

INDEPENDENT AUDITOR'S REPORT

To the Members of Madhumala Traders Private Limited Report on the Financial Statements

We have audited the accompanying financial statements of Madhumala Traders 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.

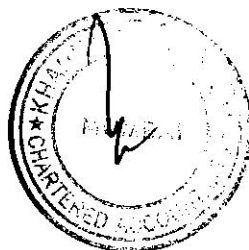
Management's Responsibility for the Financial Statements

The Management and Board of Directors of the Company are 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

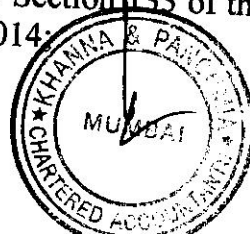
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

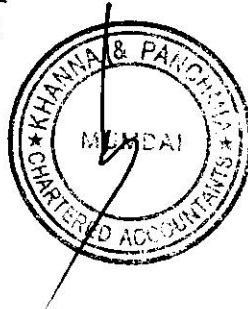
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we further 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 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 aforesaid financial statements comply with the applicable 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 March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- (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 derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
- (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **KHANNA & PANCHMIA**
CHARTERED ACCOUNTANTS
Firm's Registration No. 136041W

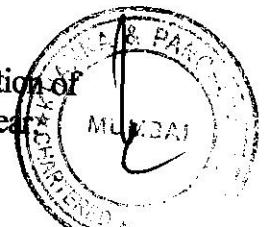

Devendra Khanna
Membership Number 038987



Mumbai
Dated: 15 MAY 2015

**Annexure to Independent Auditors' Report
Referred to in Paragraph 1 under the heading "Report on Other Legal and
Regulatory Requirements" of our report of even date**

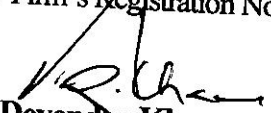
1. The Company has no fixed assets and hence maintaining particulars of such assets and physical verification of the same does not arise.
2. The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. In view of this, clauses iii (a) and (b) are not applicable to the Company and hence, not reported upon.
3. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
4. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date it became payable.
5. According to the information and explanations given to us and also based on the Management's Representation, there have been no disputed dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited on account of any dispute as at the balance sheet date.
6. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
7. The Company has neither accumulated losses as at 31st March 2015 nor has it incurred any cash losses either in the financial year under audit or in the immediately preceding financial year.
8. According to the records of the Company, it has not defaulted in repayment of dues to financial institutions or banks or to debenture holders.
9. The Company has not given any guarantee for loans taken by the others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
10. We are informed that the Company has not taken any term loans during the year.
11. As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company has been noticed or reported during the year.

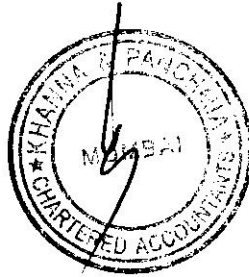


12. In our opinion and according to the information and explanation given to us the following clauses of the said order are not applicable to the company-

- a. Physical verification and valuation of stocks. (clauses ii)
- b. Internal control procedure for the purchase of Inventory and fixed assets, and for sale of goods and services. (clause iv)
- c. Maintenance of cost records under Section 148(1) of the Companies Act, 2013. (clause vi)

For **KHANNA & PANCHMIA**
CHARTERED ACCOUNTANTS
Firm's Registration No. 136041W


Devendra Khanna
Membership Number 038987



Mumbai

Dated: 15 MAY 2015

MADHUMALA TRADERS PVT. LTD.

Balance Sheet as at 31st March 2015

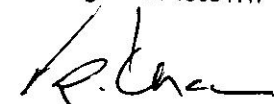
	Notes	₹	31st March, 2015 ₹	31st March, 2014 ₹
I. Equity & liabilities				
1. Shareholders' funds				
Share capital	2	1,00,000		1,00,000
Reserves and surplus	3	<u>3,07,70,459</u>		<u>2,66,47,778</u>
			3,08,70,459	<u>2,67,47,778</u>
2. Current liabilities				
Trade payables	4		5,619	5,618
Total			<u>3,08,76,078</u>	<u>2,67,53,396</u>
II. Assets				
1. Non-current assets				
Non-current investments	5		3,08,58,100	2,67,15,889
2. Current assets				
Cash and bank balances	6	16,658		34,362
Short-term loans and advances	7	<u>1,320</u>		<u>3,145</u>
			17,978	<u>37,507</u>
Total			<u>3,08,76,078</u>	<u>2,67,53,396</u>
Summary of significant accounting policies	1			

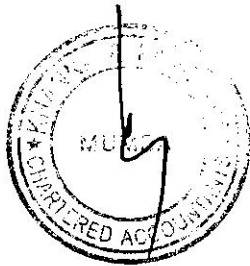
The accompanying notes are an integral part of the financial statements.

As per our report of even date

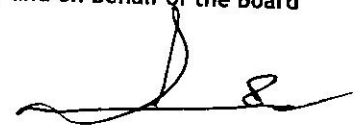
For and on behalf of the Board

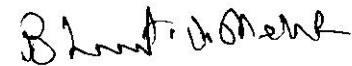
For Khanna & Panchmia
Chartered Accountants
Firm Regn. No.: 136041W


Devendra Khanna
Partner
Membership No.: 38987




Secretary





Directors

Mumbai
Dated: 15 MAY 2015



Statement of profit and loss for the year ended 31st March 2015

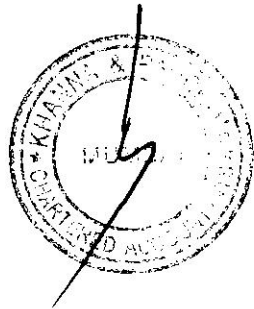
	Notes	31st March, 2015 ₹	31st March, 2014 ₹
Income			
Other income	8	41,57,210	33,69,967
Total revenue (I)		41,57,210	33,69,967
Expenses			
Other expenses	9	31,763	20,552
Total expenses (II)		31,763	20,552
Profit/(loss) before tax		41,25,447	33,49,415
Tax expense			
Income tax earlier year		2,766	-
Profit/(loss) for the year		41,22,681	33,49,415
Earning per share	10		
Basic		412.27	334.94
Diluted		412.27	334.94
Summary of significant accounting policies	1		

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

As per our report of even date


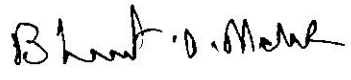
For Khanna & Panchmia
Chartered Accountants
Firm Regn. No.: 136041W


Devendra Khanna
Partner
Membership No.: 38987




Secretary

For and on behalf of the Board



Directors

Mumbai
Dated : 15 MAY 2015



MADHUMALA TRADERS PVT. LTD.

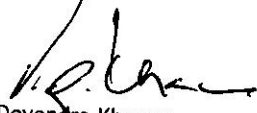
Cash flow statement for the year ended 31st March, 2015.

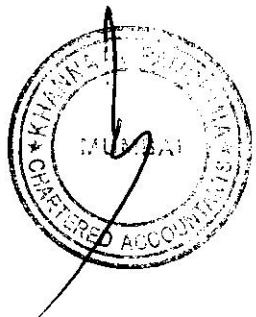
	31st March, 2015	31st March, 2014
	₹	₹
Cash flow from operating activities		
Profit/(loss) before tax	41,22,681	33,49,415
Non-cash adjustment to reconcile profit before tax to net cash flows		
Dividend income	-	-
Operating profit/(loss) before working capital changes	<u>41,22,681</u>	<u>33,49,415</u>
Movements in working capital:		
Increase/(decrease) in trade payables	-	2,809
Increase/(decrease) in other current liabilities	-	-
Decrease/(increase) in short-term loans and advances	1,825	507
Cash generated from Operations	<u>41,24,506</u>	<u>33,52,731</u>
Extraordinary items	-	-
Net Cash from Operating Activities (A)	<u>41,24,506</u>	<u>33,52,731</u>
Cash flows from investing activities		
(Increase) /decrease in investments	(41,42,210)	(33,44,967)
Dividend received	-	-
Net cash flow from/(used in) investing activities (B)	<u>(41,42,210)</u>	<u>(33,44,967)</u>
Cash flow from financing activities		
Proceeds from/(repayment of) short-term borrowings	-	-
Net cash flow from/(used in) financing activities (C)	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(17,704)	7,764
Cash and cash equivalents at the beginning of the year	34,362	26,598
Cash and cash equivalents at the end of the year	<u>16,658</u>	<u>34,362</u>
Components of cash and cash equivalents		
Cash on hand	142	142
Balances with banks - on current account	16,516	34,220
Total cash and cash equivalents (Note 7)	<u>16,658</u>	<u>34,362</u>
Summary of significant accounting policies	1	

As per our report of even date


For and on behalf of the Board

For Khanna & Panchmia
Chartered Accountants
Firm Regn. No.: 136041W


Devendra Khanna
Partner
Membership No.: 38987




Secretary


Bhant. U. Mehta
Directors

Mumbai
Dated : 15 MAY 2015



Notes to the financial statements for the year ended 31st March 2015

Note 1 Corporate Information

The Company was incorporated in 1989 and is engaged in investment activity.

Note 2 Significant Accounting Policies

2.1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention on a going concern basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of the current events and actions, future results could differ due to these estimates and differences between the actual results and the estimates are recognised in the periods in which the results are known /materialised.

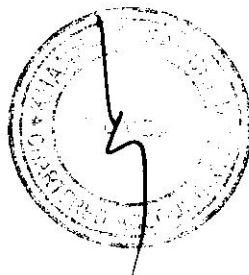
2.3 Investment is stated at cost.

2.4 Taxation

Accounting for Taxes on Income

Income tax expense comprises current tax (i.e. Amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when said liabilities are accepted by the Company.



Deferred Taxation

The deferred tax resulting from timing differences between book 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 appropriate of their respective carrying values at each balance sheet date.

2.5 Provisions and contingencies

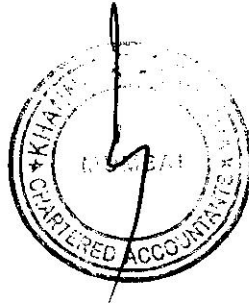
The Company creates a provision when there is a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the balance sheet date.

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.6 Earnings per Share

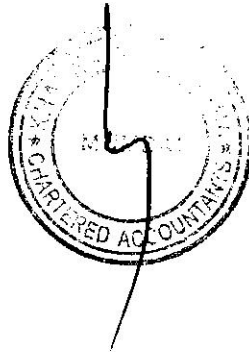
The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit attributable to the equity shareholder by weighted average number of equity shares outstanding during the reporting year. In accordance with Accounting Standard AS 20 on "Earnings per share" prescribed by the Company (Accounting Standards) Rules 2006, the computation of earnings per share is set out below.



MADHUMALA TRADERS PVT. LTD.

Notes to the financial statements for the year ended 31st March 2015

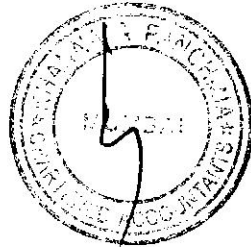
Note 2	₹	31st March, 2015	31st March, 2014
		₹	₹
Share Capital			
Authorised			
10,000 (10,000) equity shares of ₹ 10 each (₹ 10 each)		1,00,000	1,00,000
Issued, subscribed and paid-up shares			
10,000 (10,000) equity shares of ₹ 10 each (₹ 10 each)		1,00,000	1,00,000
		<u>1,00,000</u>	<u>1,00,000</u>
a. Shares held by holding company			
Pidilite Industries Limited			
10,000 (10,000) equity shares of ₹ 10 each (₹ 10 each)		1,00,000	1,00,000
b. Shareholders holding 5% or more of total shares		No. of Share held	No. of Share held
Pidilite Industries Limited		10,000	10,000
% of Holding		100%	100%
c. There is no change in the number of shares outstanding at the beginning and at the end of the year.			
Note 3			
Reserves and surplus			
General reserve			
(As per Last Balance Sheet)		11,100	11,100
Surplus/(deficit) in the statement of profit & loss			
Balance as per last financial statement	2,66,36,678		2,32,87,263
Add: Profit for the year	41,22,681		33,49,415
Net surplus/(deficit) in the statement of profit & loss		<u>3,07,59,359</u>	<u>2,66,36,678</u>
		<u>3,07,70,459</u>	<u>2,66,47,778</u>



MADHUMALA TRADERS PVT. LTD.

Notes to the financial statements for the year ended 31st March 2015

	31st March, 2015	31st March, 2014
	₹	₹
Note 4		
Current Liabilities		
Trade Payables		
(Other than Micro, Small and Medium Enterprises)	5,619	5,618
	<u>5,619</u>	<u>5,618</u>
Note 5		
Non-current investments		
Details of investments in partnership firm		
Capital account	50,00,000	50,00,000
Current account	2,58,58,100	2,17,15,889
	<u>3,08,58,100</u>	<u>2,67,15,889</u>
Name of the firm - M/s. Nitin Enterprises		
Name of partner & Share in Capital		
Bhimad Commercial Company Pvt. Ltd.	50.00	50.00
Madhumala Traders Pvt. Ltd.	50.00	49.99
Mrs. Manju Agarwal	-	0.01
Total	100.00	100.00
Total Capital of the firm	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Note 6		
Cash and bank balances		
Cash & cash equivalents		
Balances with banks		
In current accounts	16,516	34,220
Cash on hand	142	142
	<u>16,658</u>	<u>34,362</u>



MADHUMALA TRADERS PVT. LTD.

Notes to the financial statements for the year ended 31st March 2015

	31st March, 2015	31st March, 2014
	₹	₹
Note 7		
Short-term loans and advances		
Other loans and advances		
Prepaid expenses	1,320	379
Income-tax refund receivable	-	2,766
	<u>1,320</u>	<u>3,145</u>
Note 8		
Other income		
Share in profit from partnership firm	41,57,210	33,69,967
	<u>41,57,210</u>	<u>33,69,967</u>
Note 9		
Other expenses		
Bank charges		
Profession tax	11,330	80
Payments to auditors'	2,500	2,500
As Auditor		
Professional fees	5,618	5,618
Miscellaneous expenses	7,584	11,242
	4,731	1,112
	<u>31,763</u>	<u>20,552</u>
Note 10		
Earnings per share		
Computation for both basic and diluted earnings per share of Rs. 10/- each (previous year Rs. 10/- each):		
a. Profit as per statement of profit & loss available for equity shareholders	41,22,681	33,49,415
b. Number of equity shares for basic and diluted earnings per share computation	10,000	10,000
c. Basic and diluted earnings per share (₹)	412.27	334.94
Note 11		
Related party disclosure:		
i. Name of related parties and relationship		
Pidilite Industries Ltd. - Holds 100% of equity shares of company		
Nitin Enterprises - A firm in which Company is a Partner (Refer Note 5 & 8)		
ii. Key Management personnel -		
Shri N.D. Merchant		
iii. Other Directors -		
Sarva Shri P.C. Patel, P.K.Kansal, B.O.Mehta		
iv. There are no transactions with related party during the year		



Note 12

Income Tax

Income earned by the company is not liable to tax hence no provision for income tax has been made.

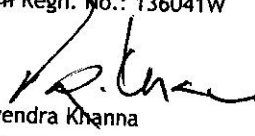
Note 13

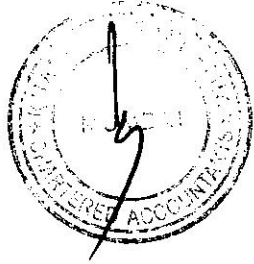
Previous year's figures have been regrouped wherever necessary.

As per our report of even date

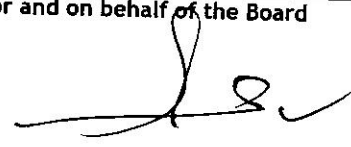
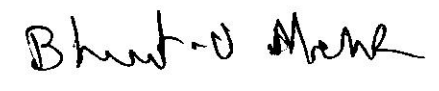
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Devendra Khanna
Partner
Membership No.: 38987




Secretary



Directors

Mumbai
Dated : 15 MAY 2010

