

Independent Auditors' Report

To the Members of
Vidhi Dyestuffs Manufacturing Limited

Report on the Financial Statements

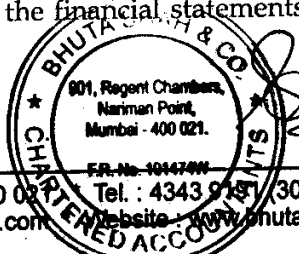
We have audited the accompanying financial statements of **Vidhi Dyestuffs Manufacturing Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility on Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

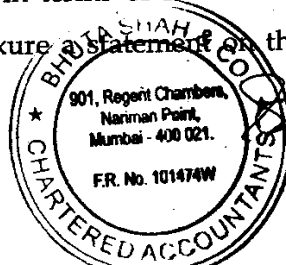
Opinion

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, of the state of affairs of the Company as at 31st March 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

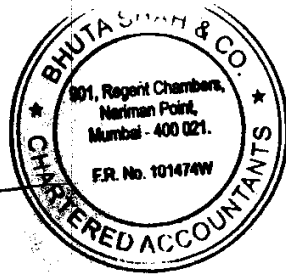


2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of section 274(1)(g) of the Act.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W



CA. Jitendra B. Shah
Partner
Membership No.: 033010

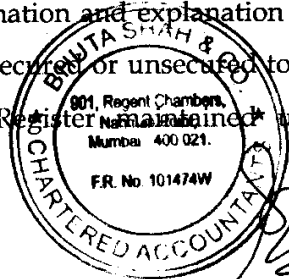


Mumbai, 20th May, 2014

Annexure to the Independent Auditors' Report

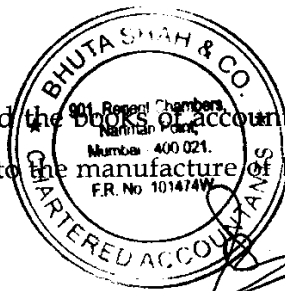
Annexure referred to in paragraph 3 of our Report on even date on the accounts of **Vidhi Dyestuffs Manufacturing Limited** ended 31st March 2014

- i.
 - a. The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets.
 - b. The management at reasonable intervals during the period has physically verified the fixed assets. According to the explanation given to us, no material discrepancies have been noticed on verification.
 - c. The Company has not disposed off any substantial / major part of its fixed assets during the year.
- ii.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to information and explanation given to us and on the basis of our verification of inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts.
- iii.
 - a. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the



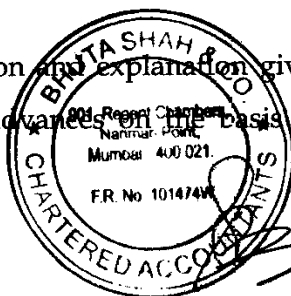
Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) are not applicable.

- e. According to the information and explanation given to us, the company has not taken loan from a company in which key management personnel have significant influence, covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (f) and (g) are not applicable.
- iv. In our opinion and according to the information and explanation given to us there are adequate internal control procedures 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. During the course of our audit no major weakness has been observed in the internal controls.
- v. According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub - clauses (a) and (b) of the said order are not applicable.
- vi. In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the act and the Rules framed there under.
- vii. *There is no formal internal audit system.* However the Company has adequate internal control procedure involving internal checking of its financial record commensurate to the size & nature of business of the company.
- viii. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of Dyes chemicals, pursuant



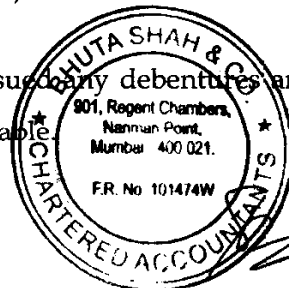
to the order made by the Central Government for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete, as the examination of the records are to be made by a Cost Auditor.

- ix. a. According to the information and explanation given to us and according to the books and records produced and examined by us, in our opinion, the company is *generally* regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth tax, Service-tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable as at 31st March 2014.
- x. The Company has neither accumulated losses as at 31st March 2014 nor has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. Based on the documents and records produced to us and according to the explanation given to us the, company has not defaulted in repayment of dues to a financial institution or banks as at the balance sheet date.
- xii. According to the information and explanation given to us the company has not granted loans or advances on the basis of security by way of



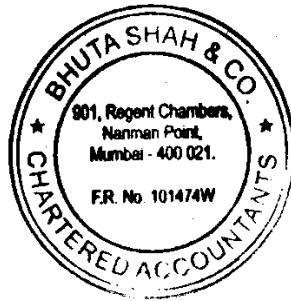
pledge of shares, debentures and other securities.

- xiii. In our opinion, considering the nature of the business carried down during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv. The company has, in our opinion maintained proper records and contracts with respect to its investments where timely entries of transactions are made. All investments at the close of the year are generally held in the name of the company.
- xv. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi. According to the information and explanation given to us and the records examined, the Company has utilized term loans for the purpose for which they were applied.
- xvii. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after assurances made by the Company for classification of long-term and short-term usages of funds, we are of the opinion that, *prima facie*, as at the close of the year, short-terms funds have not been utilized for long-term investments.
- xviii. During the year, the Company has not made allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The company has not issued any debentures and hence, the clause 4(xix) of the order is not applicable.



xx. The company has not raised any money by public issue during the year.

xxi. During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year.



For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W

CA. Jitendra B. Shah
Partner
Membership No.: 033010

Mumbai, 20th May, 2014