

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I G PETROCHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of I G Petrochemicals Limited, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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 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 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.

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 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the financial statements:

Note 23 regarding certain disputed excise duty and custom duty matters amounting to Rs.6383.84 Lacs (Previous Year Rs. 7672.89 Lacs) pending before the Honourable Supreme Court.

Our report is not qualified in respect of this matter.

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 Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.
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, the 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 disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision as required under the applicable law or according to Accounting Standards for material foreseeable losses, if any on Long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year.



For Hariharan & Co.
Chartered Accountants
Firm's Registration No. 001083S

K Nagarajan
Partner
Membership No. 16398

Place : Mumbai
Date : 26th May, 2015

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31st March 2015.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

2. (a) The inventories of the Company have been physically verified by the management at reasonable intervals. In respect of stock lying with third parties, the same have been substantially confirmed/checked with subsequent receipts.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

3. The Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a) & (b) of the Order are not applicable.

4. In our opinion and according to the information and explanations 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. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under.

6. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under sub section (1) of section 148 of the Companies act 2013, relating to the Product of the Company have been made and maintained. We are not required to and accordingly, have not made a detailed examination of such records.



7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing 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 and cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.
- (b) According to the records and information & explanations given to us, there are no dues in respect of Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT and Cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of Income tax and Sales tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:-

Name of the statute	Nature of the dues	Amount Disputed (Rs in Lacs)	Amount paid (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 & Customs Act, 1962	Excise & Custom Duty	6,383.34	-	Various years from 1993 to 2006	Supreme Court
Central Excise Act, 1944	Excise Duty	3644.44	854.68	Various years from 1997 to 2009	CESTAT
Central Excise Act, 1944	Excise Duty	1870.99	-	Various years from 1997 to 2009	Commissioner of Central Excise
The Bombay Electricity Duty Act, 1958	Cess on Electricity produced	29.63	-	2001 to 2004	Mumbai High Court
Income Tax Act, 1961	Income Tax	490.06	-	Assessment Years 2005-06 to 2013-14	Karnataka High Court / CIT (Appeals)

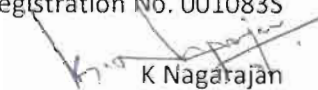
- (d) According to the records of the Company and information and explanations given to us, there were no amount due to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act and Rules made there under.
8. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year & in the immediately preceding financial year.
9. In our opinion, on the basis of audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company does not have any dues to financial institutions or debenture holders.



10. According to the information and explanations given to us, no corporate guarantee has been issued by the company for loan taken by others.
11. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained.
12. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.



For Hariharan & Co.
Chartered Accountants
Firm's Registration No. 001083S


K Nagarajan
Partner
Membership No. 16398

Place : Mumbai
Date : 26th May, 2015