | 20,425,375 | 14,156,082 |
| Advance against Software Development | 7,458,364 | 5,504,109 |
| Maharashtra Profession Tax payable | - | 600 |
| TDS Payable | 826,004 | 750,690 |
| Provision for Expenses | 454,230 | 74,471 |
| Total | 29,163,973 | 20,485,952 |

APL INFOTECH LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

8 Fixed Assets

(Amount in `)

| Particulars | Gross Block | | | Depreciaton | | | Net Block | |
|-------------------------------------|-------------------------------|-----------|--------------------------------|--------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Balance as at 1st April, 2014 | Additions | Balance as at 31st March, 2015 | Balance up to 31st March, 2014 | Depreciatio n charge for the Year | Balance as at 31st March, 2015 | Balance as at 31st March, 2015 | Balance as at 31st March, 2014 |
| Tangible Assets | | | | | | | | |
| Computer | 666,906 | - | 666,906 | 391,734 | 275,172 | 666,906 | - | 275,172 |
| TOTAL | 666,906 | - | 666,906 | 391,734 | 275,172 | 666,906 | - | 275,172 |
| (Previous Year) | 666,906 | - | 666,906 | 283,629 | 108,105 | 391,734 | 275,172 | 383,277 |
| | | | | | | | | |
| Intangible Assets Under Development | | | | - | | - | 104,292,679 | 89,184,997 |

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 higher by ` 167,067.

APL INFOTECH LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

9 Long Term Loans and Advances (Amount in `)

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|------------------------------|---------------------|---------------------|
| Security Deposit | | |
| Unsecured, Considered Good : | 28,581 | 28,580 |
| Total | 28,581 | 28,580 |

10 Cash & Cash Equivalent (Amount in `)

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--------------------------------------|---------------------|---------------------|
| Balance with Scheduled Banks: | | |
| In Current Accounts | 62,596 | 18,491 |
| Sub Total (A) | 62,596 | 18,491 |
| Cash-in-Hand | | |
| Cash Balance | - | - |
| Sub Total (B) | - | - |
| Total [A + B] | 62,596 | 18,491 |

11 Other Current Assets (Amount in `)

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------------|---------------------|
| Advance Recoverable in cash or in kind or for value to be received | | |
| Unsecured and Considerd Good: | | |
| a) Service tax Receivable | 2,136,140 | 2,024,018 |
| b) Vat Recoverable | 309,769 | 309,769 |
| c) others | 510 | 510 |
| d) Prepaid Expenses | 28,509 | 25,000 |
| Total | 2,474,928 | 2,359,297 |

APL INFOTECH LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

12 Employees Benefit Expenses (Amount in `)

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|----------------------------|---|---|
| Salaries, Bonus, PF & ESIC | 1,553,129 | 1,614,975 |
| Staff Welfare expenses | 16,433 | 36,750 |
| Total | 1,569,562 | 1,651,725 |

13 Finance Costs (Amount in `)

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|-------------------------|---|---|
| Interest on Other loans | 11,513,704 | 9,975,577 |
| Bank Charges | 1,921 | 560 |
| Total | 11,515,625 | 9,976,137 |

14 Other Administrative Expenses (Amount in `)

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|---|---|---|
| Telephone Expenses | 31,460 | 34,246 |
| Technology Fees Paid | 1,545,793 | 1,500,000 |
| Conveyance & Travelling Expenses | - | 257,700 |
| Internet Expenses | 149,116 | 125,000 |
| Legal & Professional Expenses | 6,400 | 33,400 |
| Filing fees | 4,410 | 1,772 |
| Contribution to MLWF | 144 | 216 |
| Maharastra Profession Tax | 2,500 | 2,500 |
| Rates & Taxes | - | 8,685 |
| General Expenses | - | 1,258 |
| Auditors Remuneration | 7,500 | 7,000 |
| Foreign Currency Exchange (Gain) / Loss | - | (63,347) |
| Total | 1,747,323 | 1,908,430 |

APL INFOTECH LIMITED

Note: 1. SIGNIFICANT ACCOUNTING POLICIES

- 1. The Company is in the process of development of a Software product for Oil & Gas Industries. All the costs being incurred for development would be capitalized as and when the product is ready for sale.**

- 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 AS and GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

- 4. FIXED ASSETS:**

Tangible: Fixed assets are stated at historical cost less accumulated depreciation. Replacements are either capitalized or charged to revenue depending upon their nature and long term utility.

Intangible: Costs that are directly associated with identifiable and unique software products controlled by the Company, whether developed in – house or acquired, and have probable economic benefits exceeding the cost beyond one year are recognized as software products.

5. DEPRECIATION:

A) Tangible Assets

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.

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.

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.

B) 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.

6. IMPAIRMENT OF ASSETS:

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute Of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

7. FOREIGN EXCHANGE TRANSACTIONS:

Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions in foreign currencies are recorded at the 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.

Exchange difference arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise, except for exchange differences arising on loans denominated in foreign currencies utilized for acquisition of fixed assets from outside India, where the exchange gains/losses are adjusted to the cost of such assets.

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.

8. 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.

9. BORROWING COSTS:

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to profit and loss account

10. LEASES:

Where the Company has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of the fair value or present value of minimum lease payment and liability is created for equivalent amount. Each lease rent paid is allocated between liability and interest cost so as to obtain constant periodic rate of interest on the outstanding liability for each year.

Where significant portion of risks and reward of ownership of assets acquired under lease are retained by lessor, leases are classified as Operating Lease. Lease rentals for such leases are charged to Profit and Loss account.

11. PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS:

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.

Contingent liabilities, unless the possibility of the outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts.

Contingent assets are not recognized or disclosed in the financial statement.

APL INFOTECH LIMITED

Note: 15. NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

1. **Contingent Liabilities not provided for – Nil.**
2. **Balances of 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.**
3. **In the opinion of the management, 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.**

4. Related Party Transactions

A. Related party disclosures as required by AS-18 “Related Party Disclosures” are given below:

- i) Name of the related parties: Holding Company - Amines & Plasticizers Limited**
- ii) Companies where Key Management Personnel have significant influence:**
 - Associates**
 - Multiwyn Investment & Holding Private Limited**
 - Chefair Investment Private Limited**
- iii) Directors/Key Managerial Personnel and their relatives: Mr. Hemant Kumar Ruia**

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

Amounts in `

| Name of the Party | Nature of Transactions | Transactions entered during the year ended | | Balance as on | |
|---|------------------------|--|--------------------------|---------------|------------|
| | | 31.03.15 | 31.03.14 | 31.03.15 | 31.03.14 |
| Refer A) above | | | | | |
| Amines & Plasticizers Limited (Holding Company) | Loan Taken (Repaid) | 5,40,000 (5,40,000) | 84,68,000 (37,90,000) | 35,343,854 | 35,343,854 |
| | Interest Payable | 69,65,881 | 60,33,069 | 20,425,375 | 14,156,082 |
| Multiwyn Investment & Holding Private Limited (Associates) | Loan Taken | 3,700,000 | - | 27,700,000 | 240,00,000 |
| | Interest Paid | 3,860,671 | 36,00,000 | - | - |
| Chefair Investment Private Limited (Associates) | Loan Taken | 3,075,000 | - | 6,075,000 | 30,00,000 |
| | Interest Paid | 685,632 | 4,50,000 | - | - |

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. 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 () | - | - |
| Weighted Average Number of Equity Shares (Nos.) | 11,71,520 | 11,71,520 |
| Basic and Diluted Earning per Equity Share () | - | - |
| Nominal value per Equity Share () | 10 | 10 |

6. Deferred Tax Asset relating to carry forward of Business Loss not recognized in the books in the absence of virtual certainty of future taxable profits.

7. 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