

INDEPENDENT AUDITOR'S REPORT

The Members,
COMMERCIAL SYN BAGS LIMITED,
INDORE

Report on the Financial Statements

We have audited the accompanying financial Statements of COMMERCIAL SYN BAGS LIMITED., Indore ("the company"), which comprise the Balance Sheet as at March 31, 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.

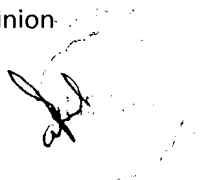
Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified in sub-section (3C) of section 211 of 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 controls 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 include 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 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 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and other Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
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 accounts 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 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 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 31, 2014, and taken on record by the Board of the Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms clause (g) of sub-section (1) of section 274 of the Act.

Place: Indore
Date: 20/08/2014

For Gupta & Ashok
Chartered Accountants
FRN: 02254C


CA Ashok Agrawal
(Partner)
M. No. : 071274



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ending March 31, 2014)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) (a) The inventory at all locations, except in transit (if any) and lying with third parties has been physically verified during the year by the management. In respect of inventory with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material and the same have been properly dealt with in the books of accounts.
- (iii) (a) The company did not give any loan to any person covered under section 301 of the Act. Accordingly the provisions of sub-clauses (b), (c) and (d) of clause (iii) of para 4 of the order are not applicable to the company.

(e) There are four persons (previous year four persons) covered in the register maintained under section 301 of the Companies Act, 1956 from which the company has taken loans. The Maximum amount involved during the year was Rs. 78.02 lakhs (Previous year Rs. 77.58 lakhs) and the year-end balance of loans taken from such parties was Rs. 85.12 lakhs (Previous year Rs. 74.15 lakhs).

(f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(g) There is no repayment schedule for interest and loans in respect of unsecured loan taken by the company.



- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
- (v) (a) According to information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of rupees five lakh 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.
- (vi) According to the information and explanations given to us and on the basis of our checking during the course of audit, the company has not accepted any deposits from the public during the year and consequently, the directives issued by the Reserve Bank of India, the provisions of section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the internal audit of Company carried out during the year by a firm of Chartered Accountants appointed by the company, have been commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by Central Government for the maintenance of cost records under Companies (Cost Accounting Records) Rules 2011 prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the record with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanation given to us, the company has been regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities during the year though there has been a slight delay in a few cases. There was no such outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable except the following:



| Name of the Statute | Nature of Amount Due | Amount | Period to which the amount relates | Due Date of Payment | Date of Payment |
|---------------------|----------------------|--------|------------------------------------|---------------------|-----------------|
| Income Tax Act | Fees u/s234E | 29400 | Financial Year 2013-14 Quarter 1 | 09/12/2013 | Not Paid |
| Income Tax Act | Fees u/s234E | 25800 | Financial Year 2013-14 Quarter 1 | 21/11/2013 | Not Paid |
| Income Tax Act | Fees u/s234E | 2636 | Financial Year 2013-14 Quarter 1 | 23/11/2013 | Not Paid |
| Income Tax Act | Fees u/s234E | 5000 | Financial Year 2012-13 Quarter 2 | 09/11/2012 | Not Paid |
| Income Tax Act | Fees u/s234E | 18400 | Financial Year 2012-13 Quarter 2 | 15/01/2013 | Not Paid |
| Income Tax Act | Fees u/s234E | 1200 | Financial Year 2012-13 Quarter 4 | 21/05/2013 | Not Paid |
| Income Tax Act | Fees u/s234E | 8600 | Financial Year 2012-13 Quarter 4 | 27/06/2013 | Not Paid |

(b) As at 31st March 2014 according to record of the company, there was no disputed dues on account of sales tax, income tax, wealth tax, service tax, excise duty and cess matters that have not been deposited.

- (x) The company has neither accumulated losses as at 31st March 2014 nor had incurred any cash losses during the financial year ended on that date. There were no cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi or mutual fund society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

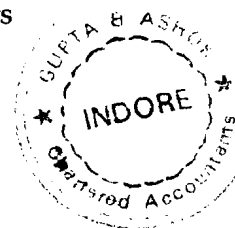


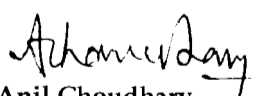
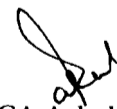
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) The company has not given any guarantee for loan taken by others during the year. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) The term loan was applied for the purpose for which the loan was obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has issued shares during the year. The price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The company has not issued debentures during the year.
- (xx) The company has not made any public issue during the year.
- (xxi) Based upon audit procedures performed and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

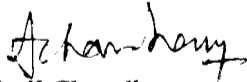

Place Indore
Dated 20/08/2014

For Gupta & Ashok
Chartered Accountants
FRNo. 02254C


(CA Ashok Agrawal)
Partner
M.No. 071274



| COMMERCIAL SYNBAGS LIMITED | | | |
|--|----------|--|---------------------|
| BALANCE SHEET AS AT 31st MARCH 2014 | | | |
| Particulars | Note No. | As at 31.03.2014 | As at 31.03.2013 |
| | | ₹ | ₹ |
| I. EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 3 | 20743500 | 20180000 |
| Reserves & Surplus | 4 | 144155721 | 101819034 |
| | | 164899221 | 121999034 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 100276946 | 108252309 |
| Deferred tax liabilities(Net) | 6 | 14856596 | 11565884 |
| | | 115133542 | 119818192 |
| Current liabilities | | | |
| Short-term borrowings | 7 | 132857519 | 80139502 |
| Trade Payables | 8 | 70230194 | 42727033 |
| Other current liabilities | 9 | 129568837 | 119022810 |
| Short term provisions | 10 | 9449879 | 4994100 |
| | | 342106429 | 246883446 |
| TOTAL | | 622139191 | 488700672 |
| II. ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 11 | 238928308 | 222440029 |
| Capital work-in-progress | | 2208140 | 2678027 |
| Long-term loans and advances | 12 | 6157764 | 4609084 |
| Other non-current assets | 13 | 497995 | 215074 |
| | | 247792207 | 229942214 |
| Current assets | | | |
| Inventories | 14 | 117472326 | 85280467 |
| Trade Receivables | 15 | 165074424 | 106558045 |
| Cash and bank balances | | | |
| Cash and cash equivalents | 16 | 3840924 | 3494010 |
| Other bank balances | 17 | 50937216 | 33172458 |
| Short-term loans and advances | 18 | 29631506 | 27730063 |
| Other current assets | 19 | 7390588 | 2523415 |
| | | 374346984 | 258758458 |
| TOTAL | | 622139191 | 488700672 |
| The accompanying notes are an integral parts of financial statements. | | As per our report of even date | |
| For and on behalf of the Board of Directors of the Company. | | For Gupta & Ashok | |
| | | Chartered Accountants | |
| | | Firm Reg. No. 002254C | |
|  Anil Choudhary Managing Director | |  CA Ashok Agrawal Partner M.No. 071274 | |
| Ranjana Choudhary Director | | Place: Indore 05.09.2014 | |

| COMMERCIAL SYNBAGS LIMITED | | | |
|--|----------|--|----------------------------------|
| STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2014 | | | |
| Particulars | Note no. | for the year ended on 31.03.2014 | for the year ended on 31.03.2013 |
| | | ₹ | ₹ |
| Continuing Operations | | | |
| Income | | | |
| Revenue from operations (Gross) | 20 | 996890403 | 702033507 |
| Less: Excise Duty | | 39231309 | 23299742 |
| Revenue from operations (Net) | | 957659094 | 678733766 |
| Other Income | 21 | 3571665 | 2808607 |
| Total Revenue | | 961230759 | 681542373 |
| Expenses: | | | |
| Cost of material consumed | 22 | 629914029 | 452804425 |
| Purchase of traded goods | 23 | 112483 | 4913103 |
| Changes in inventories of finished goods, work in progress and stock in trade | 24 | (19506740) | (30687591) |
| Employees benefit expenses | 25 | 54530129 | 43585617 |
| Finance cost | 26 | 28932243 | 21365412 |
| Depreciation and amortisation expenses | 27 | 21972725 | 14585909 |
| Other expenses | 28 | 192576849 | 142728601 |
| Total Expenses | | 908531717 | 649295476 |
| Profit(Loss) before exceptional and extraordinary items and tax | | 52699042 | 32246897 |
| Exceptional items | | 0 | 0 |
| Profit(Loss) before extraordinary items and tax | | 52699042 | 32246897 |
| Extra ordinary items | | 0 | 0 |
| Profit(Loss) before tax | | 52699042 | 32246897 |
| Tax expense: | | | |
| (1) Current tax | | (10543893) | (6451878) |
| (2) Deferred tax | | (3290711) | (4135999) |
| (3) Income tax relating to earlier years | | (20500) | 0 |
| Profit(Loss) for the period from continuing operations | | 38843937 | 21659020 |
| Profit(Loss) for the period | | 38843937 | 21659020 |
| Earning per equity share: | 29 | | |
| Basic | | 19.25 | 11.56 |
| Diluted | | 19.25 | 11.56 |
| The accompanying notes are an integral parts of financial statements. | | As per our report of even date | |
| For and on behalf of the Board of Directors of the Company. | | For Gupta & Ashok | |
| | | Chartered Accountants | |
| | | Firm Reg. No. 002254C & Ashok | |
|  Anil Choudhary Managing Director | |  CA Ashok Agrawal Partner M.No. 071274 | |
| Ranjana Choudhary Director | | Place: Indore 05.09.2014 | |