

**RMC READYMIX  
PORSELANO (INDIA)  
LIMITED  
2015-16**

## **Independent Auditor's Report**

### **To the Members of RMC Readymix Porselano (India) Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of RMC Readymix Porselano (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 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 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 judgements 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 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.

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 judgement, 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 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, of the state of affairs of the Company as at March 31, 2016 and its profit 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 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 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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:

1. The Company does not have any pending Litigations;
2. The Company does not have any long term contracts including derivate contracts and hence has not made provision on such contracts;
3. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Borkar & Muzumdar**

Chartered Accountants

Firm Reg No. 101569W

sd/-

CA Dilip M. Muzumdar

Partner

Membership No: 8701

Place: Mumbai

Date: April 22, 2016

## **Annexure - A to the Auditors' Report**

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

- i. According to the information and explanations give to us and based on our examination of the records of the Company, there are no fixed assets in the books of the Company therefore, paragraph 3(i)(a) to (c) of the Order is not applicable to the Company.
- ii. According to the information and explanations give to us and based on our examination of the records of the Company, there is no inventory in the books of the Company, therefore, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act, therefore, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not made any investment, provided any loan, security and guarantee, so provision of Section 185 and 186 of the Act, is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products manufactured by the Company.
- vii. **Statutory Dues**
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues applicable to the Company except income-tax. The amount deducted/accrued in the books of account in respect of undisputed statutory dues of income-tax, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax were in arrears as at March 31, 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 dues of duty of customs, service tax, income tax, sales tax, wealth tax and excise duty which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanation given to us the Company has not taken any loans or borrowings from any financial institution, bank and Government and company has not issued any debentures, therefore, paragraph3(viii) of the Order, is not applicable to the Company.

- ix. The Company have not raised 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.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided during the year and so accordingly the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, are not applicable.
- xii. 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.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, there are no related party transactions hence Section 188 and 177 of the Act, are not applicable to the Company.
- xiv. 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.
- xv. 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 as per Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Borkar & Muzumdar**

Chartered Accountants

Firm Reg No. 101569W

sd/-

CA Dilip M. Muzumdar

Partner

Membership No: 8701

Place: Mumbai

Date: April 22, 2016

## **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 RMC Readymix Porselano (India) Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 Act.

#### **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 Act, 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 judgement, 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.

## **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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 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 Borkar & Muzumdar**

Chartered Accountants

Firm Reg No. 101569W

sd/-

CA Dilip M. Muzumdar

Partner

Membership No: 8701

Place: Mumbai

Date: April 22, 2016



<b>RMC READYMIX PORSELANO (INDIA) LIMITED</b>				
<b>BALANCE SHEET AS AT 31st MARCH, 2016</b>				
			<b>(Amount in Rs)</b>	
	<b>Particulars</b>	<b>Note No.</b>	<b>As at 31-3-2016</b>	<b>As at 31-3-2015</b>
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	3	500,000	500,000
	(b) Reserves and surplus	4	(39,059)	(47,043)
2	<b>Current liabilities</b>			
	(a) Other current Liabilities	5	19,369	19,101
	<b>TOTAL</b>		<b>480,310</b>	<b>472,058</b>
II.	<b>ASSETS</b>			
1	<b>Current assets</b>			
	(a) Cash , cash equivalents and bank balance			
	i. Cash in Hand		2,518	4,118
	ii. Balance with Banks		15,173	40,522
	iii Fixed deposit with banks		459,452	393,000
	(b) Short-term loans and advances			
	i. Interest Receivable		1,404	31,974
	ii. Advance Income Tax (Net of Provision)		1,763	2,444
	<b>TOTAL</b>		<b>480,310</b>	<b>472,058</b>

As per our report of even date

sd/-

For and on Behalf of  
BORKAR & MUZUMDAR  
CHARTERED ACCOUNTANTS  
FRN-101569W

RAJNISH SACHETI  
(DIRECTOR)  
DIN - 00535231

sd/-

sd/-

CA DILIP M. MUZUMDAR  
PARTNER  
MEMBERSHIP NO : 8701

JAGRUTI SHAH  
(DIRECTOR)  
DIN - 00490069

MUMBAI  
DATE : APRIL 22, 2016

**RMC READYMIX PORSELANO (INDIA) LIMITED****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

		(Amount in Rs )	
Particulars		Year Ended 31.03.2016	Year Ended 31.03.2015
I.	Interest Income	39,870	34,170
II.	<b>Total Revenue</b>	39,870	34,170
III.	<b>Expenses:</b>		
	Audit Fees	13,483	13,483
	Legal & Professional Fees	14,581	14,045
	Bank Charges	342	33
	Rates & Taxes	1,600	1,600
	<b>Total expenses</b>	30,006	29,161
VI.	<b>Profit (Loss) for before Tax (II-III)</b>	9,864	5,009
	Less : Current Tax	1,880	954
	Less: Provision of Income Tax of earlier years		
VII	<b>Profit/(Loss) for the year</b>	7,984	4,055
VIII	<b>Earning Per Share:</b>		
	<b>Basic</b>	0.16	0.08
	<b>Diluted</b>	0.16	0.08

As per our report of even date

For and on Behalf of  
BORKAR & MUZUMDAR  
CHARTERED ACCOUNTANTS  
FRN-101569W

sd/-

CA DILIP M. MUZUMDAR  
PARTNER  
MEMBERSHIP NO : 8701

MUMBAI  
DATE : APRIL 22, 2016

sd/-

RAJNISH SACHETI  
(DIRECTOR)  
DIN - 00535231

sd/-

JAGRUTI SHAH  
(DIRECTOR)  
DIN - 00490069

**RMC READYMIX PORSELANO (INDIA) LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

( Amount in Rs.)

	2015-2016		2014-2015	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow from Operating Activities</b>				
Profit/(Loss) before taxation		9,864		5,009
<i>Adjustment for:</i>				
Interest Income	(39,870)	(39,870)	(34,170)	(34,170)
<b>Operating profit before working capital changes</b>		(30,006)		(29,161)
<b>Changes in Working Capital</b>				
Increase / (Decrease) in other current liabilities	268		(6,180)	
(Increase) / Decrease in short term loans and advances	-		-	
(Increase) / Decrease in long term loans and advances	-		-	
(Increase) / Decrease in other current assets	-		-	
(Increase) / Decrease in other non-current assets	-		-	
		268		(6,180)
Cash Generated from Operations				
Income tax Paid (Net of refunds)		(1,199)		(12)
Net cash generated from operations		(931)		(6,192)
<b>Net cash generated from Operating activities</b>		<b>(30,937)</b>		<b>(35,353)</b>
<b>B. Cash flow from Investing Activities</b>				
Interest received	70,440		3,572	
Fixed deposit Matured	393,000		393,000	
Fixed deposit created	(459,452)		(393,000)	
Dividend received	-		-	
<b>Net cash generated from Investing activities</b>		<b>3,988</b>		<b>3,572</b>
<b>C. Cash flow from Financing Activities</b>				
Dividend Distribution Tax				
Interest Paid				
Additions to Borrowings				
Repayment of Borrowings				
<b>Net cash generated from Financing Activities</b>		<b>0</b>		<b>0</b>
<b>Net increase in cash and cash equivalents</b>		<b>(26,949)</b>		<b>(31,781)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>44,640</b>		<b>76,421</b>
<b>Cash and cash equivalents and the end of the year</b>		<b>17,691</b>		<b>44,640</b>
Cash and cash equivalents comprises of:				
Cash on hand		2,518		4,118
Cheques on hand		-		-
Balance with Banks		15,173		40,522
<b>Total</b>		<b>17,691</b>		<b>44,640</b>

As per our report of even date

sd/-

For and on Behalf of  
**BORKAR & MUZUMDAR**  
**CHARTERED ACCOUNTANTS**  
FRN-101569W

**RAJNISH SACHETI**  
**(DIRECTOR)**  
DIN - 00535231

sd/-

sd/-

**CA DILIP M. MUZUMDAR**  
**PARTNER**  
MEMBERSHIP NO : 8701

**JAGRUTI SHAH**  
**(DIRECTOR)**  
DIN - 00490069

**MUMBAI**  
**DATE : APRIL 22, 2016**

## 1 Background

Porselano Tiles Private Limited (the Company) was incorporated in India on 29th March, 2006 to do Manufacturing and trading in tiles, sanitary wares and bathroom accessories. The Company was converted into a Public Company with effect from 9th January, 2008. The name of the Company was changed from "Porselano Tiles Limited" to "RMC READYMIX PORSELANO (INDIA) LIMITED" with effect from 3rd June, 2010. The Company is a 100% subsidiary of Prism Cement Limited. The Company has not yet started any commercial activities

## 2 Statement of Significant Accounting Policies:

### a Basis of Preparation of Financial Statements:

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the generally accepted accounting principles in India, the applicable mandatory accounting standards as notified by Companies (Accounting Standards) Rules, 2014 and the relevant provisions of The Companies Act, 2013.

### b. Taxes on Income:

i. Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

ii. Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

iii. Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in the guidance note issued by the ICAI, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay income tax higher than MAT during the specified period.

## 3 Share capital

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs
<b>Authorized</b> Equity shares Rs.10/- par value 50,000(50,000) Equity Share	500,000	500,000
<b>Issued Subscribed and Paid-up :</b> Equity Shares Rs. 10/- par Value 50,000(50,000) Equity Share	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>

### (a) Reconciliation of the Number of Share

Balance as the beginning of the year	50,000	50,000
Add/Less: Shares issued or Redeemed during the year	0	0
Balance as the end of the year	50,000	50,000

(b) Equity share: The Company has one class of equity Shares a par value of Rs 10 per Share. Each Shareholder is eligible for one vote per share held

The details of Shareholder holding more than 5% shares at March 31, 2016 and March 31, 2015 is set out below

Name of the Shareholder	As at 31st March 2016		As at 31st March 2015	
	No of Shares	% held	No of Shares	% held
<b>Prism Cement Limited (Holding Company)</b>	50,000	100	50,000	100

Of the above 50,000 shares, 6 shares are held by Individuals on behalf of Prism Cement Limited.

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

