A. M. GANDHI & CO.
CHARTERED ACCOUNTANTS

CA. Akshay Gandhi
F.C.A.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AIMS INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Aims Industries Limited** ("the Company"), which comprise the **Balance Sheet as at March 31,2016, Statement of Profit and Loss and Cash Flow Statement** for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. 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 financial statements the 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 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

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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 financial control relevant to the Company's preparation of the 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the Company as at **31 March, 2016**, its **loss** and its 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, 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 statement on the matters specified in paragraphs 3 & 4 of the Order.

2. ***The Company has not made actuary valuation in respect of provision for gratuity & leave encashment for its employees but estimated internally by the Company & accordingly, made the provision for gratuity & leave encashment in the books. This is not in accordance with the Accounting Standard (AS) -15, Employee Benefits, to the extent applicable to it. Its financial impact on the accounts is not ascertainable by us in view of above.***

3. Subject to above; as required by Section 143(3) of the Act, we report that:

    (i) We have sought and obtained all the information & explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

    (ii) 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.

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(iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

(iv) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(v) On the basis of written representations received from the directors, as on 31st **March 2016**, taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2016** from being appointed as a director in terms of Section 164(2) of the Act.

(vi) 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 on its financial position in its financial statement - Refer Note No. 28(i) to the financial statement.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; hence its provision in the accounts does not arise.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; hence its delay in transferring the said amounts is not required to be disclosed in the accounts.

For A.M. Gandhi & Co.
Chartered Accountants
Firm Regn. No. 102971W

A. M. GANDHI & CO. CHARTERED ACCOUNTANTS M.NO.039949 BARODA

CA. A.M. Gandhi
Proprietor
M. No. 039949

Baroda
6th September, 2016

A. M. GANDHI & CO.
CHARTERED ACCOUNTANTS

CA. Akshay Gandhi
F.C.A.

ANNEXURE TO THE INDEPENDENTAUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) In respect of its fixed assets:

a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets of the Company are physically verified once during the year by the Management which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanation given to us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed/ possession letter/ allotment letter and other relevant records evidencing title/ possession provided to us, we report that, the title deeds of all the immovable properties comprising of land and building other than self-constructed properties recorded as fixed assets, which are freehold, are held in the name of the Company as at the balance sheet date, except following:

Particulars of Land and Building	Gross Block as on March 31, 2016 (Rs.in Lakhs)	Net Block as on March 31, 2016 (Rs.in Lakhs)	Remarks
Freehold Land/Plot No. 262 & Building (Self-constructed) at Narol, Ahmedabad	47.71	21.23	The title deeds of land are in the name of erstwhile Companies that merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to Scheme of Amalgamation as approved by the Hon'ble Gujarat High Court.

In respect of immovable properties comprising of land that have been taken on lease from GIDC on which buildings are self-constructed and disclosed as fixed asset in the standalone financial statements, lease agreements or other relevant records are in the name of the Company, except the following:

211, Narmada Apartment, Raopura, Vadodara - 390 001 Tel. : 0265- 2411639
E-mail : ameca1964@yahoo.co.in

Particulars of Land and Building	Gross Block as on March 31, 2016 (Rs.in Lakhs)	Net Block as on March 31, 2016 (Rs.in Lakhs)	Remarks
Leasehold Land/Plot No. 7101 & 720 & Buildings (Self-constructed) at GIDC, Sachin, Surat	181.58	90.25	The lease agreements are in the names of erstwhile Companies that merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to Scheme of Amalgamation as approved by the Hon'ble Gujarat High Court.
Leasehold Land/Plot & Buildings (Self-constructed) At GIDC, Panoli, Ankleshwar	41.56	21.38	

(ii) The inventory has been verified once during the year by the Management which, in our opinion, is reasonable having regard to the size of the Company. We are informed that the discrepancies identified on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a),(b) and (c) of the Order are not applicable to the Company and hence; the same are not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no investments made by the Company which attract the provisions of section 186 of the Companies Act 2013; hence the same are not commented upon.

In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public. Hence, its compliance with regard to directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 thereof or any other provisions of the Companies Act, 2013 and the rules framed there under are not required to be commented upon.

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(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit Rules 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prime facie, the prescribed cost records have been maintained, we have, however, not made detained examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanation given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added tax, Cess and other material statutory dues, to the extent applicable to it, with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added tax, Cess and other material statutory dues in arrears as at **31 March, 2016** for a period of more than six months from the date they became payable, if any.

b) According to the information and explanations given to us and the records of the Company examined by us; the particulars of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added tax, Cess which have not been deposited as on **31 March, 2016** on account of pending disputes are as follows:

Name of Statue	Nature of Dues	Forum where Dispute is Pending	Period/ F.Y.	Amount in Rs.
Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	August-2009 to March-2010	4,89,313
Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	January-2012 to August-2012	20,246
Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	April-2007 to December-2011	5,14,220
Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	April-2008 to September-2011	8,11,960
Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	May & June, 2007	96,316
Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	May & June, 2007	1,08,017

Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	2007-08	8,09,860
Central Excise Act, 1944	Excise Demand	CESTAT, Ahmedabad	April-2007 to December-2011	4,26,360
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	September-2011 to May-2012	1,98,632
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	April-2007 to October-2010	2,71,533
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	November-2010 to August-2011	2,26,808
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	April-2008 to October-2010	1,00,652
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	April-2008 to November-2010	1,03,228
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	May-2008 to march-2012	9,82,424
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	May-2008 to December-2012	6,89,942
Finance Act, 1994	Service Tax Demand	CESTAT, Ahmedabad	April-2009 to December-2012	6,91,204
Finance Act, 1994	Service Tax Demand	CCE,Vadodara-1	May-2008 to December-2012	6,79,942
			Total :	65,40,715

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

(ix) According to the information and explanation given to us, the Company has neither raised any monies by way of initial public offer or further public offer (including debt instruments) and by way of term loans during the year; hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

(xi) In our opinion and according to the information & explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanation given to us, all the transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013, where applicable. The details of related parties transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) As per the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as per the provisions of Section 192 of the Companies Act, 2013. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion and to the best of our information & explanation given to us, the Company is not a Non-Banking Financial Company required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For A.M. Gandhi & Co.
Chartered Accountants
Firm Regn. No. 102971W

A. M. GANDHI & CO. CHARTERED ACCOUNTANTS M.NO. 39949 BARODA

CA. A.M. Gandhi
Proprietor
M. No. 039949

Vadodara
6th September, 2016