

Independent Auditors' Report

TO THE MEMBERS OF

POLYPLEX CORPORATION LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of POLYPLEX CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31st, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 (financial position) of the Company as at March 31st, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31st, 2017 and the transition date opening balance sheet as at April 1st, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31st, 2017 and March 31st, 2016 dated May 19th, 2017 and May 30th, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", 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 report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.
 - e) On the basis of the written representations received from the directors as on March 31st, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31st, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including long term derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on the disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta
Partner

Place: Noida
Dated: May 30th, 2018

Membership No. 093214

Annexure A” to the Independent Auditors’ Report

The Annexure **as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements’** of our Independent Auditors’ Report to the members of **POLYPLEX CORPORATION LIMITED** on the standalone Ind AS financial statements for the year ended March 31st, 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets of the company. Refer Note 4 to the Standalone Ind AS Financial Statements.
- (b) The Company has a regular programme of Physical Verification of its Fixed assets by which fixed asset have been verified by the management according to the programme of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deed / transfer deed / conveyance deed / possession letter / allotment letter and other relevant records evidencing title/possession provided, we report that the title deeds of the immovable properties are held in the name of the Company except in two cases amounting to ₹ 8.79 Lacs where the title deed is not in the name
- ii. The inventories of the Company (except stock lying with the third parties and in transit) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company are not prejudicial to interest of the Company.

- (b) In respect of aforesaid loan, repayment of principal and payment of interest has been stipulated, principal is not due for repayment and receipt of interest on the said loan has been fully received.
- (c) There is no amount overdue for more than 90 days as on the date of Balance Sheet.
- iv. According to the information, explanations and representations provided by the Management and based upon audit procedures performed, we are of the opinion that in respect of loans and investments the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013. The Company has not provided any guarantees or security as specified under Section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, income tax, service tax, custom duty, excise duty, value added tax, goods and service tax with effect from July 1st, 2017 and other material statutory dues with the appropriate authorities to the extent applicable
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31st, 2018
- (c) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, goods and service tax, duty of custom, or value added tax which have not been deposited on account of any dispute except as given below:

Name of Statute	Nature of Dues	Period (F.Y.)	Amount (₹ in Lacs)	Amount deposited (₹ in Lacs)	Forum where pending
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	1996-1997	28.08	9.68	High Court
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	1997-1998	32.74	4.19	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	1998-1999	29.05	-	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2009-2010	1.34	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2009-2010	0.97	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2010-2011	3.42	1.71	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2011-2012	1.12	1.12	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2013-2014	1.49	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2015-2016	7.82	2.93	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2016-2017	0.43	0.43	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2017-2018	1.16	1.16	Deputy Commissioner (Appeal)
The Central Excise Act, 1994	Excise Duty	2009-2010	19.91	-	Additional Commissioner
The Central Excise Act, 1994	Excise Duty and Penalty	2010-2011	18.45	9.22	CESTAT

Name of Statute	Nature of Dues	Period (F.Y.)	Amount (₹ in Lacs)	Amount deposited (₹ in Lacs)	Forum where pending
The Central Excise Act, 1994	Excise Duty and Penalty	2014-15	2.84	0.11	Commissioner
The Central Excise Act, 1994	Excise Duty	2014-15	70.12	-	Jt. Commissioner (Appeal)
The Central Excise Act, 1994	Excise Duty	2017-18	27.26	-	Jt. Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2014-15	269.68	-	Appellate Tribunal
The Service Tax Act, 1994	Service Tax	2015-16	5.65	3.52	Commissioner
The Income Tax Act, 1961	Income Tax,	2009-10	159.13	159.13	ITAT
The Income Tax Act, 1961	Income Tax,	2010-11	149.79	149.79	ITAT
The Income Tax Act, 1961	Income Tax,	2011-12	344.85	61.00	CIT(Appeals)
The Income Tax Act, 1961	Income Tax	2012-13	39.32	14.30	CIT (Appeals)

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or financial institutions during the year. The Company has not obtained any loans from debenture holders or government.
- ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta

Place: Noida
Dated: May 30th, 2018

Partner
Membership No. 093214

“Annexure B”

To the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of POLYPLEX CORPORATION LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’

We have audited the internal financial controls over financial reporting of POLYPLEX CORPORATION LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Place: Noida

Dated: May 30th, 2018

Membership No. 093214