AUDIT REPORT TO THE SHAREHOLDERS OF
VIRGO POLYMERS (INDIA) LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s.VIRGO POLYMERS (INDIA) LIMITED,** which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Standalone 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 and presentation of these standalone 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 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 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 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 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.

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 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 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 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.

VENKAT & RANGAA * Chennai * Chartered Accountants

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.

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- in the case of the Statement of Profit and Loss, of the ***profit*** for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
(d) 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;
(e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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"; and
(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 on its financial position in its financial statements.
ii.The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses]
iii.There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Venkat and Rangaa
Chartered Accountants,
Firm Regn.No. 4597 S

VENKAT & RANGAA * Chennai * Chartered Accountants

S.MOHAN RAAJAN
Partner
M.No.206393

Date: 30.05.2016
Place: Chennai

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. (a) The inventories lying with the Company have been physically verified by management during the year end.
(b) In our opinion, the procedures of physical of inventories followed by themanagement are reasonable and adequate in relation to the size of the companyand nature of business.
(c) In our opinion the company is maintaining proper records of inventories andaccording to records of the company the discrepancies noticed on physical verification of stocks as compared to book records which in our opinion were notmaterial in relation to the operations of the company have been properly dealt in the books of the company.

3. According to the information and explanations given to us, the company has not granted loans, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposits from the public.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. Subject to the following

VENKAT & RANGAA Chennai Chartered Accountants

Income Tax

Sl.no	Asst.year	Amt.Demanded by Asst. Com.of I.TAX(ACIT) Rs.	Amt paid by the c Company (Rs)	Appeal pending with	Due Rs
1	2006-2007	7766270	800000	ITAT	6966270

Sales Tax

Sl.no	Asst.year	Amt demand by Sales Tax Dept.	Amt Paid by The Company	Forum where Appeal is pending	Due
1	2000-01	76582	46776	Sales tax tribunal	29806
2	2001-02	767149	576390	Sales tax tribunal	190759
3	2002-03	4547242	1689640	Sales tax tribunal	2857602
4	2003-04	558107	247530	Sales tax Appeal	310577 (Bank Guarantee Given)
5	2008-09	205302	51330	Sales tax Appeal	153972 (Bank Guarantee Given)
6	2009-10	194777	145933	Sales tax Appeal	48844 (Bank Guarantee Given)

8. The Company has taken loans or borrowings from any financial institution, banks, government or debenture holders during the year.
(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

VENKAT & RANGAA * Chartered Accountants * Chennai

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. 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.

15. 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, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Venkat and Rangaa
Chartered Accountants,
Firm Regn No. 4597 S

VENKAT & RANGAA * Chennai * Chartered Accountants

S.MOHAN RAAJAN
Partner
M.No.206393

Date:30.05.2016
Place: Chennai

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s.VIRGO POLYMERS (INDIA) LIMITED**as of 31 March 2016 in conjunction with our audit of the standalone 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 ('ICAI'). 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

VENKAT & RANGAA * Chennai * Chartered Accountants

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March 2016, 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 Venkat and Rangaa
Chartered Accountants,
Firm Regn No. 4597 S

VENKAT & RANGAA * Chennai * Chartered Accountants

S.MOHAN RAAJAN
Partner
M.No.206393

Date : 30.05.2016
Place: Chennai

VIRGO POLYMERS (INDIA) LIMITED
CIN NO -L25200TN1985PLC011622
A-1-A, MMDA Industrial Complex, Maraimalai Nagar, kancheepuram- 603209

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2016

Particulars	NOTE	31.03.2016	31.03.2015
		Rs.	Rs.
INCOME			
I. Revenue from operations	16	8041,38,070	8160,55,031
II. Other Income	17	623,05,219	432,39,979
III. Total Revenue (I +II)		**8664,43,289**	**8592,95,010**
Expenses:			
Raw material consumed	18	3574,51,037	3538,29,794
Purchases Of stock In trade	19	3074,81,260	2997,51,382
Change in Inventories	20	71,47,251	215,83,533
Manufacturing Expenese	21	862,38,686	789,38,219
Employee benefit expenses	22	362,64,480	334,03,564
Depreciation		70,36,299	84,71,916
Finance Cost	23	135,28,698	176,85,197
Other Expenses	24	463,87,251	423,85,932
IV. Total Expenses		**8615,34,962**	**8560,49,537**
V. Profit before exceptional and extraordinary items and tax (III - IV)		49,08,327	32,45,473
VI. Exceptional and extraordinary Items		-	-
VII. Profit before tax (V - VI)		**49,08,327**	**32,45,473**
Provision for Deferred Tax Assets		4,41,043	33,73,889
Provision for Income Tax		(20,64,977)	(21,61,491)
MAT Credit Entitlement		-	-
Profit after tax		**32,84,394**	**44,57,872**
Balance brought forward from last year		559,98,465	587,32,336
Balance carried to Balance Sheet		592,82,859	559,98,465
VII. Earning per equity share of Rs. 10/- each			
(1) Basic		0.97	1.31
(2) Diluted		0.97	1.31
See accompanying notes forming part of the financial statements			

In terms of our Report attached
for VENKAT AND RANGAA
Chartered Accountants
FRN: 004597S

VENKAT & RANGAA Chennai Chartered Accountants

S.MOHAN RAAJAN
Partner
M. No 206393
Place: Chennai
Date:30/05/2016

For Virgo Polymers India Ltd.,

Director **Director**

VIRGO POLYMERS (INDIA)LTD
CIN NO -L25200TN1985PLC011622
A-1-A, MMDA Industrial Complex, Maraimalai Nagar, kancheepuram- 603209

OTE NO. NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2016

1

Share Capital	As at 31.03.2016		As at 31.03.2015	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	60,00,000	600,00,000	60,00,000	600,00,000
Issued				
Equity Shares of Rs.10/- each	34,00,000	340,00,000	34,00,000	340,00,000
Subscribed & Paid up				
Equity Shares of Rs.10/- each	34,00,000	340,00,000	34,00,000	340,00,000
Less calls in Arrears		(6,39,000)		(6,39,000)
Total	34,00,000	333,61,000	34,00,000	333,61,000

Particulars	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	34,00,000	340,00,000	34,00,000	340,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	34,00,000	340,00,000	34,00,000	340,00,000

Shareholders holding More than 5% of Shares outstanding

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Piyush Fiscal Limited	2,11,300	6.21	2,11,300	6.21
Sai Aditya PTE Ltd	1,80,000	5.29	1,80,000	5.29

VENKAT & RANGAA

2 **Reserves and Surplus**

	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Surplus		
Opening balance	559,98,465	587,32,335
(+) Net Profit/(Net Loss) For the current year	32,84,394	44,57,872
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
(-) Depreciation Adjustement		(71,91,742)
Closing Balance	**592,82,859**	**559,98,465**
Capital Reserve	7,79,733	7,79,733
Add: Additions/ Transfer from P&L		-
Less: Deductions		-
Closing Balance	**7,79,733**	**7,79,733**
Investment Allowance Reserve	3,58,700	3,58,700
Add: Additions/ Transfer from P&L		-
Less: Deductions		-
Closing Balance	**3,58,700**	**3,58,700**
Investment Subsidy	16,45,650	16,45,650
Add: Additions/ Transfer from P&L	-	-
Less: Deductions	-	-
Closing Balance	**16,45,650**	**16,45,650**
General Reserve		
Add: Additions/ Transfer from P&L	47,50,000	47,50,000
Less: Deductions	-	-
Closing Balance	**47,50,000**	**47,50,000**
Share Premium	297,91,500	297,91,500
Add: Additions/ Transfer from P&L	-	-
Less: Deductions	-	-
Closing Balance	**297,91,500**	**297,91,500**
Capital Subsidy	16,90,300	16,90,300
Add: Additions/ Transfer from P&L	-	-
Less: Deductions	-	-
Closing Balance	**16,90,300**	**16,90,300**
Total	**982,98,742**	**950,14,348**

3 **Long Term Borrowings**

A) Term Loans :		
From Bank		
- Secured		
Axis bank Ltd (Car Loan A/c)	10,92,407	20,79,417
(Secured by the assets purchased out of such loans)		
Term Loan Against Machinery	55,00,000	
Total	**65,92,407**	**20,79,417**

4 **Other Non Current Liabilities**

	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Rent Deposit Received	18,54,400	18,54,400
Total	**18,54,400**	**18,54,400**

5 **Short Term Borrowings**

From Bank		
- Secured		
Packing Credit-Sbi	64,95,915	233,42,877
Cash Credit-Sbi	24,49,762	21,36,995
(working capital loan Secured by way of hypothecation of Plant and Machinery,Inventories and book debts of the company.Some of the Directors have also executed personal guarantees to the bank)		
Channal finace - Yes Bank	136,27,388	301,00,030
(channal finanace is secured by letter of recommendention from HPCL Mittal enery Limited .Some of the Directors have also executed personal guarantees to the bank)		
From Others		
- Unsecured		
Yashman Vyapar Limited		752,43,178
Piyush Fiscal Ltd	5,22,037	
Total	**230,95,102**	**1308,23,080**

6 **Other Current Liabilities**

Service Tax payable		
Professional Tax payable	1,55,568	1,25,285
Creditor for Expenses	90,77,599	91,93,965
Audit fees Payable	57,250	57,000
TDS Payable	3,10,674	7,35,561
Total	**96,01,091**	**101,11,811**

7 **Short Term Provisions**

(a) Provision for employee benefits	73,65,327	44,77,307
(b) Income Tax	20,64,977	21,61,491
Total	**94,30,304**	**66,38,798**

9 **Non Current Investments**

Trade Investments		
Other Investments (Refer A below)		
(b) Investment in Equity instruments	2,92,950	11,700
Total	**2,92,950**	11,700
Less : Provision for dimunition in the value of Investments	-	
Total	**2,92,950**	11,700

Chartered Accountants

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.

Particulars	Amount	Amount
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	2,92,950	11,700

Name of the Body Corporate	No. of Shares / Units		Amount	
	2016	2015	2016	2015
(1)	(2)	(3)	(4)	(5)
Investement in Equity Instruments Unquoted / Fully Paid / Stated at cost (Not being a Subsidiary / Associate / JV/ Controlled Entity				
Engineered Power Resources (I) Pvt Ltd	10,545	1,170	2,92,950	11,700
	10,545	**1,170**	**2,92,950**	**11,700**

10 Other Non-Current Assets

Balance with customs, Excise and Port Trust etc		
Unsecured, considered good	117,87,024	117,87,024
Deposits with Govt Authorities		
Unsecured, considered good	107,33,835	70,46,380
Deposits with Others		
Unsecured, considered good	108,70,166	60,75,556
Advance for Fixed Assets		
Unsecured, considered good	-	-
Other Receivables		
Unsecured, considered good	46,63,158	46,63,158
Total	**380,54,182**	**295,72,117**

11 Inventories

Stock of Raw Materials and Stock in Trade	255,52,629	74,44,471
Stock of Work - in - Progress	141,56,590	220,44,705
Stock of Finished Goods	89,90,230	82,49,366
Stock of Spares	12,98,291	23,20,000
Total	**499,97,740**	**400,58,542**

12 Trade Receivables

Outstanding for a period less than six months		
- Unsecured, considered good	879,29,376	1225,15,451
Outstanding for a period more than six months		
- Unsecured, considered good	156,51,659	15,85,266
Total	**1035,81,035**	**1241,00,717**

VENKAT & RANGAA * Chartered Accountants *

		As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
13	**Cash and Cash equivalents**		

Cash and Bank Balances		
a. Cash and Cash Equivalents		
(i) Balances with Bank (Current a/c)	2,65,878	50,41,910
(ii) Cash in hand	12,53,183	7,22,767
(ii) Hdfc Fixed Deposit	2,23,737	2,12,755
b. Other Bank Balances		
(i) FD/TDR held as Margin Money against LCs	98,27,995	*213,13,393*
Note: FD/TDR having maturity of > 3months Rs. 5513393/-		
Total	**115,70,793**	**272,90,826**

14 **Short term Loans and Advances**

Advances with Creditors		
Unsecured, considered good	148,49,904	686,19,076
Total	**148,49,904**	**686,19,076**

15 **Other Current Assets**

Balance with customs, Excise and Port Trust etc	280,29,568	468,52,264
Material in transit	18,01,939	64,58,547
Tax deducted at Source	18,90,699	13,43,777
Prepaid Expenses		7,47,187
Rent Receivable		16,180
Due from Branches	-	(0)
Discount Receviable		
Total	**317,22,206**	**554,17,955**

for VENKAT AND RANGAA
Chartered Accountants
FRN: 004597S

VENKAT & RANGAA Chennai Chartered Accountants

S.MOHAN RAAJAN
Partner
M. No 206393
Place: Chennai
Date:30/05/2016

Director **Director**

VIRGO POLYMERS (INDIA)LTD
CIN NO -L25200TN1985PLC011622
A-1-A, MMDA Industrial Complex, Maraimalai Nagar, kancheepuram- 603209

NOTE NO.

NOTES ANNEXED TO AND FORMING PART OF
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2016

16 **Revenue from Operations**

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
	Rs.	Rs.
Sale of Products		
Sales-Trade Goods	3173,10,372	3128,28,136
Sales-Manufactured Goods	4905,21,104	5063,41,174
less: Discount Allowed	36,93,406	31,14,279
Total	8041,38,070	8160,55,031

17 **Other Income**

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
		Rs.
Interest Income	24,05,389	19,04,893
Rent Received	43,32,264	28,08,023
Discount received	1,34,100	3,74,196
Export Benefits	6,44,295	58,95,464
Misc Income	81,199	1,78,572
Commission Received	39,65,090	43,86,445
Processing Charges received	448,92,593	252,55,740
Exchange Fluctution Export	73,17,881	16,89,385
Foreign Currency Fluctuation as per AS 11	(14,67,592)	7,47,261
Total	623,05,219	432,39,979

18 **Cost of Material Consumed**

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
Opening Stock of Raw Material	74,44,471	160,95,630
Add: Purchases of Raw Material	3755,59,195	3451,78,635
Less: Closing Stock of Raw Material	255,52,629	74,44,471
Total	3574,51,037	3538,29,794

19 **Purchases Of stock In trade**

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
Purchases of Goods traded	3074,81,260	2997,51,382
Total	3074,81,260	2997,51,382

20 Change in Inventories of Finished Goods/WIP/stock in trade

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
Opening Stock of Finished Goods/WIP/Stock in Trade	302,94,071	518,77,604
Less: Closing Stock of Finished Goods/WIP/Stock in trade	231,46,820	302,94,071
Total	**71,47,251**	**215,83,533**

21 Manufacturing Expenses

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
Freight and Cartage	80,63,717	94,93,612
Repairs and Maintenance	14,41,948	22,20,778
Power and Fuel	282,46,998	238,92,672
Customs Duty / Service Tax	21,13,661	13,19,696
Processing Charges	224,98,021	244,83,843
Testing Fees (Laboratory)	3,63,500	3,83,253
Engineering,electrical,stitching&consumable stores	225,35,831	164,86,149
Security Charges	9,75,010	6,58,216
	862,38,686	**789,38,219**

22 Employee Benefit Expenses

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
Salaries and Allowances	280,27,459	264,67,068
Bonus	24,58,251	23,35,154
Contribution to Provident and other funds	35,92,933	26,68,976
Staff Welfare	8,45,833	5,92,366
Payment to Directors	13,40,004	13,40,000
Total	**362,64,480**	**334,03,564**

23 Financial Costs

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
Interest	38,02,057	72,45,248
Finance Charges	97,26,641	104,39,949
Total	**135,28,698**	**176,85,197**

VENKAT & RANGAA Chennai Chartered Accountants

24 **Other Expenses**

Particulars	For the year ended 31 Mar 2016	For the year ended 31 March 2015
Vehicle Maintenance	10,27,791	9,24,561
Printing and Stationery	10,76,621	5,61,374
Postage and Telephones	18,93,363	16,99,281
Rent	36,13,775	23,17,310
Professional Charges	11,62,728	5,65,773
Insurance	21,54,938	13,07,741
Subscription & Advertisement	8,41,639	83,119
Audit Fees	57,250	50,820
Donation	1,45,500	22,650
Local Conveyance	3,59,018	3,45,669
Loss on Sale of Fixed Assets	-	11,33,068
Miscellaneous Expenses	15,79,131	7,45,906
Service Charges	1,00,000	1,27,000
Repairs and Maintanance (General)	17,91,045	14,04,142
Sales Promotion Expenses	1,28,364	2,03,942
Fees and Taxes	24,36,591	18,31,413
Discount and Commission	-	4,000
Travelling Expenses	42,89,978	42,42,006
Export Expenses	193,27,582	221,56,388
Freight outward	26,51,190	25,24,690
Bad debts	17,50,747	1,35,080
Total	**463,87,251**	**423,85,932**

25 **Payment to Auditor**

(i) as Auditor	25,000	25,000
(ii) For Taxation matters	-	-
(iii) For Company law matters	-	-
(iv) For Management Services	25,000	25,000
Add: Service Tax	7,250	6,180
	57,250	**56,180**

26 **Expenditure in Foreign Currency**

Travel Expenses- Directors	21,56,809	20,87,399
	21,56,809	**20,87,399**

27 **Earnings in Foreign Currency**

(i) Export Sales	3835,84,099	3634,43,932
(ii) Exchange Fluctution on Export	73,17,881	16,89,385
	3909,01,980	**3651,33,317**

28 **CIF Value of Imports during the Financial Year**

(i) Raw materials	2112,41,877	2110,07,231
(ii) Captial Goods		-
	2112,41,877	**2110,07,231**

29 **Provision For Contingent Liabilities**

(i) Bills discounted with SBI	376,84,445	191,19,557
(ii) BG Issued by SBI	130,23,393	119,43,393
(iii) Sales Tax Liability	30,78,167	30,78,167

30 **TURNOVER DETAILS :**

PARTICULARS	2015-2016		2014-2015	
	Qty in Kgs	Rs.	Qty in Kgs	Rs.
a) Plastic Granules	43,57,868	3116,59,642	36,76,216	3076,32,138
b) Fabrics	1,08,333	118,92,611	4,55,406	509,45,284
c) Bags	6,34,598	893,82,409	5,31,439	778,66,756
d) Wastes & others	3,81,605	113,12,715	3,71,170	188,34,446
e) DEPB/DFIA/ETC License sale				4,46,753
f) Export Sales	28,35,034	3835,84,102	25,03,970	3634,43,932
Total	**83,17,439**	**8078,31,479**	**75,38,201**	**8191,69,309**

31 **PURCHASE DETAILS:**

PARTICULARS	2015-2016		2014-2015	
	Qty in Kgs	Rs.	Qty in Kgs	Rs.
Granules	59,95,941	4193,35,689	55,89,432	4670,76,355
Fabric	18,68,335	2269,45,977	13,39,803	1761,33,669
Consumables	8,99,868	842,04,696	5,01,199	515,58,155
Licence				
Total	**87,64,144**	**7304,86,363**	**74,30,434**	**6947,68,179**

VENKAT & RANGA* Chartered Accountants

VIRGO POLYMERS (INDIA) LTD.

CIN NO -L25200TN1985PLC011622

A-1-A, MMDA Industrial Complex, Maraimalai Nagar, kancheepuram- 603209

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Rs. 2016	Rs. 2016	Rs. 2015	Rs. 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT BEFORE TAX		**49,08,327**		32,45,473
Adjustments for:				
Add: Depreciation	70,36,299		84,71,916	
Interest and finance charges	135,28,698		176,85,197	
Profit on Sale of Fixed Assets	-			
Loss on Sale of Fixed Assets	-	205,64,997	11,33,068	272,90,181
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**254,73,324**		**305,35,655**
WORKING CAPITAL CHANGES				
Inventories	(99,39,198)		294,75,032	
Sundry Debtors	205,19,682		(533,74,133)	
Loans and Advances	689,82,855		(183,65,489)	
Sundry Creditors for Purchases	27,116		229,15,974	
Sundry Creditors for Expenses	23,77,300	819,67,756	35,50,803	(157,97,814)
CASH GENERATED FROM OPERATIONS		**1074,41,080**		**147,37,841**
Direct taxes paid (Net)		(21,61,491)		(26,41,275)
NET CASH FROM OPERATING ACTIVITIES		**1052,79,589**		**120,96,565**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets		(39,74,687)		(172,05,210)
Sale of investments		-		-
Sale of fixed assets		-		3,72,921
Interest received/ share of profit				
Investment in other companies		(2,81,250)		
NET CASH USED IN INVESTING ACTIVITIES		**(42,55,937)**		**(168,32,289)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Loan Funds		(1032,14,987)		395,18,863
Interest and finance charges paid		(135,28,698)		(176,85,197)
NET CASH USED IN FINANCING ACTIVITIES		**(1167,43,685)**		**218,33,666**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		**(157,20,033)**		**170,97,942**
Cash and cash equivalents at the beginning of the year		272,90,826		101,92,884
Cash and cash equivalents at the end of the year		115,70,793		272,90,826
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(157,20,033)**		**170,97,942**

In terms of our Report attached
for VENKAT AND RANGAA
Chartered Accountants
FRN: 004597S

S MOHAN RAAJAN
Partner
M No 206393
Place: Chennai
Date:30/05/2016

Director

Director

Note No: 8

VIRGO POLYMERS (INDIA) LIMITED
CIN NO -L25200TN1985PLC011622

DEPRECIATION STATEMENT AS PER COMPANIES ACT FOR THE YEAR ENDED 31.03.2016

PARTICULARS	Life of assest	<<<<<<<<GROSS BLOCK>>>>>>>>> AS ON 01.04.2015	ADDITIONS	DELETIONS	AS ON 31.3.2016	<<<<<<<<<<<<<DEPRECIATION>>>>>>>>>>>>> UP TO 31.03.2015	FOR THE YEAR	Trf to Reserves & surplus	DELETION FOR THE YEAR	TOTAL DEPN. UP TO 31.3.2016	NET BLOCK WDV AS ON 31.3.2016	WDV AS [illegible]N 31.03.[illegible]
LAND		12,25,571			12,25,571	-				-	12,25,571	12,2[illegible],571
BUILDING	30 years	262,64,853			262,64,853	122,10,503	6,50,842.55			128,61,346	134,03,507	140,5[illegible]350
PLANT & MACHINERY	15 years	1382,89,710	35,38,610		1418,28,320	948,32,264	53,07,977.65			1001,40,241	416,88,079	434,5[illegible]446
FURNITURE & FIXTURES	10 years	30,61,828	2,13,317		32,75,145	14,59,768	2,42,764.91			17,02,533	15,72,612	16,0[illegible]060
OFFICE EQUIPMENTS	5 years	24,36,223			24,36,223	22,39,659	52,312.99			22,91,972	1,44,251	1,96[illegible]64
COMPUTER	3 years	29,85,643	61,475		30,47,118	25,98,957	2,39,885.59			28,38,842	2,08,276	3,8[illegible]86
VEHICLE	10 years	113,57,485	1,61,284		115,18,769	75,01,296	5,42,515.07			80,43,811	34,74,958	38,5[illegible]39
Total		1856,21,313	39,74,686	-	1895,95,999	1208,42,446	70,36,298.75	-	-	1278,78,745	617,17,254	647,78,8[illegible]5
Figures for FY 2014-15		1726,20,613	172,05,210	42,04,510	1856,21,313	1078,77,309	84,71,916.00	71,91,742.00	26,98,521	1208,42,446	647,78,866	647,43[illegible]3

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

32. **Significant Accounting Policies and Notes on Accounts.**

Accounting policies / compliance of Accounting Standards issued by the Institute of Chartered Accountants of India

(1) **AS 1 : Disclosure on accounting policies**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act,1956, "(Which Continue to be Applicable in Respect Of section 133 of the Companies Act 2013 in Terms Of General Circular 15/2013 Dated September 13,2013 of The Ministry Of Corporate Affairs) and in compliance with the applicable Accounting Standards referred to in Section 211 (3C) of Companies Act,1956. The accounts are maintained on accrual basis as a going concern.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956.Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current -noncurrent classification of assets and liabilities.

The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

(2) **AS 2 : Valuation of Inventories**

The Raw materials are valued at lower of cost or selling price. Stores, Spares, Consumables & Packing Material are valued at weighted average cost. Work in Process is valued at cost or Net realizable value whichever is lower. Finished Goods are valued at Lower of cost (Inclusive of ED) or net realizable value.

(3) **AS 3: Cash Flow Statements**

Cash Flow Statement has been attached to the Balance Sheet and Profit and Loss Account.

(4) **AS 4: Events occurring after balance sheet date:**

There are no events occurring after the Balance Sheet date that require adjustment or disclosures.

(5) **AS 5: Net Profit or Loss for the period, prior period items and changes in Accounting Policies:**

There are no events occurring after the Balance Sheet date that require adjustment or disclosures.

(6) **AS 6: Depreciation Accounting**

Depreciation on fixed assets is provided on a straight line basis so as to charge the cost of the assets over the useful life of the respective assets as prescribed under part C of schedule II of the companies Act 2013.Residual value has been considered as 5% of the cost of the respective assets .Depreciation/amortization on assets added ,sold or discarded during the year is provided on pro rata basis.

(7) AS 7: Accounting for construction contracts

The above standard is not applicable to the Company as it is not engaged in the business of construction.

(8) AS 8 : Accounting for Research Development

This standard has been withdrawn from 1-4-2003 consequent to the introduction of Accounting Standard AS 26 on Accounting for intangible Assets becoming mandatory.

(9) AS 9: Revenue recognition

Revenue is recognized and expenditure is accounted for on their accrual. Interest and other costs in connection with borrowing of funds to the extent Related / attributed to the acquisition/ construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use. Other borrowings costs are charged to Profit and Loss Accounts.

(10) AS 10: Accounting for Fixed Assets.

a) Fixed Assets are stated at the values at which they are acquired, less accumulated depreciation. The value at which fixed assets are acquired includes all related expenses up to the date of putting them to use.

b) Mod vat Credit availed on acquisition of Fixed Assets is reduced from the cost of the concerned assets.

c) The Fixed Assets of the company are insured against fire risks for the acquisition Value / market value whichever applicable.

(11) AS 11: Accounting for effects in foreign exchange rates.

Foreign exchange transactions are accounted at the exchange rates prevailing at the time of transactions or at contracted rates. Current Assets and current Liabilities in Foreign Currencies are translated at values prevailing as at the yearend rate. Gains/ Losses if any, arising there from are recognized in the Profit and loss Account.

(12) AS 12: Accounting for Government grants.

The company has not received any grant from the Government during the year

(13) AS 13: Accounting of Investments.

Current investments are valued at lower of cost and fair value.

(14) AS 14: Accounting for amalgamations.

The above standard is not applicable as there was no amalgamation during the year

(15) AS 15: Accounting for retirement benefit.

Leave encashment is at the discretion of the management and is charged off to revenue in the year of payment. Accounting for Gratuity was made on Cash basis.

(16) **AS 16: Borrowing cost.**
Interests on borrowings to finance fixed assets are capitalized only if the borrowing costs are attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use. Expenditure incurred on alteration/temporary constructions is charged off as expenditure under appropriate heads of expenditure in Profit and Loss account in the year in which it is incurred.

(17) **AS 17: Segment reporting**
Since the company's business activity falls within a single business segment, there is no additional disclosures to be provided under account standard 17-'segment reporting' other than those already provided in the financial statements.

(18) **AS 18: Related party disclosure :**
There is no related party transactions during the year.

(19) **AS 19: Leases.**
There is no lease agreement between the company and others. Hence this standard is not applicable.

(20) **AS 21: Consolidated financial statements.**
The standard is not applicable since the company does not have Subsidiary company

(21) **AS 22: Accounting for taxes on income.**
Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act 1961.
In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India (ICAI), and effective from 1st April 2001 and in accordance with the listing Agreements with the respective stock exchanges, the Company has recognized the deferred tax liability in the accounts whereby:
1. The Net deferred tax liability arising on account of timing differences at 31-03-2016 is Rs.97,74,751/-
2. Deferred Tax resulting from timing Differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
3. Deferred tax assets/liabilities arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets/liabilities arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

(22) **AS 23: Accounting for investments in associates**
The above standard is not applicable to this Company as there are no associates.

(23) **AS 24: Discontinuing Operations.**
The company has not discontinued any operations during the year.

(24) AS 25: Interim Financial Reporting

Since the company is a Public ltd Company quarterly financial results are sent to all Stock Exchanges.

(25) AS 26: Intangible Assets.

The company has not acquired any intangible assets during the year and hence the standard is not applicable.

(26) AS 27: Financial Reporting of interests in joint ventures.

This standard is not applicable to this company.

(27) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial Degree of estimation, if

a. the Company has a present obligation as a result of a past event.
b. a probable outflow of resource is expected to settle the obligation; and
c. the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of:

a. A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
b. A present obligation when no reliable estimate is possible; and
c. A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

(28) Previous year figures:

The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosures and presentations made in the Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

As per our Report of even date annexed
For VENKAT AND RANGAA
Chartered Accountants
FRN: 004597S

VENKAT & RANGAA Chennai Chartered Accountants

S.Mohan Raajan
Partner
M.No. 206393

Director **Director**

Place: Chennai
Dated: 30.05.2016