

Independent Auditor's Report

The Members,
COMMERCIAL SYN BAGS LIMITED,
INDORE

We have audited accompanying financial statements of COMMERCIAL SYN BAGS LIMITED ("the Company"), which comprise the Balance Sheet as at **31st March 2013** and 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, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principle generally accepted in India. 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 misstatements, whether due to fraud or error.

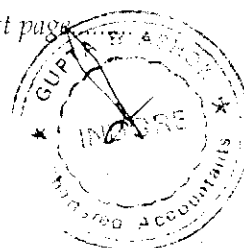
Auditor's Responsibility

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 misstatements.

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

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

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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 *subject to non provision of leave encashment (amount not ascertained) in terms of AS- 15 (Revised) and accounting of the same on cash basis (refer note 44);* 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, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

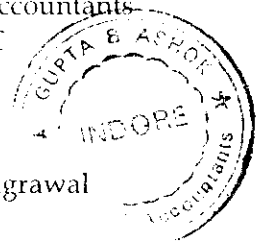
Report on Other Legal and Regulatory Requirements

1. 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 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, and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, and Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 *subject to non provision of leave encashment (amount not ascertained) in terms of AS- 15 (Revised) and accounting of the same on cash basis (refer note 44);* and
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Indore
Date: 20/08/2013

For Gupta & Ashok
Chartered Accountants
FRN: 02254C


CA Ashok Agrawal
(Partner)
M. No. : 071724



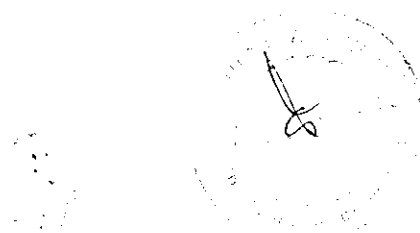
ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(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, 2013)

- (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. 77.58 lakhs (Previous year Rs. 105.60 Lakhs) and the year-end balance of loans taken from such parties was Rs. 74.15 lakhs (Previous year Rs. 71.69 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 the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) On the basis of representation made by the management and scrutiny of books of accounts carried out by us, there was no transactions exceeding the value of five lakh rupees in respect of any party, hence the sub clause is not applicable.
- (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.
- (b) As at 31st March 2013 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.

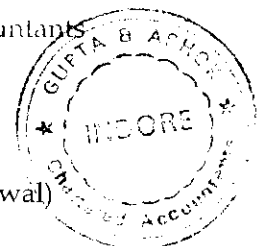
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- (x) The company has neither accumulated losses as at 31st March 2013 nor had incurred any cash losses during the financial year ended on that date. There were no cash losses in the immediately preceding financial year.
- (xi) In our opinion and according 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 20/08/2013

For Gupta & Ashok
Chartered Accountants
FR.No. 02254C

(CA Ashok Agrawal)
Partner
M.No. 071274

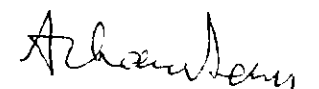


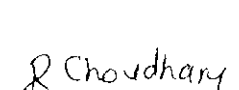
COMMERCIAL SYNBAGS LTD.
BALANCE SHEET AS AT 31st MARCH 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
		₹	₹
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	20180000	18740000
Reserves & Surplus	4	101819034	68014314
		121999034	86754314
Non-current liabilities			
Long-term borrowings	5	108252309	64514855
Deferred tax liabilities(Net)	6	11565884	7429885
		119818192	71944739
Current liabilities			
Short-term borrowings	7	80139502	30645313
Trade Payables	8	42727033	29472350
Other current liabilities	9	119022810	74902314
Short term provisions	10	4994100	6634177
		246883445	141654154
TOTAL		488700672	300353208
II. ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		222440029	119077178
Capital work-in-progress		2678027	16141760
Long-term loans and advances	12	4609084	3248285
Other non-current assets	13	215074	365074
		229942214	138832297
Current assets			
Inventories	14	85280467	44601738
Trade Receivables	15	106558045	76103434
Cash and bank balances			
Cash and cash equivalents	16	3494010	6708448
Other bank balances	17	33172458	11302182
Short-term loans and advances	18	27730063	22222616
Other current assets	19	2523415	582493
		258758458	161520911
TOTAL		488700672	300353208

The accompanying notes are an integral parts of financial statements.
For and on behalf of the Board of Directors of the Company.

As per our report of even date
For Gupta & Ashok
Chartered Accountants
Firm Reg. No. 002254C


Anil Choudhary
Managing Director


Ranjana Choudhary
Director

Place: Indore
20.08.2013


CA Ashok Agrawal
Partner
M.No. 071274



COMMERCIAL SYNBAGS LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2013

Particulars	Note no.	For the year ended on 31.03.2013	For the year ended on 31.03.2012
		₹	₹
Continuing Operations			
Income			
Revenue from operations (Gross)	20	702033507	568055735
Less: Excise Duty		23299742	18786089
Revenue from operations (Net)		678733766	549269646
Other Income	21	2808607	3851467
Total Revenue		681542373	553121113
Expenses:			
Cost of material consumed	22	452804425	365820633
Purchase of traded goods	23	4913103	2460899
Changes in inventories of finished goods, work in progress and stock in trade	24	(30687591)	(4512809)
Employees benefit expenses	25	43585617	30204500
Finance cost	26	21365412	11506253
Depreciation and amortisation expenses	27	14585909	10820226
Other expenses	28	142728601	108236440
Total Expenses		649295476	524536142
Profit(Loss) before exceptional and extraordinary items and tax		32246897	28584971
Exceptional items		0	0
Profit(Loss) before extraordinary items and tax		32246897	28584971
Extra ordinary items		0	0
Profit(Loss) before tax		32246897	28584971
Tax expense:			
(1) Current tax		(6451878)	(5754575)
(2) Deferred tax		(4135999)	(1956866)
(3) Income tax relating to earlier years			(21870)
Profit(Loss) for the period from continuing operations		21659020	20851661
Profit(Loss) for the period		21659020	20851661
Earning per equity share:	29		
Basic		11.56	12.86
Diluted		11.56	12.86

The accompanying notes are an integral parts of financial statements.
For and on behalf of the Board of Directors of the Company.

As per our report of even date
For Gupta & Ashok
Chartered Accountants
Firm Reg. No. 002254C

Anil Choudhary
Anil Choudhary
Managing Director

R Choudhary
Ranjana Choudhary
Director

Place: Indore
20/08/2013

Ashok Agrawal
CA Ashok Agrawal
Partner
M.No. 071274



COMMERCIAL SYNBAGS LTD.**Cash Flow Statement for the year ended on 31st March, 2013****Cash Flow from Operating activities**

Profit before tax from continuing operations
 Profit before tax from discontinuing operations
 Profit before tax
Non cash adjustments to reconcile profit before tax to net cash flows:
 Depreciation/amortisation on continuing operations
 Loss(Profit) on sale of fixed assets
 Interest expenses
 Interest income
 Dividend income
 Operating profit before changes in working capital
Movements in working capital:
 Increase(decrease) in trade payable
 Increase(decrease) in long term provisions
 Increase(decrease) in short term provisions
 Increase(decrease) in other current liabilities
 Decrease(increase) in trade receivables
 Decrease(increase) in inventories
 Decrease(increase) in long term loans and advances
 Decrease(increase) in short term loans and advances
 Decrease(increase) in other current assets
 Decrease(increase) in bank balances(other than cash equ)
 Cash generated from(used in) operations
 Direct taxes paid (net)
 Cash flows from operating activities

Cash Flow from investing activities

Purchase of fixed assets, CWIP and capital advances
 Proceeds from sale of fixed assets
 Cash flows from investing activities

Cash Flow from financing activities

Proceeds of issuance of share capital
 Proceeds of capital subsidy received
 Proceeds from long term borrowings
 Repayment of short term borrowings
 Interest paid
 Cash flow from financing activities

Components of cash and cash equivalents**NET INCREASE/DECREASE IN CASH & CASH EQUIVALENT**

Opening Cash Equivalents
 Cash on hand
 Cheques/drafts on hand
 With banks;
 in current accounts
 debit balance in cash credit account
 Total cash and cash equivalents

As at 31.03.2013	As at 31.03.2012
₹	₹
32246897	28584971
0	0
32246897	28584971
14585909	10820226
(93058)	0
21365412	11506253
0	0
0	0
68105159	50911451
13254683	10440620
0	0
(1640077)	3913419
40939926	(7820272)
(30454611)	(21043612)
(40678728)	(1376443)
(1360799)	(792658)
(5507447)	(1455927)
(1940922)	1170704
(21870276)	(5479916)
18996908	28467366
(6451878)	(5776445)
12545030	22690921
(104768649)	(30561275)
376680	
(104391969)	(30561275)
9000000	10715000
4585700	2125000
46918024	9512585
49494189	(3371712)
(21365412)	(11506253)
88632501	7474620
(3214438)	(395734)
6708448	7104182
877485	1002557
2616525	551621
0	5154270
3494010	6708448

The accompanying notes are an integral parts of financial statements.

For and on behalf of the Board of Directors of the Company.

Anil Choudhary
 Anil Choudhary
 Managing Director

R Choudhary
 Ranjana Choudhary
 Director

Place: Indore
 20/08/2013

As per our report of even date

For Gupta & Ashok

Chartered Accountants

Firm Reg. No. 002254C

CA Ashok Agrawal
 CA Ashok Agrawal

Partner

M.No. 071274

