

## Independent Auditors' Report

TO,

THE MEMBERS OF MANGALORE LIQUID IMPEX PVT. LTD.

### Report on the Financial Statements

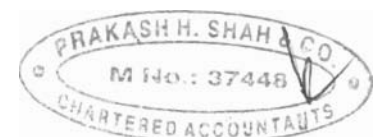
We have audited the accompanying financial statements of MANGALORE LIQUID IMPEX PVT LIMITED, which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 true and fair view 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 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2015;



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- 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, 2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by section 143(3) of the Act, we report that:

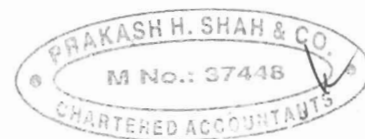
a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)

c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account. [and the returns received from the branches not visited by us]

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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.



CA PRAKASH H. SHAH

B. Com. F.C.A.

PRAKASH H. SHAH & CO.  
CHARTERED ACCOUNTANTS

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f) There are no amounts which required to be transferred to the Investor Education &  
Protection Fund.

PLACE: MUMBAI

FOR PRAKASH H. SHAH & CO.  
(CHARTERED ACCOUNTANTS)



DATE : 15<sup>th</sup> May, 2015

  
( PRAKASH H. SHAH )  
M.NO.37448  
(Proprietor)

Firm No. - 107593W Dt. - 18/11/1986.

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the standalone financial statements of Mangalore Liquid Impex Pvt Ltd. for the year ended March 31,2015).

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

ii. In respect of its inventories:

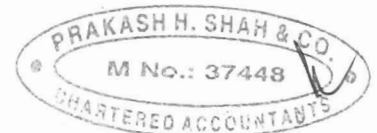
a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.

iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, there are no such loans.

iv. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with its size 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, we have not observed any continuing failure to correct major weaknesses in such internal control system.



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v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

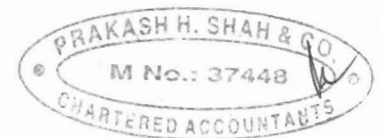
a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.

b) According to the records of the Company, there are no amounts to be transferred to the Investor Education and Protection Fund.

viii. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

ix. The Company has not given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not *prima facie* prejudicial to the interest of the Company.

x. The Company has not raised new term loans during the year.



CA PRAKASH H. SHAH

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xi. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

PLACE: MUMBAI

FOR PRAKASH H. SHAH & CO.  
(CHARTERED ACCOUNTANTS)



DATE : 15<sup>th</sup> May, 2015

( PRAKASH H. SHAH )  
M.NO.37448  
(Proprietor)

Firm No. - 107593W Dt. - 18/11/1986.

**MANGALORE LIQUID IMPEX PRIVATE LIMITED  
BALANCE SHEET AS AT 31ST MARCH 2015**

(Figures in Rs.)

Particulars		Note No.	As at 31st March 2015	As at 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>				
(1)	<b>Shareholders' funds</b>			
	(a) Share capital	1	1,00,000	1,00,000
	(b) Reserves and surplus	2	22,52,014	3,97,986
			23,52,014	4,97,986
	<b>Non Current Liabilities</b>			
	Deferred Tax Provison		2,32,616	
(2)	<b>Current liabilities</b>			
	(b) Trade Payables	3	1,60,55,435	-
	(b) Other current liabilities	4	2,22,62,163	2,12,17,056
			3,83,17,598	2,12,17,056
	<b>TOTAL</b>		<b>4,09,02,227</b>	<b>2,17,15,042</b>
<b>II. ASSETS</b>				
(1)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	5	2,70,73,265	1,41,71,166
			2,70,73,265	1,41,71,166
	(a) Long-term loans and advances	6	10,49,431	4,80,919
			2,81,22,696	1,46,52,085
(2)	<b>Current assets</b>			
	(a) Trade receivables	7	41,82,865	-
	(b) Cash and cash equivalents	8	25,33,119	20,91,545
	(c) Short-term loans and advances	9	60,63,547	19,70,722
	(d) other current assets	10	-	30,00,690
			1,27,79,531	70,62,957
	<b>TOTAL</b>		<b>4,09,02,227</b>	<b>2,17,15,042</b>

Notes 1 to 21 forming an integral part of the Balance sheet and statement of Profit and Loss

For PRAKASH H. SHAH & CO.  
Chartered Accountants



(Prakash H. Shah)  
Proprietor.

Place: Mumbai

Dated : 15 MAY 2015

For and on Behalf of Board of Directors



Dinesh Shahra  
Director



Naveen Gupta  
Director



**MANGALORE LIQUID IMPEX PRIVATE LIMITED**  
**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT MARCH 31, 2015**

	Year ended 31/03/2015	Year ended 31/03/2014
<b>CASH FLOW FROM OPERATIONS</b>		
Net Profit After Taxation	20,86,644	(32,766)
Adjustment for :		
Depreciation	<u>11,25,401</u>	<u>-</u>
Adjustment for :	<u>32,12,044</u>	<u>(32,766)</u>
Increase in Current Liabilities	1,71,00,542	-
Decrease in Long Term Loans & Advances	(5,68,512)	(25,880)
Increase in Current & Other Assets	<u>(52,75,000)</u>	<u>(6,78,967)</u>
<b>Net cash from Operations (a)</b>	<b>1,44,69,074</b>	<b>(7,37,613)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	1,40,27,500	-
<b>Net cash from Investing Activities (b)</b>	<b>1,40,27,500</b>	<b>-</b>
<b>Net increase /Decrease in Cash and Cash Equivalents ( a - b)</b>	<b>4,41,574</b>	<b>(7,37,613)</b>
Cash & Cash Equivalents at the beginning of the year	20,91,545	28,29,158
Cash & Cash Equivalents at the end of the year	25,33,119	20,91,545

Notes 1 to 21 forming an integral part of the Balance sheet and statement of Profit and Loss

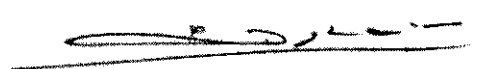
For PRAKASH H. SHAH & CO.  
Chartered Accountants

For and on Behalf of Board of Directors



(Prakash H. Shah)  
Proprietor.  
Place: Mumbai  
Dated :

15 MAY 2015



Dinesh Shahra  
Director




Naveen Gupta  
Director

<b>MANGALORE LIQUID IMPEX PRIVATE LIMITED</b>				
<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015</b>				
(Figures in Rs.)				
	Particulars	Note No.	For the year 2014-15	For the year 2013 14
I.	<b>REVENUE</b>			
	Revenue from operations	11	3,17,00,711	1,44,000
	<b>Total Revenue</b>		<b>3,17,00,711</b>	<b>1,44,000</b>
II	<b>EXPENSES</b>			
	Finance Cost	12	6,128	-
	Depreciation Expenses	5	11,25,401	-
	Other Expenses	13	2,78,72,539	1,76,766
	<b>Total expenses</b>		<b>2,90,04,067</b>	<b>1,76,766</b>
III	<b>Profit before tax (I- II)</b>		<b>26,96,644</b>	<b>(32,766)</b>
IV	<b>Tax expense:</b>			
	Current tax		6,10,000	-
	Deferred Tax		2,32,616	-
V	<b>Profit for the Year (III- IV)</b>		<b>18,54,028</b>	<b>(32,766)</b>
VI	<b>Earning per share:</b>			
	Basic and Diluted Earning per Share (Rs.)		<b>185.40</b>	<b>(3.28)</b>


Notes 1 to 21 forming an integral part of the Balance sheet and statement of Profit and Loss

For PRAKASH H. SHAH & CO.  
Chartered Accountants

For and on Behalf of Board of Directors

  
(Prakash H. Shah)  
Proprietor.  
Place: Mumbai  
Dated : 15 MAY 2015

  
Dinesh Shahra  
Director

  
Naveen Gupta  
Director

**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

Particulars		As at 31st March 2015	As at 31st March 2014
<b>Note - 1 Share Capital</b>			
<b>A</b>	<b>Authorised</b>		
	i) Equity Shares 1,00,000 face value of Rs. 10/- each	10,00,000	10,00,000
		<b>10,00,000</b>	<b>10,00,000</b>
<b>B</b>	<b>Issued,Subscribed and fully paid-up</b>		
	i) Equity Shares 10,000 (P.Y.10000) Equity Shares of Rs. 10/- each	1,00,000	1,00,000
		<b>1,00,000</b>	<b>1,00,000</b>

1.1 The company has only one class of equity shares having a par value of Re. 10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.2 The details of shareholders' holding more than 5 % of Equity Shares

**As at 31st March 2015**

**As at 31st March 2014**

	Name of shareholder	No of Shares held	% of holding	No of Shares held	% of holding
1	Ruchi Infrastructure Ltd	9800	98	5100	51
2	Dinesh Chandra Shahra	0	0	3700	37
3	Anandmangal Investment & Finance Pvt Lt	0	0	1000	10

1.3 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March,2015	As at 31st March,2014
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	10000	10000
Equity Shares at the year end	10000	10000

1.4 Ruchi Infrastructure Ltd, holds 98% of the Equity Shares of the Company as a Holding Company.

**MANGALORE LIQUID IMPEX PRIVATE LIMITED**

**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

Sr. No.	Particulars	As at 31st March 2015	As at 31st March 2014
1	<b>Note -2 RESERVES &amp; SURPLUS</b> Surplus in Statement of Profit and Loss As per last Year Add : Surplus for the Year	3,97,986 18,54,028	4,30,752 (32,766)
		<b>22,52,014</b>	<b>3,97,986</b>
2	<b>Note -3 TRADE PAYABLES</b> Due to Micro, Small and Medium Enterprises Due to Others	1,60,55,435	-
		<b>1,60,55,435</b>	-
3	<b>Note -4 Other Current Liabilities</b> Statutory Dues Other liabilities Provision for taxation	3,27,454 2,12,09,959 7,24,750	2,306 2,11,00,000 1,14,750
		<b>2,22,62,163</b>	<b>2,12,17,056</b>
4	<b>Note-5 Long-term loans and advances</b> <b>Unsecured , Considered Good</b> Security & Other Deposits Income Tax & Tax Deducted at Sources	3,31,824 7,17,607	3,38,924 1,41,995
		<b>10,49,431</b>	<b>4,80,919</b>
5	<b>Note 7- Trade receivables</b> <b>Unsecured , Considered Good</b> Outstanding for a period exceeding six months from the date they are due for payment Other trade receivables	- 41,82,865	- -
		<b>41,82,865</b>	
6	<b>Note-8 Cash and Bank Balances</b> <b>Cash and cash equivalents</b> a. Balances with Banks In Current Accounts b. Cash on hand	24,19,425 1,13,694	20,29,310 62,235
		<b>25,33,119</b>	<b>20,91,545</b>
7	<b>Note-9 Short Term Loans &amp; Advances</b> <b>Short Term Loans &amp; Advances</b> Balance with govt. Authorities Other advances Recoverable in Cash or in kind	20,25,805 40,37,742	- 19,70,722
		<b>60,63,547</b>	<b>19,70,722</b>
8	<b>Note-10 Other Current Assets</b> Other Current Assets	-	30,00,690
		-	30,00,690

**Note-5**

**Fixed Assets ( Calculation as per Companies Act, 2013 )**

(Figures in ` )

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
	Opening	Additions	Deductions	As on March 31, 2015	Opening	for the year	Disposal/adjustment	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014
<b>(i) TANGIBLE ASSETS</b>										
Lease Hold Land	-	-	-	-	-	-	-	-	-	-
Buildings	1,41,71,166	45,00,000	-	1,86,71,166	-	1,23,247	-	1,23,247	1,85,47,919	1,41,71,166
Plant & Equipment	-	94,91,845	-	94,91,845	-	9,95,702	-	9,95,702	84,96,143	-
Furniture & Fixtures	-	18,444	-	18,444	-	2,821	-	2,821	15,623	-
Vehicles	-	13,486	-	13,486	-	2,063	-	2,063	11,423	-
Office Equipments	-	3,725	-	3,725	-	1,568	-	1,568	2,157	-
		-								
<b>Total</b>	<b>1,41,71,166</b>	<b>1,40,27,500</b>	<b>-</b>	<b>2,81,98,666</b>	<b>-</b>	<b>11,25,401</b>	<b>-</b>	<b>11,25,401</b>	<b>2,70,73,265</b>	<b>1,41,71,166</b>
<b>Previous year</b>	1,41,71,166	-	-	1,41,71,166	-	-	-	-	1,41,71,166	1,41,71,166

**MANGALORE LIQUID IMPEX PRIVATE LIMITED**  
**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Note-11 Revenue From Operation</b>		
Rental & Cargo Handling Income	3,17,00,711	-
Service Charges	-	1,44,000
	<b>3,17,00,711</b>	<b>1,44,000</b>

<b>Note-12 Interest &amp; Finance Expenses</b>		
Interest Expenses	6,128	-
	<b>6,128</b>	<b>-</b>

<b>Note-13 Other Expenses</b>		
Repairs and Maintenance		
Of Buildings	17,500	-
Of Machinery	2,31,258	-
Of Others	86,209	-
Rent	64,34,985	-
Insurance	26,062	-
Rates & Taxes	2,41,106	-
Bank Charges & Commission	873	-
Postage and Telephone	53,828	-
Cargo & Other Handling Expenses	1,91,14,012	-
Miscellaneous Expenses	16,66,706	1,76,766
	<b>2,78,72,539</b>	<b>1,76,766</b>

**Note 14- Significant Accounting Policies:**

i) **Convention**

The accounts are prepared under the historical cost convention in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013.

ii) **Income and Expenditure**

Income and Expenditure are generally recognised on accrual basis.

iii) **Preliminary Expenses**

Preliminary Expenses are amortised over a period of ten years.

iv) **Depreciation:**

The company has estimated the useful life of fixed assets as specified in Schedule II of the Companies Act, 2013. Depreciation is applied on WDV method.

v) **Earning per Share**

Earning per share is calculated by dividing the (loss)/profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

vi) **Taxation**

Provision for current tax is made on the current tax rates on assessable income. Deferred Tax is provided for by computing the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating current tax provision.

**Note 15-** Previous year's figures have been regrouped, recast and rearranged wherever necessary so as to make them comparable with those of current year.

**Note 16-** Figures have been rounded off to the nearest rupee.

**Note 17 Earning per Share**

	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>Rs.</b>	<b>Rs.</b>
Basic Earnings per Share	185.40	(3.28)
Diluted Earnings per Share	185.40	(3.28)
Nominal value per Share	10	10

Earnings per share is calculated by dividing the (loss)/profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the period. The numbers used in calculating basic and diluted earnings per Equity Share are as stated below:

	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>Rs.</b>	<b>Rs.</b>
Profit/(Loss) after taxation	(32,776)	44,785
Weighted average number of shares outstanding during the period	10,000	10,000

**Note 18..** Sundry debit and credit balances are subject to confirmation.

**Note 19 Auditors Remuneration**

<b>31.03.2015</b>	<b>31.03.2014</b>
<b>15,000</b>	<b>10,000</b>

**Note 20. Related Party Disclosure :**

List of Related Parties  
Ruchi Infrastructure Ltd  
Mr. Dinesh Shahra

Holding Company  
Key Management Personnel

Transactions	Year Ended	Year Ended
	31.03.2015	31.03.2014
	Rs.	Rs.
Service Charges Received	-	1,44,000
Fixed Assets Purchased	1,35,00,000	-
Cargo Handling Expenses Paid	1,63,21,422	-
<b>Balance as at Year End</b>		
Amount Payable	1,60,55,435	

**Note 21** The Company operates in a single reportable segment i.e. Storage and Cargo Handling .


For Prakash H Shah & Co  
Chartered Accountants



Prakash H Shah  
Proprietor  
Place : Mumbai  
Dated :

15 MAY 2015

For and On Behalf of the Board



Director



Director