TO,

V.K.Moondra& Co

Chartered Accountants

Ahmedabad

Date: 09/05/2016

Dear Sir,

**Sub: MANAGEMENT REPRESENTATION LETTER**

With reference to the Financial Statements of Gopala Polyplast Ltd for the year ended 31st March, 2016 as submitted to you for the purpose of expressing an opinion as to whether the Statements give a true and fair view of the financial position of the Company as of 31st March, 2016and of the results of the operations for the year then ended, we acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the Companies Act, 1956& 2013 (or other relevant statute, as applicable) and recognized accounting policies and practices, including mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and hereby make the following Management Representation which to the best of our knowledge and belief is true & correct statement of facts viz:

1. **Basis for Preparation of Financial Statements**

1.1 The Accounting Policies which are material or critical in determining the results of operations for the year or the financial position are set out in the financial statements and are consistent with those adopted in the financial statements for the previous year.

1.2 The financial statements are prepared on a going concern basis.

1.3 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

1. **Share Capital**

2.1 The Company has not made any preferential allotment of shares during the year to the parties and companies covered in the Register maintained under the Companies Act 1956& 2013.

 2.2 The Company has not granted any options, warrants or conversion rights in respect of the Company’s Capitalexcept as disclosed in the in the financial statements.

2.3 The Company has not issued any right shares during the year.

1. **Secured and Unsecured Loans**
	1. The Company has obtained the loans during the year.

3.2 The company has not applied funds raised on short-term basis for long term investment and vice-versa.

3.3 The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders***.***

3.4 The company has not taken any loans, secured or unsecured, from companies, firms or other parties in the register maintained under the Companies Act, 1956/2013.

3.5 The Company has not accepted any deposits from the public during the year.

1. **Fixed Assets**

4.1 The expenditure charged to the capital account in the books of the Company wholly represents additions to or improvements to the existing capital assets of the company, and the amounts so charged do not in any instance represent repairs and maintenance of such assets or any expenditure properly chargeable to revenue. Cost includes all incidental expenditure and is net of CENVAT**.**

4.2 The net book value of these fixed assets has been arrived at after writing off amounts relating to all items which have been sold or scrapped on or before the Balance Sheet date and that the book values of all fixed assets do not exceed their recoverable amount as at the balance sheet date. The provisions made for depreciation of the fixed assets are not in excess of what is considered reasonably necessary for that purpose. The fixed assets were physically verified during the year in accordance with the policy of the Company and appropriate adjustments have been made in the books for the discrepancies noticed on such verification, which were not material***.***

4.3 Adequate records have been maintained for fixed assets showing inter-alia, location, type/nature of the asset, cost, and quantitative details and that such records are fully reconciled with the financial records.

4.4 The company has not disposed off any substantial part of fixed assets during the year.

1. **Investments**

5.1 The Company does not have any current Investment during the year.

5.2 All the investments as appearing in the Balance Sheet belong to the entity and they do not include any investments held on behalf of any other person.

5.3 The Company has not sold any shares, debentures and other securities at a price less than at which they were purchased by the Company**.**

1. **Inventories**

6.1 Company holds inventories of Rs.34,41,90,004/- as at 31/03/2016 and that the whole of the inventories were the property of the company.

6.2 Adequate records have been maintained for all categories of inventories showing inter-alia, the receipts and issues and closing balances, both value and quantitative details and that such record are fully reconciled with financial records.

6.3 Inventories have been valued at cost on First in First out (FIFO) basis.

6.4 Adequate provisions have been made to reduce the value of all redundant, obsolete, excessive, defective, damaged and non-saleable stocks to their estimated realizable values and full provision for all liabilities has been made in these accounts in respect of all items included in stocks as at 31/03/2016.

6.5 The basis of valuation of inventories is same as that used in the previous year.

**Sundry Debtors, Loans and Advances**

7.1 Loans and Advances as at 31/03/2016 represent bonafiedadvances for value to be received in cash or in kind.

7.2 The company has not granted any loans, secured or unsecured, to companies, firms or other parties in the register maintained under the Companies Act, 1956/2013.

7.3 The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

7.4 The company has not granted unsecured loans to Associate Company.

7.5 Loans and advances made by the Company have not been shown as deposits.

1. **Cash and Bank balances**

The Balance Sheet as at 31/03/2016 includes all cash and bank balances of the company as at 31/03/2016 Cash balances have been physically verified at all locations at the year end and no discrepancies have been found.

1. **Other Current Assets**

All current assets as at 31/03/2016 have a value on realization in the ordinary course of business at least equal to the amounts at which they have been stated in the Balance Sheet of the Company as at that date.

1. **Current Liabilities**

Full provisions have been made in the Balance Sheet for all known liabilities of the company, due or accrued, as at 31/03/2016, including all losses expected to arise from events which had occurred by that date.

1. **Deferred Taxes**

Deferred tax asset/liability reflect the tax impact of cumulative timing differences between book profits and taxable income of the Company as at the Balance Sheet date. Adequate allowances have been made for possible non- recovery of deferred tax assets.

1. **Contingent Liabilities**
	1. There were no contingent liabilities, potential liabilities, threatened litigations or capital commitments other than shown in notes to accounts.

12.2 The Company has given guarantee against loan taken byNIL\_ from \_NIL\_, the terms and conditions of which are not prejudicial to the interest of the company.

**13.Disputed & Undisputed Liabilities**

13.1 The Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees state insurance, service tax and tax deducted at source, investor education and protection fund, income-tax, sales tax, wealth tax, custom duty, duty of excise, value added tax and other material statutory dues as applicable with the appropriate authorities during the year. There was no undisputed amount outstanding & payable in respect of statutory dues as at 31st March 2016, for a period of more than six months from the date of they become payable.

13.2 An amount of disputed liability of the company and not deposited with appropriate authority are as per reported in CARO.

13.3 The company confirms that, there are no contingent liabilities in respect of any other statutory dues for the year ending as on 31/03/2016 other than those reports in notes to accounts.

**Others**

1. The Company has a satisfactory title to all its immovable properties.
2. All income which accrued up to the date of the Balance Sheet, have been taken into account in preparing these accounts.
3. The financial statements and appended notes thereto, include all material disclosures necessary for these accounts to show a true and fair view of the state of affairs and the results of operations of the Company (including those related to prior period items, extra ordinary items, changes in accounting policies or changes in accounting estimates) and disclosures required to be made therein under the Companies Act, 1956/2013 respective accounting standards/ Securities and Exchange Board of India (SEBI) guidelines/ listing agreement requirements (state where applicable) and are free of material misstatements, including omissions.
4. All events subsequent to the Balance Sheet date have been fully considered in preparing the accounts and no other matter has come to our attention up to the time of signing this letter which would materially affect the accounts and the related disclosures for the year ended 31/03/2016
5. It is further confirmed that no expenses of personal nature (other than those payable under contractual obligations or in accordance with generally accepted business practice) and/or not related to the Company’s business have been charged to the Company’s accounts.
6. No payment has been made during the year ended 31/03/2016 whether directly or indirectly, by way of advertisement or otherwise to any political party in contravention of the provisions of the Companies Act, 1956 / 2013
7. Commitments for future purchases are for quantities not in excess of anticipated requirements and at prices which will not result in loss. Provisions have been made for any material loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments.
8. The Company does not have any of the following during the year hence no disclosure is required.
* Losses arising from sale and purchase commitments.
* Agreements and options to buy back assets previously sold.
* Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and oral or written guarantees – already disclosed in notes to accounts.
* Other agreements not in the ordinary course of business.
1. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud. We have no knowledge of any fraud or suspected fraud on or by the company, noticed or reported during the year, affecting the Company involving management; employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, short sellers, or others.
2. We are not aware of any violations or possible violations of laws or regulations the effect of which should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices that could have a material effect on the financial statements in the event of non-compliance.
3. All minutes of the meetings of shareholders, directors and committees of directors up to 31/03/16 and all financial and accounting records and related data have been made available to you. We are not aware of any accounts, transactions or material agreements not fairly described and properly recorded in the financial and accounting records underlying the financial statements.
4. Based on the written representations obtained from the directors and taken on record by the Board of directors, we confirm that none of the directors is disqualified under the Companies Act,1956/ 2013 as at the Balance Sheet date.
5. No money has been raised by public issue during the year hence no disclosure is required in financial statements.
6. There are no transactionsthat needto be entered in the register in pursuance of the Companies Act, 1956/2013.
7. In the opinion of the management, the Central Government has not prescribed maintenance of Cost records under the Companies Act, 1956/ 2013.
8. No director of the Company is holding any office or place of profit, without the consent of the Company accorded by a special resolution. Also, no partner or relative of such director, no firm in which such director, or a relative of such director, is a partner, no private company of which such director is a director or member, and no director or manager of such a private company, is holding any office or place of profit carrying a total monthly remuneration of not less than Rs.10,000 (under the provisions of section 314 of the Companies Act, 1956/ 2013).
9. In the opinion of the management, there are adequate internal controls for the sale of goods, purchase of inventory, and fixed assets and for all the operations of the Company.We are not aware of any continuing failure to correct any major weaknesses in such internal controls.
10. Transactions of the Company which are represented merely by book entries are not prejudicial to the interests of the Company.
11. Statement of Profit and Loss and Balance Sheet have been prepared in compliance with Revised Schedule VI of the Companies Act, 1956& 2013 and the applicable accounting Standards issued by Institute of Chartered Accountants of India (ICAI).
12. In the opinion of the management, if assets are expected to be realized within twelve months after the reporting date and if liability is due to be settled within twelve months after the reporting date, then it shall be classified as current. All other assets and liabilities shall be classified as Non-current.
13. The Company has not accepted any deposits from the public within the meaning of section 58 of Companies Act, 1956 and the rules framed there under to the extent notified or relevant section of new companies act 2013.
14. Bad debts booked during the year are not recoverable
15. 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 Companies Act.
16. In respect of loans, investments and guarantees, provision of section 185 and 186 of the companies act, 2013 have been complied with
17. The company has not accepted deposits, within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with.
18. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
19. The company has not defaulted in repayment of dues to a financial institution, bank, government or dues to debenture holders.
20. Moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those raised.
21. No instance of any fraud by the company or any fraud on the company by its officer/ employees has been noticed or reported during the year
22. Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013
23. All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements
24. The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review
25. The company has not entered into any non-cash transactions with directors or persons connected with him.

**For,**Gopala Polyplast Ltd

**(DIRECTOR)**

Place: Ahmedabad

Date: 09/05/2016