

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
NEO FARBE 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 31, 2015, 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

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 provision 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 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, 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 operating effectiveness of such control. 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 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 loss and its 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 paragraphs 3 and 4 of the Companies (Auditors' Report) Order 2015 issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, 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 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.
 - (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.
 - (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.
 - (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 and to our best of our information and according to the explanations given to us :
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

Sd/-

ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad
Date : 30th May, 2015

NEO FARBE PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2015

[Amount in ₹]

Particulars	Notes	As at 31st March 2015	As at 31st March 2014
INCOME			
Other Income	8	40 741	17 980
Total Revenue		40 741	17 980
EXPENSES			
Other Expenses	9	45 152	50 707
Total Expenses		45 152	50 707
Profit before tax		(4 411)	(32 727)
Tax Expenses			
Current Tax		0	0.00
Deferred Tax		0	0.00
Profit / (Loss) for the year carried to Balance sheet		(4 411)	(32 727)
Earnings per equity share:	10		
Basic and diluted		(0.09)	(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

FOR AND ON BEHALF OF THE BOARD

Sd/-

ROHIT K. CHOKSI

Partner

Mem. No. 31103

Sd/-

DEEPAK CHOKSHI

Director

Sd/-

HARIN MAMLATDARNA

Director

Place : Ahmedabad

Date : 30th May, 2015

Place: Ahmedabad

Date : 30th May, 2015

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, 2015	As at 31st March, 2014
(a) Authorised		
50,000 (P.Y. 50,000) Equity Shares of ₹ 10/-	5 00 000	5 00 000
(b) Issued, Subscribed and Paid up		
50,000 (P.Y. 50,000) Equity Shares of ₹ 10/- each fully paid up	5 00 000	5 00 000

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2014-2015	2013-2014
At the beginning of the year	50000	0
Add		
Shares issued for Cash or Right Issue or Bonus	0	50 000
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	50000	50 000
Less		
Shares bought back / Redemption etc.	0	0
As the end of the year	50000	50000

(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, 2015		As at 31st March, 2014	
Shares held by Holding Company	50 000		50 000	
Shareholders holding more than 5%				
Particulars	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2014
Holding Company				
Dynamic Industries Limited (with its Nominees)	50 000	100.00	50 000	100.00
	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, 2015	As at 31st March, 2014
Profit & Loss Account		
Balance as per previous financial statements	(32 727)	0
Add : Profit / (Loss) for the year	(4 411)	(32 727)
Balance available for appropriation	(37 138)	(32 727)
Less : Appropriations	0	0
Net Surplus / (Deficit)	(37 138)	(32 727)

4 Trade Payables

[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
Creditors for Goods & Expenses	28 222	11 236
	<u>28 222</u>	<u>11 236</u>

(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, 2015	As at 31st March, 2014
Balance with Revenue Authorities	5 885	1 798
	<u>5 885</u>	<u>1 798</u>

6 Cash and Cash Equivalents

[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
Balances with Scheduled Banks		
Current Accounts	0	30 529
Other Bank Balances		
Fixed Deposits with maturity for more than 3 months but less than 12 months	468 387	430 000
	<u>468 387</u>	<u>460 529</u>

NEO FARBE PRIVATE LIMITED

Notes forming part of accounts

7 Other Current Assets

[Amount in ₹]

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest accrued on Fixed Deposits	16 812	16 182
	16 812	16 182

8 Other Income

[Amount in ₹]

Particulars	For the year ended 31st March, 2015	For the period ended 31/03/2014
Interest on Fixed Deposits	40 741	17 980
	40 741	17 980

9 Other Expenses

[Amount in ₹]

Particulars	For the year ended 31st March, 2015	For the period ended 31/03/2014
Auditor's Remuneration	11 236	11 236
Legal Expenses	14 950	2 600
Other Expense	0	2 101
Laboratory Expense	18 241	0
Stationary and Printing	725	0
Preliminary Expense	0	34 770
	45 152	50 707

Auditor's Remuneration is made of

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

10 Basic and Diluted Earnings Per Equity Share

[Amount in ₹]

Particulars	For the year ended 31st March, 2015	For the period ended 31/03/2014
Net Profit / (Loss) for the year (₹)	(4 411)	(32 727)
Number of equity shares	50000	50 000
Nominal value of the share (₹)	10	10
Earning per share (₹)	(0.09)	(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) The company has not entered into any transactions with related parties during the current financial year.

- (c) Outstanding Balance of related party as at 31st March, 2015

Sr. No.	Particulars	2014-2015	2013-2014
(i)	Share Capital - Holding Enterprise	5,00,000	5,00,000

12 Contingent Liabilities and Capital Commitments

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Contingent Liabilities		
- Claims not acknowledged by as debt	NIL	NIL
Capital Commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
- Other commitments	NIL	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.

- 14 The company is yet to commence its commercial operations and has not done any commercial activity during the year.

Notes forming part of accounts

15 Statement of Management

- (a) The current assets and non-current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise 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, Statement of Profit & Loss and Cash Flow Statement read together with the notes to the accounts and notes thereon, are drawn up so as to disclose the information required under 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.
- 16 Previous year figures have been regrouped, reclassified and reworked wherever necessary so as to make them comparable with those of current year.

FOR G. K. CHOKSI & CO

[Firm Registration No. 101895W]
Chartered Accountants

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

Place : Ahmedabad
Date : 30th May, 2015

FOR AND ON BEHALF OF THE BOARD

Sd/-
DEEPAK CHOKSHI
Director

Sd/-
HARIN MAMLATDARNA
Director

Place : Ahmedabad
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