

**SHROFFS UNITED  
CHEMICALS LIMITED**

**ANNUAL ACCOUNTS**

**2014 – 2015**



**VORA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

101-103, REWA CHAMBERS  
31, NEW MARINE LINES  
MUMBAI - 400 020. INDIA

TEL. : +91-22-2200 5933  
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**INDEPENDENT AUDITORS' REPORT**

To,  
The Members Of,  
**SHROFFS UNITED CHEMICALS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SHROFFS UNITED CHEMICALS LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

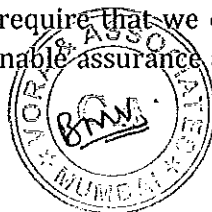
**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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.





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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 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 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 financial statements.

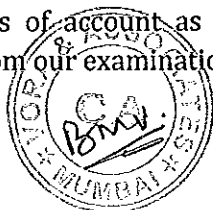
**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2015;
- 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 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, 2015 ("The Order") issued by the Government of India in terms of sub section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.





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- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- The Company does not have any pending litigations which shall impact its financial positions.
  - The Company does not have any long terms contracts for which provisions are required to be made.
  - The Company is not liable to transfer any amount to the Investor Education and Protection Fund

For VORA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(ICAI Firm Reg. No.: 111612W)

  
BHAKTI M. VORA  
PARTNER  
(Membership No. 148837)



PLACE: MUMBAI

DATED: 14 APR 2015

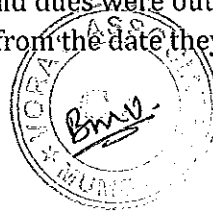


**Annexure to the Auditors' Report**

**(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date for the year ended 31<sup>st</sup> March 2015)**

- (i) In respect of its Fixed Assets  
The Company does not hold any fixed assets as on 31/03/2015. Accordingly sub-clause (a) and (b) are not applicable.
- (ii) In respect of inventories  
During the year under review, the Company does not have any inventory. Hence, provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) In respect of loans granted, secured or unsecured, by the Company to firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013;  
The Company has not granted any secured / unsecured loan to any of the parties covered in the register maintained under section 189. of the Companies Act, 2013. Accordingly, sub clauses (a) and (b) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure and system commensurate with the size of the company and nature of its business for purchase of inventory and fixed assets and for sale of goods and services, if any. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to Section 79 of the Companies Act 2013.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, in respect of activities carried on by the Company
- (vii) In respect to statutory dues  
(a) According to the records of the Company, the undisputed statutory dues under Income tax, Service Tax and other Statutory Dues as applicable to it have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.





**VORA & ASSOCIATES**  
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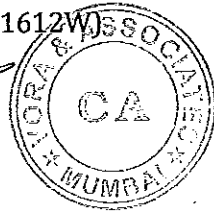
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- (b) According to the information and explanations given to us, there were no dues of Income Tax, Service Tax and other Statutory Dues as applicable to it, which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the records of the Company, no amount is pending to be transferred to the Investor Education and Protection Fund.
- (viii) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank or financial institution during the year under review.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us the Company has not obtained term loans during the year.
- (xii) According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For VORA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(ICAI Firm Reg. No.: 111612W)

  
BHAKTI M. VORA  
PARTNER

(Membership No.148837)



PLACE: MUMBAI

DATED:

14 APR 2015

**SHROFFS UNITED CHEMICALS LIMITED**

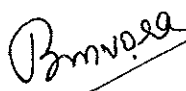
BALANCE SHEET AS AT 31st MARCH, 2015

	Notes	Rs. As At 31.03.2015	Rs. As At 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	5,00,070	5,00,070
Reserves and surplus	3	19,09,293	18,05,169
<b>Current liabilities</b>			
Other current liabilities	4	21,910	21,890
Total (in Rs.)		<u>24,31,273</u>	<u>23,27,129</u>

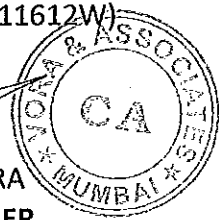
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Long Term Loans & Advances	5	2,586	2,078
<b>Current Assets</b>			
Cash & Cash Equivalents	6	24,28,687	23,25,051
Total (in Rs.)		<u>24,31,273</u>	<u>23,27,129</u>
Significant Accounting policies	1		
Other Disclosures	9		

As per our Report of even date attached

For VORA & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 (ICAI Firm Reg. No. 111612W)

  
 BHAKTI M. VORA  
 PARTNER

(Membership No.: 148837)



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
 Rajnikant Shroff

DIN: 00180810

DIRECTOR (S)



Vikram Shroff

DIN: 00191472

PLACE : MUMBAI

DATED : 14th April, 2015

PLACE : MUMBAI

DATED : 14th April, 2015

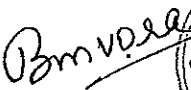
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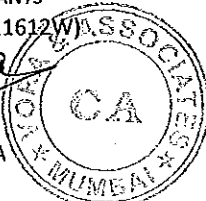
**SHROFFS UNITED CHEMICALS LIMITED**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Note No.	Rs. For the year ended 31.03.2015	Rs. For the year ended 31.03.2014
<b>Continuing Operations</b>			
Revenue from operations		-	-
Other income	7	1,89,844	1,88,012
<b>Total Revenue - I</b>		<b>1,89,844</b>	<b>1,88,012</b>
<b>Expenses:</b>			
Other expenses	8	39,684	32,489
<b>Total expenses - II</b>		<b>39,684</b>	<b>32,489</b>
<b>Profit before Tax (I-II)</b>		<b>1,50,160</b>	<b>1,55,523</b>
<b>Tax expense:</b>			
Provision for tax of Current Year		46,399	48,056
Short(excess) Provision for Tax		(362)	203
		<b>46,037</b>	<b>48,259</b>
<b>Profit after tax from continuing operations</b>		<b>1,04,123</b>	<b>1,07,264</b>
<b>Profit / (Loss) for the Year</b>		<b>1,04,123</b>	<b>1,07,264</b>
<b>Earnings per share (Nominal Value of share Rs.10) Basic &amp; Diluted</b>		<b>2.08</b>	<b>2.14</b>
Significant accounting policies	1		
Other Disclosures	9		


As per our Report of even date attached  
For VORA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(ICAI Firm Reg. No. 111612)


  
BHAKTI M. VORA  
PARTNER  
(Membership No.: 148837)



PLACE : MUMBAI  
DATED : 14th April, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
Rajnikant Shroff  
DIN: 00180810  
DIRECTOR(s)

  
Vikram Shroff  
DIN: 00191472

PLACE : MUMBAI  
DATED : 14th April, 2015

14 APR 2015



**SHROFFS UNITED CHEMICALS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015

	Rs. For the year ended 31.03.2015	Rs. For the year ended 31.03.2014
<b>A: Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	1,50,160	1,55,523
Adjustments for:		
Interest Income	(1,89,844)	(1,88,012)
Operating profit / (loss) before changes in working capital (I)	(39,684)	(32,489)
Changes in working capital:		
Adjustments for increase / (decrease) in operating liabilities:		
Current Liabilities	20	6,741
Cash flow from Changes in working capital (II)	20	6,741
Cash generated from operations (I) + (II)	(39,664)	(25,748)
Add/Less: Income Tax (Paid)/Refund	(46,545)	(48,802)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(86,209)</b>	<b>(74,550)</b>
<b>B: Cash flow from investing activities</b>		
Interest Income	1,89,844	1,88,012
Investment in Fixed Deposit (Net)		(1,50,000)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>1,89,844</b>	<b>38,012</b>
<b>C: Cash flow from financing activities</b>		
<b>Net cash flow from / (used in) financing activities (C)</b>		
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,03,635	(36,538)
Cash and cash equivalents at the beginning of the year	1,75,051	2,11,589
Cash and cash equivalents at the end of the year	2,78,686	1,75,051

**Reconciliation of Cash and cash equivalents with the Balance Sheet:**

Cash and cash equivalents as per Balance Sheet (Refer Note 6)

Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)

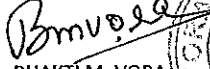
Cash and cash equivalents at the end of the year comprises Cash on hand and Balance with Bank

As per our Report of even date attached

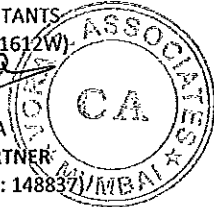
FOR VORA &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

(ICAI Firm Reg. No. 111612W)


BHAKTI M. VORA  
PARTNER


(Membership No.: 148837)



PLACE : MUMBAI

DATED : 14th April, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Rajnikant Shroff

DIRECTOR(s)

DIN: 00180810



Vikram Shroff

DIN: 00191472

PLACE : MUMBAI

DATED : 14th April, 2015

14 APR 2015

**SHROFFS UNITED CHEMICALS LIMITED**

	Rs.	Rs.
<b>Notes forming part of financial Statements</b>	<b>As At 31.03.2015</b>	<b>As At 31.03.2014</b>

**2. SHARE CAPITAL**

**Authorised Share Capital**

20,00,000 Equity Shares of Rs. 10/- each 2,00,00,000 2,00,00,000  
*(P.Y. 20,00,000 Equity Shares of Rs. 10/- each)*

50,00,000 Preference Shares of Rs. 10/- each 5,00,00,000 5,00,00,000  
*(P.Y. 50,00,000 Preference Shares of Rs. 10/- each)*

7,00,00,000 7,00,00,000

**Issued, Subscribed and Fully Paid Up Shares**

50,007 Equity Shares of Rs. 10/- each 5,00,070 5,00,070  
*(P.Y. 50,007 Equity Shares of Rs. 10/- each)*

5,00,070 5,00,070

**a. Reconciliation of Outstanding Shares at the beginning and at the end of the reporting period**

	31 <sup>st</sup> March 2015		31 <sup>st</sup> March 2014	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares Rs. 10 each				
Shares outstanding at the beginning of the year	50,007	5,00,070	50,007	5,00,070
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,007	5,00,070	50,007	5,00,070

**b. Terms/rights attached to Equity Shares**

The company has only one class of equity shares having par value of ` 10/- per share. Each holder of equity shares is entitled to ONE vote per share. The dividend proposed by the Board of Directors are subject to approval of shareholders in the ensuing annual general meeting.

During the year ended 31st March 2015, the amount of per share dividend recognised as distributions to equity shareholders was NIL (31st March 2014: NIL)

**c. Details of Shareholders holding more than 5% of Equity Share Capital:**

Name of the Shareholders	31 <sup>st</sup> March 2015		31 <sup>st</sup> March 2014	
	No. of Shares Held	Percentage of Shareholding in Equity	No. of Shares Held	Percentage of Shareholding in Equity
UPL Limited (with nominees)	50,007	100	50,007	100
<b>Total</b>	50,007	100	50,007	100

**3. RESERVES AND SURPLUS**

**Surplus in the Statement of Profit and Loss**

Balance as per Financial Statement 18,05,170 16,97,905  
 Add: Profit / (Loss) for the year 1,04,123 1,07,264

19,09,293 18,05,169

**CURRENT LIABILITIES**

**4. Other Current Liabilities**

**Other Payables**

Payable to Auditor 18,540 16,854  
 Sundry Creditor for Expenses 3,370 5,036

21,910 21,890



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**SHROFFS UNITED CHEMICALS LIMITED**

Rs.                      Rs.

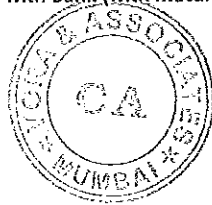
Notes forming part of Financial Statements                      As At 31.03.2015    As At 31.03.2014

**NON CURRENT ASSETS****5. Long Term Loans & Advances**

Advance Tax & TDS (Net of Provision of Income Tax)	2,586	2,078
	<u>2,586</u>	<u>2,078</u>

**CURRENT ASSETS****6. Cash & Cash Equivalents**

Cash in Hand	70	70
Bank Balance		
- Current Account	2,78,617	1,74,981
- Fixed Deposit with Bank (with maturity less than 12 months)	21,50,000	21,50,000
	<u>24,28,687</u>	<u>23,25,051</u>



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**SHROFFS UNITED CHEMICALS LIMITED**

Notes forming part of Financial Statements	Rs.	Rs.
	For the year ended 31.03.2015	For the year ended 31.03.2014

**7. OTHER INCOME**

Interest on Fixed Deposit	1,89,844	1,88,012
	<hr/>	<hr/>
	1,89,844	1,88,012

**8. OTHER EXPENSES****Administrative expenses**

ROC Filing Fees	9,600	1,000
Professional Fees	11,544	14,410
Bank Charges	-	225

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	21,144	15,635
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**Auditors Remuneration:**

- For Statutory Audit	18,540	16,854
- Out of Pocket Expenses	-	-

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	39,684	32,489
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**SHROFFS UNITED CHEMICALS LIMITED**

**NOTE FORMING PART OF FINANCIAL STATEMENTS**

**Related Party Disclosures :**

Annexure 1

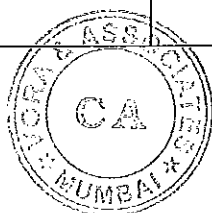
Companies in the group have entered into transactions with the following related parties as identified by the management and relied upon by the Auditors.

**a) List of related parties:**

- i) **Holding Company**  
UPL Limited
- ii) **Enterprises over which key management personnel and their relatives have significant influence:**
- iii) **Key Management Personnel and their relatives**  
Directors  
Mr Rajnikant Shroff  
Mrs. Sandra Shroff  
Mr. Vikram R. Shroff

**b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies.**

Nature of Transactions	Current Year			Previous Year		
	Holding Company	Enterprises over which key management personnel and their relatives has significant influence	Key Personnel and their Relatives	Holding Company	Enterprises over which key management personnel and their relatives has significant influence	Key Personnel and their Relatives
1 Income	-	-	-	-	-	-
2 Expense	-	-	-	-	-	-
3 Loan Given	-	-	-	-	-	-
4 Loan Taken	-	-	-	-	-	-
5 Outstandings: Receivables	-	-	-	-	-	-
Payables	-	-	-	-	-	-



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# **SHROFFS UNITED CHEMICALS LIMITED**

Notes forming part of Financial Statements

## **1. Significant Accounting Policies And Other Disclosures**

### **1.1. Significant Accounting Policies**

#### **a. Basis of preparation of financial statements**

##### Basis of Accounting

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

##### Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### **b. Revenue Recognition**

The Revenue is recognized on accrual basis. However, the recognition of revenue is restricted to the extent it is probable or there is a certainty that the economic benefits shall flow to the Company. The Revenue shall be accounted on the basis of prudence to the extent it is quantifiable.

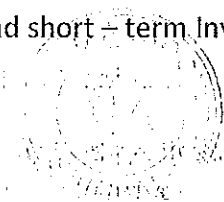
#### **c. Tax expenses**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India

Deferred income tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted, at the reporting date only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits..

#### **d. Cash & Cash Equivalents**

Cash & Cash Equivalents stated in the Statement of Affairs normally comprise of Bank Balance and Cash in Hand and short – term Investments with an original maturity period of three months or less.



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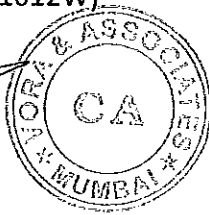
e. Disclosures of Related Party Transactions (as per AS-18 issued by I.C.A.I.):

*The Disclosure as per AS 18 is attached as Annexure I.*

f. Previous Year Figures



The Company has re-classified & re-grouped previous year figures wherever necessary.

As per our Report of even date attached  
For VORA & ASSOCIATES.  
CHARTERED ACCOUNTANTS  
(ICAI Firm Reg. No. 111612W)

BHAKTI M. VORA  
PARTNER  
(Membership No. 148837)

FOR AND ON BEHALF OF THE BOARD  
SHROFFS UNITED CHEMICALS LIMITED

Rajnikant Shroff      Vikram Shroff  
DIRECTOR(S)

PLACE: MUMBAI  
DATED: 14<sup>th</sup> April, 2015

PLACE: MUMBAI  
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14 APR 2015