

UDAY PASAD & ASSOCIATES

CHARTERED ACCOUNTANTS

B-6, J.B.Complex, N.J.Road, Ramnagar, Dombivali(E)-421 701, Maharashtra

AUDITORS' REPORT

To
The Members of
M/S. APL ENGINEERING SERVICES PRIVATE LIMITED

We have audited the attached Balance Sheet of **M/S. APL ENGINEERING SERVICES PRIVATE LIMITED** as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's managements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- I. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 (hereinafter referred to as the "Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in paragraph to above, we state that.
 - (a) We have 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, the company has kept proper books of account as required by Law so far, as appears our examination of such books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of Account.



- (d) In our opinion the Balance Sheet , Profit and Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards specified in the Companies (Accounting Standards) Rules , 2006, to the extent applicable.
- (e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, We report that the none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of section 274(1) (g) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
- a) In so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March 2013;
- b) In so far as it relates to the Profit and Loss Account, of the loss for the year ended on that date; and
- c) In so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.



**For UDAY PASAD & ASSOCIATES
Chartered Accountants**

U. P. Pasad

**(Uday Pasad)
Proprietor
(Membership no 46581)**

**Place: Mumbai
Date: 30th May 2013**

M/S APL ENGINEERING SERVICES PRIVATE LIMITED

Annexure to the auditor's report

Referred to in the Paragraph 3 of our report of even date on the accounts of the APL Engineering Services Private Limited. for the year ended March 31, 2013

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed assets.
b) The Fixed assets are physically verified by the management according to phased programme, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and physically inventory have been noticed.
c) In our opinion and according to the information and explanation given to us, a substantial part of the of the Fixed assets has not been disposed off by the Company during the year.
2. a) The inventory has been physically verified by the management at the year end. Inventories lying with the third parties and in-transit have been verified by the management with reference to confirmation or statement of accounts or subsequent receipt of goods.
b) The procedures for 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) The Company has maintained proper records of inventory and the discrepancies between the physical inventory and the book inventory noticed on physical verification as mentioned in para (b) above were not material and have been properly dealt with in the books of account.
3. a) During the year, the Company has received unsecured loan from one party covered under Section 301 of the Act amounting to Rs. 2,52,00,000 and repaid Rs. 62,72,118. The maximum balance during the year Rs. 6,43,47,485. and the year-end balance was Rs 5,66,60,367.
b) There is no stipulation as to when the payment has to be made or as to when the interest is payable.
c) The terms and conditions of the aforesaid loan received are prima-facie, not prejudicial to the interest of the Company.
d) The terms and conditions of the aforesaid loans taken are, prima-facie, not prejudicial to the interest of the Company and the principal amounts have been repaid as stipulated.
- 4 There are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods .Further, on the basis of our examination of the books and records of the Company, and according to information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.



5. a) Based on the audit procedure applied by us and according to the information and explanation given to us , in our opinion the transaction that need to be entered in to the register in pursuance of Section 301 of the Companies Act 1956, have been so entered.
- b) In our opinion and according to the information and explanation given to us , the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of Rupees Five Lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from public within the meaning of Section 58A of the Companies, Act 1956.
7. In our opinion, and according to the information and explanation given to us internal audit system is not applicable commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Act in respect of products manufactured by the Company.
- 9 (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues Provident fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom Duty, Excise Duty, and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute.
- 10 The company has been registered for a period less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and it has incurred cash losses in year ended 31.03.2013 and incurred cash loss in the immediately preceding financial year ended 31.03.2013.
- 11 According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of dues to financial institutions or banks.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund /Nidhi /Mutual benefit fund/Societies are not applicable to the Company.
14. In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions during the year.
16. In our opinion and according to information and explanation given to us on an overall basis, the term loans have been applied for the purpose for which they are obtained.
17. According to the information and explanations given to us and on an overall examination of cash flow statement and balance sheet of the Company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long- term investment.



18. The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India , 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 during the year, nor have been informed of such case by the management.

For UDAY PASAD & ASSOCIATES
Chartered Accountants



U. P. Pasad

(Uday Pasad)
Proprietor
(Membership no 46581)

Place: Mumbai
Date: 30th May 2013

APL ENGINEERING SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST March 2013

Particulars	Sch. No.	As at 31st March 2013	As at 31st March 2012
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	10,000,000	10,000,000
Reserves and Surplus	2	(14,659,595)	(588,674)
Non-Current Liabilities			
Long-Term Borrowings	3	37,890,274	17,835,023
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
Current Liabilities			
Short-Term Borrowings	4	29,360,367	35,632,485
Trade Payables	5	1,681,380	2,168,278
Other Current Liabilities	6	7,771,036	7,218,108
Total		72,043,462	72,265,220
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7	63,095,579	64,422,525
Capital Work in Progress		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
Long term loans and advances			
Other non-current assets			
Current Assets			
Inventories	8	2,431,169	1,479,634
Trade receivables	9	639,719	758,851
Cash and cash equivalents	10	321,834	71,907
Short-term loans and advances	11	5,445,696	5,440,128
Other current assets	12	109,464	92,176
Total		72,043,462	72,265,220

Significant accounting policies and Notes annexed form an integral part of financial statements

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As per our attached Report of even date

FOR Uday Pasad & Associates
 CHARTERED ACCOUNTANTS

(CA. Uday Pasad)
 Proprietor
 Membership No. : 46581
 Firm Reg. No.:
 DATED: 30th May 2013
 PLACE: MUMBAI



For on behalf of Board of Directors

(Signature)

(Signature)


(DIRECTOR)

(DIRECTOR)

DATED: 30th May 2013
 PLACE: MUMBAI



APL ENGINEERING SERVICES PRIVATE LIMITED
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH , 2013

Particulars	Note No.	for the year ended	for the year
		31st March 2013	ended 31st March 2012
	Rs.	Rs.	Rs.
Revenue from operations	13	7,170,464	652,706
Other Income	14	-	98,560
Total		7,170,464	751,266
Expenses:			
Cost of Materials consumed	15	6,137,823	654,728
Purchase of Stock-in-Trade		-	-
Manufacturing and Operating Costs	16	1,551,765	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	(1,577,185)	-
Employee Benefit Expense	18	4,695,811	37,299
Financial Costs	19	5,765,728	191,734
Depreciation and Amortization Expense	20	2,726,990	116,468
Other Administrative Expenses	21	1,940,454	391,035
Total		21,241,385	1,391,264
Profit / (Loss) before tax		(14,070,921)	(639,998)
Tax expense:			
Current tax		-	-
Excess Provision of taxation Reversed		-	-
Profit / (Loss) from the period		(14,070,921)	(639,998)
Earning per equity share:			
(1) Basic		(12.01)	(0.64)
(2) Diluted		(12.01)	(0.64)
Significant accounting policies and Notes annexed form an integral part of financial statements		22	
As per our attached Report of even date			
FOR Uday Pasad & Associates CHARTERED ACCOUNTANTS <i>U. P. Pasad</i>		<i>[Signature]</i>	For on behalf of Board of Directors <i>Yashwardhan R...</i>
(CA. Uday Pasad) Proprietor Membership No. : 46581 Firm Reg. No.: DATED: 30th May 2013 PLACE: MUMBAI		(DIRECTOR)	(DIRECTOR)
		DATED: 30th May 2013	PLACE: MUMBAI



APL Engineering Services Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		(Rs.)	(Rs.)
A	Cash Flow from Operating Activities		
	Net profit/(loss) before tax and extraordinary items	(14,070,921)	(639,997)
	Adjustments for:		
	Depreciation	2,726,990	116,468
	Interest paid	2,631,951	175,903
	Operating profit before working capital changes	(8,711,981)	(347,626)
	Adjustments for:		
	Trade and other receivables	96,275	146,409
	Inventories	(951,535)	(1,479,634)
	Trade payables	66,030	991,693
	Cash generated from operations	(9,501,210)	628,525
	Direct taxes (paid) /Refund (net of tax paid)	-	-
	Net cash flow from operating activities	(A) (9,501,210)	628,525
B	Cash Flow from Investing Activities		
	Purchase of fixed Assets	(1,400,044)	(6,632,806)
	Net cash flow from investing activities	(B) (1,400,044)	(6,632,806)
C	Cash Flow from Financing Activities		
	Proceeds/(Repayment) from Short Term Borrowings	(6,272,118)	-
	Proceeds/(Repayment) from long Term Borrowings	20,055,251	6,118,459
	Proceeds from issue of Share Capital	-	-
	Interest paid	(2,631,951)	(175,903)
	Net cash flow from financing activities	(C) 11,151,182	5,942,556
	Net increase/(decrease) in cash and cash equivalents	Total = A+B+C 249,928	(61,725)
	Cash and Cash equivalents		
	- Opening Balance	71,907	133,833
	- Closing Balance	321,834	71,907

Notes

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3 - Cash Flow Statement notified in the Companies (Accounting Standard) Rules, 2006.
- Previous year's figures have been regrouped/recast, wherever necessary.

For Uday Pasad & Associates
Chartered Accountants

U. P. Pasad

(CA. Uday Pasad)
Proprietor
Membership No. : 46581

Dated : 30th May 2013



For and on behalf of the Board

Directors

Yashwardhan Kumar

Directors



APL Engineering Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Rs.	Rs.
	As at 31.03.2013	As at 31.03.2012
AUTHORIZED CAPITAL		
10,00,000 Equity Shares of Rs. 10/- each.	10,00,000	10,00,000
10000(10000) Preference Shares of Rs. 10 each	100,000	100,000
	10,10,000	10,10,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
10,00,000(10,00,000) Equity Shares of Rs. 10/- each, 100% shares held by Amines & Plasticizers Limited	10,00,000	10,00,000
Total	10,00,000	10,00,000

1.1 Rights of Equity Shareholders

The Company has only one class of Equity Shares having par value of Rs.10.each, holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

1.2 Reconciliation of numbers of Equity shares

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	1,000,000	10,00,000	1,000,000	10,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000,000	10,00,000	1,000,000	10,00,000

1.3 Details of members holding equity shares more than 5%

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Amines & Plasticizers Limited	1000000	100.00%	1000000	100.00%

2 Reserve & Surplus

Particulars	Rs.	Rs.
	As at 31.03.2013	As at 31.03.2012
Capital Reserve	(14,659,595)	(588,674)
Surplus (Profit & Loss Account)	(588,674)	51,324
Balance brought forward from previous year	(14,070,921)	(639,998)
Add: Profit for the period		
Total	(14,659,595)	(588,674)



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Yashvardhan Rana

APL Engineering Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

3 Long Term Borrowings

Rs.

Particulars	As at 31.03.2013	As at 31.03.2012
Bonds / Debentures	-	-
Secured Loan		
<u>Term Loan</u>		
- From Bank	7,390,274	14,735,023
- From Other Parties	-	-
Deferred Payment Liabilities	-	-
Deposit	-	-
Unsecured		
From Holding Company	-	-
Long Term Maturities of Finance lease obligation	-	-
From Bodies Corporates	27,300,000	2,100,000
From Directors	3,200,000	1,000,000
Other Loans & Advances	-	-
Total	37,890,274	17,835,023

4 Short Term Borrowings

Secured Loan	As at 31.03.2013	As at 31.03.2012
From Holding Company	29,360,367	35,632,485
Other Loans & Advances	-	-
Total	29,360,367	35,632,485

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Yashwardhan Rana

APL Engineering Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Amount in Rs.

3.1 Repayment & other terms of the Borrowings are as follows

Repayment terms as at 31st March 2013

Secured loans	Rate of interest	Total	0-1 years	1-4 years
Term loan from Bank Term loan from bank Rs. 14590274 is secured by Hypothecation charge on Plant & Machinaries ,Shed , Electricals situated at Village Khalapur Dist Raigad and Collateral of Hypothecation charge on entire current assets and is also personally guaranteed by Managing Director of company and Corporate Guarantee of Holding Company.	13.75%	14590274	7200000	7,390,274
Unsecured Loan loan from Holding Company - Amines & Plasticizers Limited	Nil	0		-
Other Bodies Corporate	15%	27300000	-	27,300,000
loan from Director	14%	3200000	-	3,200,000
Total		45090274	7200000	37890274

3.1 Repayment & other terms of the Borrowings are as follows

Repayment terms as at 31st March 2012

Secured loans	Rate of interest	Total	0-1 years	1-4 years
Term loan from Bank Term loan from bank Rs. 21935023 is secured by Hypothecation charge on Plant & Machinaries ,Shed , Electricals situated at Village Khalapur Dist Raigad and Collateral of Hypothecation charge on entire current assets and is also personally guaranteed by Managing Director of company and Corporate Guarantee of Holding Company.	15.25%	21,935,023	7200000	14,735,023
Unsecured Loan From Holding Company - Amines & Plasticizers Limited	15%	-	-	-
From Other Bodies Corporate	15%	2,100,000	-	2,100,000
Loan from Director	15%	1000000	-	1,000,000
Total		25,035,023	7200000	17,835,023

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APL Engineering Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

5. Trades Payable

Particulars	As at 31.03.2013	As at 31.03.2012
Sundry Creditors	-	-
Due to Small, medium and Micro Enterprises	-	-
Others	1,681,380	2,168,278
Total	1,681,380	2,168,278

5.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under :

Particulars	As at 31.03.2013	As at 31.03.2012
Principal amount remaining unpaid	-	-
Interest paid in terms of section 16	-	-
Interest due & payable for the period of delay in payments	-	-
Interest accrued & remaining unpaid	-	-
Interest due & payable even in succeeding years	-	-
The Company has compiled the above information based on the status submitted by the suppliers under the said Act.	-	-

The Company has compiled the above information based on the status submitted by the suppliers under the said Act.

6. Other Current Liabilities

Rs.

Particulars	As at 31.03.2013	As at 31.03.2012
Interest payable	7,200,000	7,200,000
Current Maturities of long -term borrowings (Refer Note 3)	-	-
<u>Other Liabilities</u>	-	-
Statutory Dues	163,559	16,628
Employees Related	407,477	1,480
Total	7,771,036	7,218,108



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Yashwardhan Rana

APL Engineering Services Private Limited
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Note : 7 Fixed Asset

Amounts in Rs.

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block			
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012
I	<u>Tangible Assets</u>											
1	Factory Shed	3.34%	26,430,864	-	-	26,430,864	36,279	882,791	-	919,070	25,511,794	26,394,585
2	Plant and Equipment	4.75%	37,930,732	1,397,344	-	39,328,076	74,043	1,829,547	-	1,903,590	37,424,486	37,856,689
3	Furnitures & Fixtures	6.33%	168,575	-	-	168,575	2,631	10,671	-	13,302	155,273	165,944
4	Office Equipment	4.75%	2,234	2,700	-	4,934	2,234	2,700	-	4,934	-	-
5	Computer	16.21%	7,900	-	-	7,900	2,593	1,281	-	3,874	4,026	5,307
	SUB TOTAL (A)		64,540,305	1,400,044	-	65,940,349	117,780	2,726,990	-	2,844,770	63,095,579	64,422,525
	(Previous Year)		7,900	64,532,405	-	64,540,305	1,312	116,468	-	1,17,780	64,422,525	6,588
II	<u>Intangible Assets</u>											
	SUB TOTAL (B)		-	-	-	-	-	-	-	-	-	-



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Yashwardhan Rana

APL Engineering Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

		Amount in Rs.	
8 Inventories	Particulars	31.03.2013	31.03.2012
	Raw Material	853,984	1,479,634
	Work-in-Progress	1,577,185	-
	Finished Goods		
	Stock-in-Trade		
	Stores & Spares		
	Total	2,431,169	1,479,634

		Amount in Rs.	
9 Trade Receivables	Particulars	31.03.2013	31.03.2012
	<u>Outstanding for more than six months</u>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	<u>Others</u>		
	a) Secured, Considered Good :	639,719	758,851
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	Total	639,719	758,851

		Amount in Rs.	
10 Cash & Cash Equivalent	Particulars	31.03.2013	31.03.2012
	<u>Cash-in-Hand</u>		
	Cash Balance	5,749	1,388
	Sub Total (A)	5,749	1,388
	<u>Balance with Scheduled Banks:</u>		
	In Current Accounts	316,085	70,519
	Sub Total (B)	316,085	70,519
	<u>Cheques on Hand</u> (C)		
	Total [A + B]	321,834	71,907

		Amount in Rs.	
11 Short Terms Loans and Advances	Particulars	31.03.2013	31.03.2012
	Loans & Advances from related parties		
	a) Secured, Considered Good :	-	-
	Advance to Associate Concerns		
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Suppliers	600,925	638,377
	Advance Income Tax/Refund Due	19,197	-
	Balance With Customs, Excise ,etc	1,675,701	1,872,444
	Vat Recoverable	2,078,010	1,958,864
	Deposits	887,499	922,443
	Service Tax Receivable	264	-
	LWF Recoverable	-	-
	Total	5,445,696	5,440,128

		Amount in Rs.	
12 Other Current Assets	Particulars	31.03.2013	31.03.2012
	Prepaid Insurance	69,964	92,176
	Prepaid Expenses	16,500	-
	Advance Agst Exp	23,000	-
	Total	109,464	92,176



Yashwardhan Kulkarni

APL Engineering Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

13 Revenue from Operations (Amount in Rs.)

Particulars	2012-2013	2011-2012
Domestic Sales	6,696,239	729,634
Domestic Services	1,123,409	22,706
Less		
Excise Duty	- 649,184	- 99,634
Total	7,170,464	652,706

14 Other Income (Amount in Rs.)

Particulars	2012-2013	2011-2012
Other Receipts	-	98,560
Total	-	98,560

15 Cost of materials consumed (100% indigenous)

Particulars	2012-2013	2011-2012
Opening Stock	1,479,634	-
Add : Purchases	5,512,173	2,134,362
Less- Closing Stock	853,984	1,479,634
Total	6,137,823	654,728

16 Manufacturing and Operating Expenses (Amount in Rs.)

Particulars	2012-2013	2011-2012
Power and Fuel	223,513	-
Packing, Freight & Forwarding	113,395	-
Miscellaneous labour charges	126,638	-
Repair & Maintenance Machinery	880,743	-
Repair & Maintenance Others	207,477	47,108
Total	1,551,765	47,108

17 Changes in Inventories of Finished Goods & Work in Progress

Particulars	2012-2013	2011-2012
Opening Stock		
Finished Goods		-
Work in Progress		-
	-	-
Closing Stock		
Finished Goods	-	-
Work in Progress	1,577,185	-
	1,577,185	-
Total in	1,577,185	-

18 Employment Benefit Expenses (Amount in Rs.)

Particulars	2012-2013	2011-2012
Salaries, Bonus, PF & ESIC	4,620,883	29,675
Staff Welfare expenses	74,928	7,624
Total	4,695,811	37,299



Yashwardhan Rino

APL Engineering Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

19 Financial Cost (Amount in Rs.)

Particulars	2011-2012	2011-2012
Interest on Term loan	2,631,951	162,511
Interest on Other loans	3,095,153	13,392
Bank Charges	38,624	15,831
Total	5,765,728	191,734

20 Depreciation & Amortised Cost (Amount in Rs.)

Particulars	2011-2012	2011-2012
Depreciation	2,726,990	116,468
Preliminary Expenses W/O	-	-
Total	2,726,990	116,468

21 Other Administrative Expenses (Amount in Rs.)

Particulars	2011-2012	2011-2012
Telephone Expenses	23,841	4,500
Repairs & Maintenance		47,108
Conveyance & Travelling Expenses	137,400	29,596
Legal & Professional Expenses	509,277	102,327
Freight & Octroi outward	191,487	1,100
Rent	179,400	18,000
Filing fees	2,186	-
Maharashtra Profession Tax	2,500	2,500
Miscellaneous labour charges		-
Sales tax paid	-	6,950
Insurance	151,006	156,439
Rates & Taxes	62,376	10,000
General expenses	47,671	7,515
Stationery Expenses	32,147	-
Security Charges	477,083	-
Payment to Auditor	5,000	5,000
Sales Promotion Expenses	119,080	-
Total	1,940,454	391,035

Particulars	2012-2013	2011-2012
PURCHASES OF RAW MATERIALS AND STORES		
Steel	4,067,097	
Stores & Spares	1,445,076	
Sub-total (a)	5,512,173	-
DIRECT/PRODUCTIONS EXPENSES		
Power & Fuel	223,513	-
Packing, Freight & Forwarding	113,395	-
Repair & Maintenance Machinery	880,743	-
Sub-total (b)	1,217,651	-
Total in		-



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Yashwardhan Rana

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. The Company is in the fabrication and engineering services.

2. Basis for Preparation of Financial Statements:

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India under the historical cost convention in accordance with the applicable Accounting Standards (AS) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable and on the principles of a going concern.

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

3. Use of Estimates:

The preparation of financial statements in conformity with AS and GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

4. Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date.

The exchange differences arising on forward foreign currency contracts other than those entered into to hedge the foreign currency risk of firm commitments or highly probable forecast transactions are recognized in the period in which they arise based on the difference between i) foreign currency amount of the contract translated at the exchange rate on the reporting date and ii) the same foreign currency amount translated at the later of the date of inception of the forward exchange contract or the last reporting date.

The premium or discount arising at the inception of the forward foreign currency contracts is amortized as an expense or income over the life of the contract.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognized as income or expense for the year.

5. Fixed Assets

a) Fixed Assets are stated at cost less accumulated Depreciation.

b) Expenditure related to and incurred during the implementation of the projects is included under Capital work in progress and the same is capitalized under the appropriate heads on completion of the projects.



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Yashvardhan Rana

6. **Depreciation**
- Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
 - Depreciation on Fixed Assets added/disposed off/discarded during the year has been provided on the pro-rata basis with reference to the month of addition/disposal/discarding.

7. **Accounting for Taxes on Income:**

Provision for current income tax is made on the basis of the estimated taxable income for the year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax resulting from timing differences between book profits and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/ reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

8. **Valuation Of Inventories**

- Inventories are valued at lower of cost and estimated net realizable value. Obsolete, defective and unserviceable stocks are provided for.
- Cost of Stores and Spares is computed on Moving Weighted Average and other Inventories on FIFO basis.
- Materials-in-process are valued at raw material cost and estimated cost of conversion
- Cost of finished goods includes conversion and other costs incurred in bringing the inventories to their present location and condition.

9. **Revenue Recognition:**

- Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customers which coincides with the date of dispatch/bill of lading.
- Sale includes excise duty and freight, wherever applicable and is net of sales tax /VAT.

10. **Borrowing Costs**

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalized as a part of the cost of respective assets upto the date when such assets is ready for its intended use. other borrowing costs are charged to Profit and Loss Account.

11. **Provisions, Contingent Liability and Contingent Assets:**

- A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation.
- Contingent liabilities, unless the possibility of the outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts.
- Contingent assets are not recognized or disclosed in the financial statement.



B. NOTES TO FINANCIAL STATEMENTS:31.03.2013
Rupee31.03.2012
Rupee

1 a) In the opinion of the Board, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. Provision for all known and determined liabilities and depreciation is adequate and not in excess.

b) Balances of sundry debtors, sundry creditors and advances given are, however, subject to confirmations and adjustments, if any. In the opinion of the management, adjustments as may be required on such confirmations would not be significant.

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Preoperative expenditure pending for allocation
Amount in Rs.

	2012-2013	2011-2012
Opening balance	-	6,796,573
Add		
Salary & Wages expenses		589,833
Miscellaneous Site Expenses		201,134
Bank charges		
interest		4,504,645
legal and Professional charges		48,000
other expenses		231,654
Total		12,371,839
Less		
Capitalized		12,371,839
Closing balance	-	-

3 Earnings per share (EPS):

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Net (Loss) as per Profit and Loss Account (Rs.)	(140,70,921)	(639,997)
Weighted Average Number of Equity Shares (Nos.)	1,000,000	1,000,000
Basic and Diluted Earning per Equity Share (Rs.)	(14.07)	(0.64)
Nominal value per Equity Share (Rs.)	10	10



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Yashwardhan Puri

4. Related Party Transactions

Related party disclosures as required by AS-18 "Related Party Disclosures" are given below:

- A) **Parties where control exists: Holding Company**
Amines & Plasticizers Limited
- B) **Companies where Key Management Personnel have significant influence: Associates**
- Multiwyn Investments & Holdings Private Limited
- C) **Key Managerial Personnel:**
Mr. Hemant Kumar Ruia

B. During the year following transactions were carried out with the related parties in the ordinary course of business:

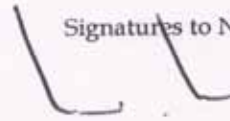
Amounts in Rs.

Name of the Party	Nature of Transactions	Transaction during the year ended		Balance as on	
		31.03.13	31.03.12	31.03.13	31.03.12
Referred to in A Amines & Plasticizers Limited (Holding Company)	i) Rent Paid	18,000	18,000	-	-
	ii) Reimbursement Expenses	2,37,611	69,677	76,934	-
	iii) Equity issued	-	-	-	-
	iv) Loan taken (Repaid)	(62,72,118)	1,23,70,057	2,93,60,367	3,56,32,485
Referred to in B Multiwyn Investment & Holdings Private Limited	i) Interest	26,39,301	3,15,862	-	-
	ii) loan taken (Repaid)	2,52,00,000	-	2,73,00,000	21,00,000

- 1) Related party relationship is as identified by the management and relied upon by the auditors.
- 2) No balance in respect of the related parties have been written off / written back / provided for during the year.

5. Figures of the previous year have been regrouped/ rearranged wherever considered Necessary to conform to the current year's presentation.

Signatures to Note 1 to 22

 Yashwanthan Ruia

Directors.

Place: Mumbai
Date: 30th May 2013

