

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
NEO FABRE PRIVATE LIMITED
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **Neo Farbe Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2014, and 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 for the Financial Statements

Management is responsible for the preparation 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

Auditor's 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'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 entity's internal control. 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 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 31st, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss 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. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditors' Report) Order, 2003, as amended, issued by the Department of Company Affairs, in terms of section 227(4A) of the Companies Act, 1956, as 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 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - (e) on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March, 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 25 May, 2014

NEO FARBE PRIVATE LIMITED

Balance Sheet as at 31st March, 2014

Particulars	Notes	As at 31st March 2014	
		Amount (₹)	Amount (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	5 00 000	
Reserves and Surplus	3	(32 727)	
			4 67 273
Current Liabilities			
Trade Payables	4	11 236	
			11 236
	Total		4 78 509
ASSETS			
Non Current Assets			
Long Term Loans and Advances	5		1 798
Current Assets			
Cash and Cash Equivalents	6	4 60 529	
Other Current Assets	7	16 182	
			4 76 711
	Total		4 78 509
Significant Accounting Policy	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner
Mem. No. 31103

FOR AND ON BEHALF OF THE BOARD

Sd/- Sd/-
DEEPAK CHOKSHI HARIN MAMLATDARNA
Director Director

Place : Ahmedabad
Date : 25 May, 2014

Place: Ahmedabad
Date : 25 May, 2014

NEO FARBE PRIVATE LIMITED**Statement of Profit and Loss for the period ended 31st March, 2014**

Particulars	Notes	For the period ended on 31st March 2014	
		Amount (₹)	Amount (₹)
INCOME			
Other Income	8		17 980
	Total Revenue		<u>17 980</u>
EXPENSES			
Other Expenses	9		50 707
	Total Expenses		<u>50 707</u>
Profit before tax			(32 727)
Tax Expenses			
Current Tax		0	
Deferred Tax		0	
			<u>0</u>
Profit / (Loss) for the year carried to Balance sheet			<u>(32 727)</u>
Earnings per equity share:	10		
Basic and diluted			(0.65)

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Sd/-

ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad

Date : 25 May, 2014

FOR AND ON BEHALF OF THE BOARD

Sd/-

DEEPAK CHOKSHI HARIN MAMLATDARNA

Director

Sd/-

Director

Place: Ahmedabad

Date : 25 May, 2014

NEO FARBE PRIVATE LIMITED

Cash Flow Statement for the period ended 31st March, 2014

Particulars	Amount (₹)
A. Cash flow from operating activities:	
Profit / (Loss) for the year before taxation	(32 727.00)
Adjustments for :	
Interest Income	(17 980.00)
Operating profit before working capital changes	<u>(50 707.00)</u>
Adjustments for :	
Trade and other receivables	(16 182.00)
Trade payables	11 236.00
Cash generated from operations	<u>(55 653.00)</u>
Taxes paid (net of refunds)	(1 798.00)
Net cash from operating activities [A]	<u><u>(57 451.00)</u></u>
B. Cash flow from investing activities:	
Interest received	17 980.00
Net cash used in investing activities [B]	<u>17 980.00</u>
C. Cash flow from financing activities:	
Share Capital Money received	5 00 000.00
Net cash flow from financial activities [C]	<u>5 00 000.00</u>
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	<u><u>4 60 529.00</u></u>
Opening cash and cash equivalents	0.00
Closing cash and cash equivalents	4 60 529.00
Components of Cash & Cash Equivalents	
Balances with Scheduled Banks	30 529.00
Other Bank Balances	4 30 000.00
	<u><u>4 60 529.00</u></u>

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared under indirect method in accordance with the format prescribed by Securities and Exchange Board of India & Accounting Standard 3 as prescribed by The Institute of Chartered Accountants.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

FOR G. K. CHOKSI & CO.
 [Firm Registration No. 101895W]
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Sd/-
ROHIT K. CHOKSI
Partner
 Mem. No. 31103

Sd/- Sd/-
DEEPAK CHOKSI HARIN MAMLATDARN
Director Director

Place : Ahmedabad
 Date : 25 May, 2014

Place : Ahmedabad
 Date : 25 May, 2014

Notes forming part of accounts

1. Significant Accounting Policies

(a) Basis of preparation of financial statements

- (i) The financial statements of the company have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. These financial statements have been prepared as going concern and comply, in all material respects, with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- (ii) The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(b) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/determined.

(c) Investments

Investments have been stated at the cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

(d) Taxation

- (i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(e) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjustment to reflect the current best estimates. Contingent assets and liabilities are not recognised.

NEO FARBE PRIVATE LIMITED

Notes forming part of accounts

2 Share Capital

[Amount in ₹]

Particulars	As at 31st March, 2014
(a) Authorised	
50,000 Equity Shares of ₹ 10/- each	5 00 000
(b) Issued, Subscribed and Paid up	
50,000 Equity Shares of ₹ 10/- each fully paid up	5 00 000

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares for the period 11th March, 2013 to 31st March, 2014
At the beginning of the year	0
Add	
Shares issued for Cash or Right Issue or Bonus	50 000
Exercise of Share Option under ESOS / ESOP	0
Shares issued in Business Combination	0
	50 000
Less	
Shares bought back / Redemption etc.	0
As the end of the year	50 000

(d) Rights, preferences and restrictions attached to shares

The Company has only class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, 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, if any, in proportion to their shareholding.

(e) Details of Shareholding

Particulars	Number of Shares As at 31st March, 2014
Shares held by Holding Company	50 000

Shareholders holding more than 5%

Particulars	Number of Shares As at 31st March, 2014	Percentage (%) As at 31st March, 2014
Holding Company		
Dynamic Industries Limited (with its Nominees)	50 000	100.00
	50 000	100.00

NEO FARBE PRIVATE LIMITED

Notes forming part of accounts

3 Reserves and Surplus

[Amount in ₹]

Particulars	As at 31st March, 2014
Profit & Loss Account	
Balance as per previous financial statements	0
Add : Profit / (Loss) for the year	(32 727)
Balance available for appropriation	(32 727)
Less : Appropriations	0
Net Surplus / (Deficit)	(32 727)

4 Trade Payables

[Amount in ₹]

Particulars	As at 31st March, 2014
Creditors for Goods & Expenses	11 236
	11 236

(Dues from related parties is ₹ NIL (P.Y. ₹ NIL)

There are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at the Balance Sheet date. Further, the company has neither paid or payable any interest to any Micro, Small and Medium Enterprise on the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

5 Long Term Loans & Advances

[Amount in ₹]

Particulars	As at 31st March, 2014
Balance with Revenue Authorities	1 798
	1 798

6 Cash and Cash Equivalent

[Amount in ₹]

Particulars	As at 31st March, 2014
Balances with Scheduled Banks	
Current Accounts	30 529
Other Bank Balances	
Fixed Deposits with maturity for more than 3 months but less than 12 months	430 000
	460 529

7 Other Current Assets

NEO FARBE PRIVATE LIMITED

Notes forming part of accounts

[Amount in ₹]

Particulars	As at 31st March, 2014
Interest accrued on Fixed Deposits	16 182
	16 182

8 Other Income

[Amount in ₹]

Particulars	For the period ended on 31st March, 2014
Interest on Fixed Deposits	17 980
	17 980

9 Other Expenses

[Amount in ₹]

Particulars	For the period ended on 31st March, 2014
Auditor's Remuneration	11 236
Legal Expenses	2 600
Other Expense	2 101
Preliminary Expense	34 770
	50 707

Auditor's Remuneration is made of

Statutory Audit Fees (including Service Tax)	11 236
	11 236

10 Basic and Diluted Earnings Per Equity Share

[Amount in ₹]

Particulars	for the period 11th March, 2013 to 31st March, 2014
Net Profit / (Loss) for the year (₹)	(32 727)
Number of equity shares	50 000
Nominal value of the share (₹)	10
Earning per share (₹)	(0.65)

Notes forming part of accounts

11 Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

- (a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1	Mansi A. Talati	Key Management Personnel
2 3	Harin D. Mamlatdarna Asita Modi	Relatives of Key Management Personnel
4	Dynamic Industries Limited	Holding Enterprise

- (b) Transactions with related parties during the period from 11th March 2013 to 31st March 2014:

Sr. No.	Nature of transaction	Amount (₹)
(i)	Share capital money received - Holding Enterprise	5,00,000

- (c) Outstanding Balances as at March, 31, 2014

Sr. No.	Particulars	Amount (₹)
(i)	Share Capital - Holding Enterprise	5,00,000

12 Contingent Liabilities and Capital Commitments

Particulars	As at 31 st March, 2014 Amount (₹)
Contingent Liabilities	
- Claims not acknowledged by as debt	NIL
- Bank Guarantee	NIL
Capital Commitments	
- Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL
- Other commitments	NIL

- 13 In the opinion of the Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet.

Notes forming part of accounts

- 14 The company was incorporated on 11th March 2013 and the financial statements are prepared for a period commencing from the aforesaid date of incorporation and ending on 31st March, 2014. Therefore, previous figures cannot be reported in this financial statement.
- 15 The company is yet to commence its commercial operations and has not done any commercial activity during the period.
- 16 **Statement of Management**
- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated other wise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities.
- (b) Balance Sheet, Profit & Loss Account read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act 1956 and the Companies Act 2013, as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

FOR G. K. CHOKSI & CO
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HARIN MAMLATDARNA
Director

Place : Ahmedabad
Date : 25 May, 2014

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