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INDEPEDENT AUDITOR'S REPORT

To The Members of **Key Organics Private Limited**

Report on the Financial Statements

1. We have audited the accompanying financial statements of "**Key Organics Private Limited**" ("the Company"), which comprise the Balance Sheet as at 31 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

2. 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") 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 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

3. 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.
4. 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

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preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity'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.

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

Opinion

6. 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 31 March, 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 cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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.
8. 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 Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September of the Ministry of Corporate Affairs of section 133 of the Companies Act, 2013;



Kirtane & Pandit
Chartered Accountants

- e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For Kirtane & Pandit
Chartered Accountants,
FRN:-105215W



A handwritten signature in blue ink, appearing to read "Suhrud Lele".

Suhrud Lele
Partner
Membership No: - 121162

Place: Mumbai
Date: May 25, 2014

Key Organics Private Limited
Annexure to the Auditor's Report – 31 March 2014

With reference to Annexure referred to in Paragraph 7 of the Auditor's Report to the members of **Key Organics Private Limited** for the year ended 31 March, 2014 and as required by the Companies (Auditor Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of audit and on the basis of such checks of the books and records as were considered appropriate, we report that:

- I. In respect of the fixed assets
 - a. The Company does not maintain Fixed Assets Register. The Company is in process of maintaining proper records showing full particulars including quantitative details and situations of fixed assets on the basis of the available information.
 - b. As explained to us, all the assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, considering the size and the nature of business. No material discrepancies have been noticed on such physical verification.
 - c. During the year, Company disposed off entire Vehicle Block (Rs.3,351,972), Computers (Rs.61,223) and Office Equipments (Rs.114,323). In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and therefore do not affect the going concern assumptions.

- II. In respect of inventories,
 - a. The management has conducted physical verification of inventories at reasonable intervals during the year.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
 - c. The Company is maintaining proper records of the inventory. Discrepancies noted on the physical verification of inventories were not material and have been properly dealt with in the books of accounts.

- III. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firm or others parties covered in the Register maintained under section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.



Key Organics Private Limited
Annexure to the Auditor's Report – 31 March 2014

- b. According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- IV. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for 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 control system.
- V. In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956.
- a. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contract or arrangements, that need to be entered into 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 / arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of each parties during the year have been made at price which appear reasonable as per information available with Company.
- VI. The Company has not accepted any deposits from the public within the meaning of the sections 58A, 58AA or any other relevant provision of the Act and the rules framed there under any directives report issued by the Reserve Bank of India. Therefore, the provisions of the Clause (VI) of paragraph 4 of the Order are not applicable to the Company.
- VII. The Company has an internal audit system commensurate with its size and the nature of it business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
However in our opinion, there is a scope for improvement.
- VIII. The Central Government has not prescribed for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the Company. Therefore, the provisions of the Clause (VIII) of paragraph 4 of the Order are not applicable to the Company.



Key Organics Private Limited
Annexure to the Auditor's Report – 31 March 2014

- IX. In respect of the statutory dues:
- a. According to the records of the Company, the undisputed statutory dues including Provident Fund, investor education protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty, Cess have been in general, regularly deposited with the appropriate authorities.
 - b. According to the information and explanation given to us, there are no dues of sale tax, income tax, service tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.
- X. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash loss during the financial year covered by the audit and in the immediately preceding financial year.
- XI. In our opinion and according to the information and explanation given to us, The Company has not defaulted in repayment of its dues to banks and financial institutions.
- XII. In our opinion and according to the information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities. Therefore, the provisions of the Clause (XII) of paragraph 4 of the Order are not applicable to the Company.
- XIII. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of the Clause (XIII) of paragraph 4 of the Order are not applicable to the Company.
- XIV. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (XIV) of paragraph 4 of the Order are not applicable to the Company.
- XV. In our opinion and according to the information and explanations given to us, The Company has not given any guarantee for loan taken by others from banks and financial institutions. Accordingly, the provisions of Clause (XV) of paragraph 4 of the Order are not applicable to the Company.
- XVI. In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which they were raised.
- XVII. In our opinion and according to the information and explanations given to us, and on an overall examination the Balance Sheet of the Company, we report that no fund raised on short term basis have been used for long term investment.



Key Organics Private Limited
Annexure to the Auditor's Report – 31 March 2014

- XVIII. During the year, the Company has not issued any equity shares and debentures. Accordingly, the provisions of Clause (XVIII) of paragraph 4 of the Order are not applicable to the Company.
- XIX. During the year, the Company has not raised any money by way of public issue. Accordingly, the provisions of clause (XIX) of paragraph 4 of the Order are not applicable to the Company.
- XX. During the year, the Company has not raised any monies by way of public issue. Accordingly, the provisions of Clause (XX) of paragraph 4 of the Order are not applicable to the Company.
- XXI. 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.

For Kirtane & Pandit
Chartered Accountants,



Suhrud Lele
Partner
Membership No: - 121162
FRN:-105215W



Place: Mumbai
Date: May 25, 2014

KEY ORGANICS PRIVATE LIMITED

Balance Sheet as at 31st March, 2014

		(Amount in Rs)	
Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	2	1,815,100	1,815,100
(b) Reserves and Surplus	3	9,218,650	4,039,590
2 Non-Current Liabilities			
(a) Long-term borrowings	4	-	374,121
(b) Long-term provisions	5	318,999	1,221,488
3 Current Liabilities			
(a) Short-term borrowings	6	14,052,600	5,861,376
(b) Trade payables	7	15,540,840	3,895,055
(c) Other current liabilities	8	2,269,202	2,588,775
(d) Short-term provisions	9	5,175,442	3,309,099
		48,390,834	23,104,603
II. ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
Tangible assets	10	2,551,134	5,243,174
(b) Deferred tax assets (net)	11	543,239	496,083
(c) Long-term loans and advances	12	194,833	186,943
(d) Other non current assets	13	-	1,221,488
2 Current Assets			
(a) Inventories	14	11,654,837	3,250,932
(b) Trade receivables	15	21,618,957	7,711,775
(c) Cash and cash equivalents	16	2,606,041	27,766
(d) Short-term loans and advances	17	9,221,793	4,966,442
		48,390,834	23,104,603
Significant Accounting Policies	1		

For Kirtane & Pandit
Chartered Accountants
FRN.105215W

(Signature)
Partner



Place: Mumbai
Date: 23 May 2014



For and on behalf of Board of Directors
KEY ORGANICS PRIVATE LIMITED

(Signature)
Bharati Palkar
Director

(Signature)
Rahul Palkar
Director

Place: Mumbai
Date: 23 May 2014

KEY ORGANICS PRIVATE LIMITED

Profit and loss statement for the year ended 31st March, 2014

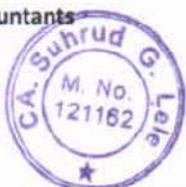
(Amount in Rs)

Particulars	Note No.	(Amount in Rs)	
		For the year ended 31st March, 2014	For the year ended 31st March, 2013
I. Revenue from Operations	19	106,425,753	74,716,475
II. Other Income	20	100,580	5,660
III. Total Revenue		106,526,333	74,722,135
IV. Expenses:			
Cost of Materials Consumed	21	76,411,708	50,548,672
Employee benefits expense	22	7,930,539	7,183,553
Finance costs	23	1,148,687	1,404,979
Depreciation and amortization expense	10	1,086,499	1,809,720
Other expenses	24	11,843,076	12,553,105
Total expenses		98,420,508	73,500,029
V. Profit before tax and prior period item		8,105,824	1,222,106
VI. Prior period items	25	-	73,657
VII. Profit before tax		8,105,824	1,148,449
VIII. Tax expense:			
(1) Current tax		2,973,920	611,059
(2) Deferred tax	11	(47,156)	(226,144)
IX Profit (Loss) for the period		5,179,060	763,534
X Earnings per equity share:			
(1) Basic		285	42
(2) Diluted		285	42
Significant Accounting Policies	1		

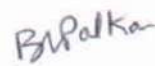
For Kirtane & Pandit
Chartered Accountants
FRN.105215W


Partner

Place: Mumbai
Date: 23 May 2014



For and on behalf of Board of Directors
KEY ORGANICS PRIVATE LIMITED


Bharati Palkar
Director


Rahul Palkar
Director

Place: Mumbai
Date: 23 May 2014

Note 2 Share Capital

(A) Share capital authorized, Issued, Subscribed and Paid up:

Share Capital	As at 31st March, 2014		As at 31st March, 2013	
	Number	Rs.	Number	Rs.
Authorised 24000 Equity Shares of Rs 100 each	24,000	2,400,000	24,000	2,400,000
Issued, Subscribed & Paid up 18151 Equity Shares of Rs 100 each	18,151	1,815,100	18,151	1,815,100
Total	18,151	1,815,100	18,151	1,815,100

(B) Reconciliation of the number of equity shares and share capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Rs.	Number	Rs.
Equity Shares outstanding at the beginning of the year	18,151	1,815,100	18,151	1,815,100
Equity Shares outstanding at the end of the year	18,151	1,815,100	18,151	1,815,100

(C) The company has only one class of share capital, i.e. equity share having face value of Rs.100 each. Each holder of equity share is entitled to one vote per share.

(D) Shareholder holding more than 5% of equity share as at the end of the year.

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ajit N. Chaube			6,999	38.56%
Kanchan A. Chaube			1,202	6.62%
Ajit Chaube & Kanchan Chaube			5,155	28.40%
Kanchan Chaube & Ajit Chaube			4,405	24.27%
Indo Amine Limited (Holding Company)	18,151	100%		

Particulars	Year (Aggregate No. of Shares)					
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Shares : Fully paid up by way of bonus shares	-	-	3,630	2,904	-	-

(E) During the year 100% shares of the company is purchased by Indo Amines Limited effectively company has become 100% subsidiary of Indo Amines Limited

NOTE 3 RESERVES & SURPLUS

Reserves & Surplus	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
a. General Reserves		
Opening Balance	96,600	96,600
(-) Utilized for issue of Bonus Shares	-	-
Closing Balance	96,600	96,600
b. Surplus		
Opening balance	3,942,990	3,179,456
(+) Net Profit/(Net Loss) For the current year	5,179,060	763,534
Closing Balance	9,122,050	3,942,990
Total	9,218,650	4,039,590



B. Palan

NOTE 4 LONG TERM BORROWINGS

Long Term Borrowings	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
Secured		
Term loans		
From Indian Bank (TL III)	-	-
From Indian Bank (TL IV)	-	188,656
From Indian Bank	-	73,987
From ICICI Bank	-	111,478
(Ref Note 4.1)	-	-
	-	374,121
Unsecured		
Loan		
From Director	-	-
	-	-
	-	-
Total	-	374,121

Note 4.1 Current Maturities of Long Term Borrowings for F.Y. 2013-14

Sr. No.	Name of the LENDER	Purpose of Loan	Amount of Loan Sanctioned	Amount of Loan Availed	Period of Loan (months)	Date of Maturity of Loan	Amount Outstanding at beginning of Year F.Y.13-14	Amount Outstanding at end of Year F.Y.13-14	Current maturities to be disclosed under Other Current Liability (Term Loan Amount including Interest)	Amount disclosed under Long Term Borrowings	Rate of Interest	Default in repayment of Loan & Interest	Security taken / Guaranteed by Directors OR Others	If Personal Guarantee then Transfer to Unsecured
3	INDIAN BANK-MT1-IV-A/C NO.889059637	Purchase of Machinery	54 lakhs	17.77 lakhs	60 months	Nov-2016	1,344,424	299,406	299,406	0	13.75%	Nil		
		TOTAL						299,406	299,406					

NOTE 5 LONG TERM PROVISIONS

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
(a) Provision for employee benefits		
*Gratuity	318,999	1,221,488
Total	318,999	1,221,488

* Bifurcation of Gratuity fund as long term & short term is not available, therefore gratuity fund is assumed to be long term



Suparka

NOTE 6 SHORT TERM BORROWINGS

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
Secured		
Loans Repayable on Demand		
From Banks		
Cash Credit		
From Indian Bank	14,052,600	5,861,376
(Secured against Stocks & Book Debts, Plant & Machinery Land & Building and personal guarantees of Mr V B Palkar, Mrs Bharati Palkar & Mr Rahul Palkar directors of the company)		
(Purpose- To Finance Working Capital) (Amount Of Loan Sanctioned- 120 Lakhs)		
Total	14,052,600	5,861,376

NOTE 7 TRADE PAYABLES

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
Trade Payables	15,540,840	3,895,055
Total	15,540,840	3,895,055

NOTE 8 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
Statutory Liability	165,233	570,738
Current maturities of long term borrowings	299,406	1,936,793
Creditors for expenses	1,804,563	81,244
Total	2,269,202	2,588,775

NOTE 9 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
(a) Provision for employee benefit expenses		
BONUS PAYABLE	345,567	358,152
DIRECTORS REMUNERATION PAYABLE	-	62,694
MAHAD SALARY	391,052	-
SALARY PAYABLE- MAHAD-NONPROD.STAFF	-	52,222
SALARY PAYABLE- MUMBAI NONPROD STAFF	-	69,762
SALES INCENTIVE PAYABLE	-	1,045,800
WAGES PAYABLE-MHD-PROD.STAFF	-	254,122
(b) Provision for Statutory Liability		
INCOME TAX-KEY ORGANICS-F.Y. 10-11	435,000	435,000
INCOME TAX-KEY ORGANICS-F.Y. 11-12	228,444	228,444
INCOME TAX-KEY ORGANICS-F.Y. 12-13	611,059	611,059
INCOME TAX-KEY ORGANICS-F.Y. 12-13	2,973,920	-
(c)Provision for expenses	190,400	191,844
Total	5,175,442	3,309,099



B. Palkar



NOTE 10 - FIXED ASSETS

PARTICULARS	RATE OF DEPRECIATION	Gross Block			Accumulated Depreciation			Net Block		
		Balance as at 1st April 2013	Additions	Deletions/ Adjustments	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	Deletions/ Adjustments	Balance as at 31st March 2014	Balance as at 31st March 2013
A TANGIBLE OWNED ASSETS										
Computers & Electronic Eqpt..	40.00%	73,128	-	61,223	11,905	45,054	6,311	41,506	9,859	28,074
Factory Building/S	10.00%	1,694,640	-	-	1,694,640	1,425,871	26,877	-	1,452,748	268,769
Factory Land Incl. Devp. Cost	0.00%	126,283	-	-	126,283	-	-	-	-	126,283
Furniture & Fixtures	18.10%	32,650	-	-	32,650	24,378	1,167	5,220	20,325	8,272
Office Equipment	27.82%	177,175	-	114,323	62,852	58,935	13,993	46,505	26,423	118,240
Plant & Machinery	27.82%	20,355,182	-	-	20,355,182	17,401,239	821,787	-	18,223,026	2,953,944
Vehicles	25.89%	3,351,972	-	3,351,972	-	1,612,380	216,365	1,828,745	-	1,739,592
Total		25,811,031	-	3,527,518	22,283,513	20,567,856	1,086,500	1,921,976	19,732,380	5,243,174
Previous Year		26,508,089	329,632	1,026,690	25,811,031	19,664,167	1,809,720	906,031	20,567,856	6,843,921



B. Palan

NOTE 11 In accordance with the Accounting Standard- 22 "Accounting for Taxes on Income" the company has accounted for Deferred Tax on timing difference. Major components of Deferred Tax recognized in the accounts are:-

Particulars	As per Co's Act (Rs.)	As per IT Act (Rs.)	Difference (Rs.)	DTA (Rs.)
Opening balance as on 01.04.13				
WDV of Fixed assets	52,43,174	67,72,170	15,28,996	4,96,084
DTA as on 31.03.13 (A)				4,96,084
Closing balance as on 31.03.2014				
WDV of Fixed assets	25,51,134	42,25,471	16,74,337	5,43,239
DTA as on 31.03.14 (B)				5,43,239
Net Addition Credited to Current Year P&L A/c (A-B)				(47,155)
Provision for gratuity of Rs. 3,18,999/- is provided in the books but not considered for deferred tax calculation				

NOTE 12 LONG TERM LOANS & ADVANCE

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
Security Deposit	1,94,833	1,86,943
Total	1,94,833	1,86,943

NOTE 13 OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
Group gratuity trust account	-	12,21,488
Total	-	12,21,488

NOTE 14 INVENTORIES

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
a. Raw Materials and components (Valued at Cost)	61,77,937	9,03,724
b. Work-in-progress (Valued at cost of production)	52,86,535	73,09,973
c. Packing Material (Valued at Cost)	1,03,365	37,234
d. Finished goods	87,000	-
Total	1,16,54,837	37,50,932

NOTE 15 TRADE RECEIVABLES

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
Trade receivables outstanding for a period less than six months :-		
Unsecured, considered good	2,16,18,957	77,11,775
Total	2,16,18,957	77,11,775

NOTE 16 CASH & BANK BALANCES

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
a. Balances with banks	1,02,202	21,367
b. Cash on hand	3,839	6,400
c. Fixed Deposits	25,00,000	-
Total	26,06,041	27,766



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NOTE 17 SHORT TERM LOANS & ADVANCE

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs	Rs
a. Statutory Advance		
IT-TCS-FY:10-11 (SG)	166,533	166,533
IT-TCS-FY:11-12 (SG)	182,413	182,413
IT-TCS-FY:12-13 (SG)	157,967	157,967
IT-TCS-FY:13-14 (SG)	132,717	-
SELF ASSESSMENT TAX PAID-KEY ORGANICS-F.Y. 10-11	267,147	267,147
SELF ASSESSMENT TAX PAID-KEY ORGANICS-F.Y. 11-12	228,444	228,444
SELF ASSESSMENT TAX PAID-KEY ORGANICS-F.Y. 13-14	481,235	-
Advance Tax FY 13-14	1,000,000	-
b. Others		
Unsecured, considered good	6,605,337	3,963,938
Total	9,221,793	4,966,442



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NOTE 19

REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Sale	103,118,892	71,637,575
Less: Excise duty	11,234,152	7,827,589
	91,884,740	63,809,986
Export Sales	7,251,408	3,032,076
Processing Charges	7,289,605	7,874,414
Total	106,425,753	74,716,475

NOTE 20

OTHER INCOME

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Interest Received From Bank	2,101	5,660
Export Duty Drawback	98,479	-
Total	100,580	5,660

NOTE 21

COST OF MATERIAL CONSUMED

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Raw Material Consumed		
Opening Stock	3,213,698	1,274,026
Add: Purchase	84,815,613	50,479,797
Less: Closing Stock	11,551,472	3,213,698
	76,477,839	48,540,125
Increase/Decrease In Wip & Finished Goods		
Opening Wip	37,234	2,045,781
Closing Wip	103,365	37,234
	(66,131)	2,008,547
Total	76,411,708	50,548,672

NOTE 22

EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
(a) Salaries and incentives	5,673,737	6,684,838
(b) Contributions to -		
Provident fund	238,806	311,383
Gratuity fund	1,863,089	50,000
(c) Medical Expense reimbursed	29,979	30,000
(d) Staff welfare expenses	124,928	107,332
Total	7,930,539	7,183,553



Handwritten signatures and a circular stamp of KIRTI & BANDIT Chartered Accountants, FRN 108215W, dated 10/2/15.

NOTE 23

FINANCE COST

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Interest expense		
Interest-Car Loans	60,989	150,700
Interest-Indian Bank-CC	889,373	855,240
Interest on Unsecured Loan from directors	25,813	112,750
Interest-Indian Bank-Term Loan	110,750	279,689
Other finance Cost	61,763	6,600
Total	1,148,687	1,404,979

NOTE 24

OTHER EXPENSES

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Power, Fuel & Water Charges	3,556,345	7,542,178
ETP Expenses	181,145	104,341
Advertisement	11,736	32,889
Audit Fees	75,000	75,000
Books & Periodicals	1,649	5,438
Consultancy Charges	316,295	203,346
Commission On Sales	1,450,000	-
Donation	4,500	11,000
Exhibition And Seminar Expenses	-	61,987
Exporting Expenses	219,827	239,251
Freight Charges	1,628,298	1,086,057
Hospitality & Business Promotion Expenses	50,459	55,689
Incidental Charges	13,775	18,403
Insurance	175,346	184,197
Internet/Postage & Couriers	58,838	69,580
Profit/Loss On Foreign Currency Rate Fluctuations	46,132	(45,851)
Membership & Subscription	32,713	66,045
Other Expenses	2,299,302	59,329
Printing & Stationery	41,149	28,710
Professional Tax	2,500	2,500
Rent & Cess	732,507	1,007,184
Repairs & Maintenance	581,118	868,858
Sales Tax Refund-Short Assessed /Disallowed	-	120,311
Service Tax Related Exp	224	25,268
Travel & Conveyance	193,757	552,359
Telephone Expenses	88,148	103,125
Fixed Assets Written Off	82,313	39,345
Banks Charges	-	36,570
TOTAL	11,843,076	12,553,105

NOTE 25

PRIOR PERIOD ITEMS

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Prior period Adjustments	-	73,657
Total	-	73,657



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NOTE 26 Payment to Auditors

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
As Auditor	55,000	55,000
for taxation matters,	20,000	20,000
for other services,	5,000	5,000
for reimbursement of expenses;	8,058	2,880
Total	88,058	82,880

NOTE 27 Value of imports (including in-transit) calculated on CIF basis

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Raw materials;	-	-
Total	-	-

NOTE 28 Expenditure in Foreign Currency on account of:

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Foreign travel	-	124,887
Total	-	124,887

Note 29 Earnings in Foreign Currency:

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Export of goods calculated on F.O.B. basis;	7,251,408	3,032,076
Total	7,251,408	3,032,076

Note 30 Expenditure incurred on each of the following items, separately for each item:-

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs	Rs
Consumption of stores and spare parts.		
Power and fuel.	3,556,345	7,277,557
Rent & Cess	732,507	1,007,184
Repairs to buildings.	-	-
Repairs to machinery.	123,418	101,247
Insurance .	175346.4	184,197
Rates and taxes, excluding, taxes on income.	-	-
Miscellaneous expenses,	-	-
Total	4,587,617	8,570,184



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Note 31 Goods Purchased under broad heads.

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Kgs	Rs	Kgs	Rs
LABSA	498,010	49,708,642	311,550	27,585,665
REMAX	204,480	13,532,045	146,610	9,119,215
NBA	158,290	14,476,378	112,615	9,279,154
Total	860,780	77,717,065	570,775	45,984,034

Note 32 Raw materials consumed under broad heads.

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Kgs	Rs	Kgs	Rs
LABSA	457,532	45,599,940	316,101	27,974,760
REMAX	197,983	13,017,827	145,580	9,048,274
NBA	151,015	13,875,293	110,347	8,937,037
Total	806,530	72,493,060	572,028	45,960,070

Note 33 Finished Goods Sold under broad heads.

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Kgs	Rs	Kgs	Rs
CABS	763,233	90,321,662	622,862	65,352,199
TNPP	9,650	1,747,650	8,451	1,422,600
Total	772,883	92,069,312	631,313	66,774,799

Note 34 Closing Stock of Raw materials under broad heads.

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Kgs	Rs	Kgs	Rs
LABSA	40,478	4,108,517	-	-
REMAX	8,587	648,318	2,110	127,655
NBA	9,910	837,395	2,645	237,243
Total	58,975	5,594,230	4,755	364,898

Note 35 Closing Stock of Works-in-progress under broad heads.

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Kgs	Rs	Kgs	Rs
RSOLV	12,800	368,951	11,001	253,244
FILTRATE	19,000	976,790	4,913	227,990
Total	31,800	1,345,741	15,914	481,234



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Note 36

In accordance with the Accounting Standard-18 "Related Party Disclosure" the company has incurred following transaction with related parties:-

Party	Designation
Ajit N. Chaube	Director
Kanchan A. Chaube	Director
Vijay Palkar	Director
Bharati Palkar	Director
Rahul Palkar	Director
Indo Amines Limited	Holding Company

Name of Person	Relationship	Nature of payment	FY 2013-14		FY 2012-13	
			Amount (Rs)	Closing Balance (Rs)	Amount (Rs)	Closing Balance (Rs)
Ajit N Chaube	Director	Directors Remuneration	660,051	-	765,300	23,122
Kanchan A Chaube	Director	Directors Remuneration	433,368	-	753,708	39,572
Ajit N Chaube	Director	Office-Rent	270,000	-	294,804	
Ajit N Chaube	Director	Residence-Rent	198,000	-	330,000	
Kanchan A Chaube	Director	Residence-Rent	198,000	-	330,000	
Ajit N Chaube	Director	Sales Incentive	-	-	747,000	522,900
Kanchan A Chaube	Director	Sales Incentive	-	-	747,000	522,900
Ajit N Chaube	Director	Medical Reimbursement	14,979	-	15,000	
Kanchan A Chaube	Director	Medical Reimbursement	15,000	-	15,000	
Ajit N Chaube	Director	Bonus	73,339	-	63,775	63,775
Kanchan A Chaube	Director	Bonus	72,228	-	62,809	62,809
Ajit N Chaube	Director	Loan Repayment	-	-	950,000	
Ajit N Chaube	Director	Interest on Loan	-	-	112,750	-
Ajit N Chaube	Director	Professional fees	50,000	-	-	-
Indo Amines Limited	Holding company	Sales	4,203,604	-	-	-
Total			6,188,569		5,187,146	

Note 37 In the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

Note 38 Details of due to Micro Enterprise and small enterprises:-

The Government of India has promulgated an Act namely the Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. The Company has during the year, not received any intimation from any of its suppliers regarding their status under the said Act and hence disclosures, if any, relating to amounts unpaid as at the year end along with interest paid payable as required under the said Act have not been given. The Company generally makes payments to all its suppliers within the agreed credit period and thus, the Management is confident that the liability of interest under this Act, if any, would not be material.

Note 39 Disclosure pursuant to Accounting Standard -15 "Employee Benefits"

Details of Group Gratuity scheme of Employees:-

The company has Group Gratuity Scheme with LIC. During the year Company has recognized Rs.18,63,089/- though statement of Profit & Loss.



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KEY ORGANICS PRIVATE LIMITED
ASSESSMENT YEAR 2014-15

A.Y. 2014-2015
F.Y. 2013-2014

PARTICULARS	OPENING WDV 1-Apr-2013	ADDITION more than 180 days	ADDITION less than 180 days	DEDUCTION	TOTAL	DEPRECIATION FOR THE YEAR	Additional Depreciation	WDV AS ON 31-Mar-2014
BLOCK 15 %								
Office Equipment	147,101	-	-	-	147,101.00	22,065.00	-	125,036.00
Plant & Machinery	4,447,033	-	-	-	4,447,033.32	667,055.00	-	3,779,978.32
Vehicle	1,830,494	-	-	695,349	1,135,145.00	-	-	-
BLOCK 10 %								
Furniture & Fixture	5,329	-	-	-	5,329.00	533.00	-	4,796.00
Factory Building	206,012	-	-	-	206,012.00	20,601.00	-	185,411.00
BLOCK 60 %								
Computer	9,918	-	-	-	9,917.76	5,951.00	-	3,966.76
LAND	126,283	-	-	-	126,283.00	-	-	126,283.00
TOTAL RS.	6,772,170	-	-	695,349	6,076,821	716,205	-	4,225,471



Signature
K. Kulkarni

KEY ORGANICS PRIVATE LIMITED

Note 1 SIGNIFICANT ACCOUNTING POLICIES

I. Basis of Preparation

(i) These Accounts have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) to comply with the relevant Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), to the extent applicable and with the relevant provisions of the Companies Act, 1956. These accounts have been prepared on the assumption that the Company is a going concern.

(ii) Presentation and disclosure in financial statements

The revised schedule VI as per notification dated 28th February 2011 (as amended by notification dated 30th March 2011) issued by the Central Government, has become applicable to the company. It has a significant impact on classification, presentation, and disclosures made in financial statements. The previous year's figures have been reclassified in accordance with requirements of revised schedule VI.

II. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates.

III. Valuation of Inventories

- (i) Inventories of Raw-materials are valued at Cost or NRV whichever is less
(ii) Cost of Inventories comprise of all cost of Purchases, cost of conversion and other costs incurred in bringing them to their respective present location and condition.
(iii) For determining cost of inventories, weighted average cost method is used

IV. Fixed Assets and Depreciation and Impairment

- (i) Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortisation. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, upto the date the assets are put to use. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, recognized.
(ii) Depreciation has been provided on "Written down value" method on all assets at the rates specialized in Schedule XIV of the Companies Act, 1956
(iii) Depreciation on additions to fixed assets has been provided on pro-rata basis & Assets costing less than Rs. 5000 are depreciated @100% in the year of purchase.
(iv) Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items of fixed assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash generating unit.



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- V. Revenue recognition**
The company recognises Sales at the point of despatch of goods to the customers. Sales are net of excise duty, sales tax, sales return, trade discounts.
- VI. Foreign Currency Transactions**
- (i) **Initial Recognition**
Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions or at the rate at which remittances are received if the transactions are against advances.
- (ii) **Conversion**
At the year-end, monetary items denominated in foreign currencies and Current Assets and Liabilities denominated in foreign currency are converted into rupee equivalents at the year-end exchange rates.
- (iii) **Exchange Difference**
All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Account.
- VII. Payments & Benefits to Employees**
- (i) **Short Term Employee Benefits**
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and the expected cost of bonus are recognized in the period in which the employee renders the related service.
- (ii) **Expenditure on Retirement Benefits**
- (a) Employer's contribution to Provident fund is charged to the statement of Profit & Loss
- (b) Liability for gratuity is funded under Group Gratuity Scheme with Life Insurance Corporation of India .
- VIII. Income Tax**
- (i) **Current Tax**
Provision for income tax is determined in accordance with the provisions of the Indian Income Tax Act, 1961.
- (ii) **Deferred Tax**
The Company accounts for deferred taxes in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India, whereby deferred tax assets and liabilities are recognized based on the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax basis of assets and liabilities using enacted or substantively enacted tax rates expected to apply to taxable income in the year temporary differences are expected to be recovered or settled.
- IX. Excise Duty**
Excise Duty liability is accounted for as and when goods are cleared from factory, except in case of closing stock of finished goods at depot which are value inclusive of excise duty. This has no impact on Profit for the year.
- X. Provisions**
A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a realizable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



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