

Independent Auditor's Opinion

To the Members of

SHRI ASTER SILICATES LIMITED **Report on the Financial Statements**

We have audited the accompanying financial statements of **SHRI ASTER SILICATES LIMITED**, which comprise the Balance Sheet as at 31st March , 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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, financial performance and cash flows 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"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' 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 the 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 the 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 the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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.



Opinion

The company did not get the information regarding MSME status of its creditors. There is hence no disclosure in presentation of financial statements regarding payments to MSME creditors.

Subject to above, 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 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company 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 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.



- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: Ahmedabad

Date : 30.05.2014



For B P S D & ASSOCIATES
Chartered Accountants
Firm Registration No: 118251W

Sachin

CA SACHIN PACHKHEDE
Partner
Membership No: 104660

Annexure

Refer to paragraph 1 of our report of even date.

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

(b) All the fixed assets have been regularly physically verified by the management during the year and in our opinion management has reasonable control over them having regard to the size of company and nature of its assets.

(c) There is no disposal of fixed assets during the year and hence according to the information and explanation given to us; we are of the opinion that there is no effect on the going concern status of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.

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

(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book stocks were not material.
- (iii) (a) According to information and explanation given to us and on the basis of our examination of books of accounts, the Company has not granted loans, secured and unsecured, during the year to parties listed in the register maintained under Sec. 301 of Companies Act 1956, and the erstwhile section 370(1-B) of the Companies Act, 1956.

(b) As company has not granted secured or unsecured loans during the year from parties listed in the register maintained under Sec. 301 of Companies Act 1956, and the erstwhile section 370(1-B) of the Companies Act, 1956, said clause along with clause (c) & (d) are not applicable.

(c) According to information and explanation given to us and on the basis of our examination of books of accounts, the Company has taken unsecured loans during the year from parties listed in the register maintained under Sec. 301 of Companies Act 1956, and the erstwhile section 370(1-B) of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 53.00 lacs and balance as at year end in NIL.
- (iv) In our opinion and according to the 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 goods, fixed assets and other items. During the Course of audit we have not observed any continuing failure or major weakness in internal controls.



- (v) (a) According to information and explanation given to us , we are of the opinion that the transaction that need to be entered in the register maintained under 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 contract or arrangements entered in the register maintained under section 301 of the Companies Act 1956, and exceeding the value of Rs. 500000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to information and explanations given to us, the company has not accepted any deposits from public hence this clause concerning the provisions of section 58A and 58AA of company's act 1956 and companies (Acceptance of deposits) rules 1975 is not applicable.
- (vii) The company is not having formal internal audit system but there is adequate internal control procedure commensurate with the size and nature of its business.
- (viii) As per information and explanations given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub section (1) of section 209 of the act and we are of the opinion that prima facie the accounts and records have been made & maintained.
- (ix) (a) According to the information and explanations given to us and as per the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Customs duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been deposited with appropriate revenue authorities. According to the information & explanation given to us there were outstanding statutory dues as on date of balance sheet for more than six months from the date they became payable. The details are as under:

Sr. No.	Nature of Dues	Pertaining Financial Year	Amount Rs.
1	Income Tax	AY 2008-09	10,29,920/-
2	Income Tax	AY 2010-11	1,81,43,229/-
3	Income Tax	AY 2011-12	1,36,95,580/-

(b) According to information and explanations given to us, there are no amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs duty, Excise Duty which have not been deposited on account of any deposits. The company has though paid the VAT under protest :

Sr. No.	Financial Year	Amount Rs.
1	2007-08	26,44,517/-
2	2008-09	2,50,000/-
3	2009-10	8,00,000/-
4	2010-11	9,50,000/-
Total Rs.		46,44,517/-



- (x) The Company does not have accumulated losses. The company has incurred cash loss during the financial year covered under audit and immediately preceding financial year.
- (xi) Based on our audit procedures and according to information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans of financial institutions in respect of existing term loan account as appearing in balance sheet as on 31.03.2014.
- (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/ mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the Companies 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. According to provision of the clause 4(xiv) of the companies (Auditors Report) order, 2003 are not applicable to the company.
- (xv) In our opinion the company has not given any guarantee for loans taken by others from bank or financial institution.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to information and explanation given to us and overall review of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to information and explanations given to us, the company has not made preferential allotment of shares to the parties and companies covered in register maintained under section 301 of the act.
- (xix) According to the information and explanations given to us, during the period covered by the report, the company has not issued debentures.
- (xx) The company has issued 86,65,511 no. of fresh Equity Shares to Sicom Investments & Finance Limited on 1st August, 2013 on Preferential Allotment basis @ Rs. 11.54/Share. The said allotment is against the Loan Outstanding of Rs. 10,00,00,000/-



(xxi) According to 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 : Ahmedabad

Date : 30.05.2014



FOR B P S D & ASSOCIATES
Chartered Accountants
Firm Registration No: 118251W

Sachin

(CA SACHIN PACHKHEDE)
Partner
Membership No. 104660