

RIECO INDUSTRIES LTD
1162/2, BEHIND OBSERVATORY, SHIVAJI NAGAR, PUNE - 411005

BALANCE SHEET AS AT 31.03.2017

	PARTICULARS	Note No.	As at 31.03.2017		As at 31.03.2016	
			Rs.	Rs.	Rs.	Rs.
I	<u>EQUITY AND LIABILITIES</u>					
1.	Shareholder's funds					
	(a) Share Capital	1	125,000,000		125,000,000	
	(b) Reserves and Surplus	2	147,668,965		138,577,572	
				272,668,965		263,577,572
2.	Share application money pending allotment					
3.	Non- current liabilities					
	(a) Long-term borrowings		-		-	
	(b) Deferred Tax liabilities (Net)	3	2,224,535		2,224,535	
	(c) Other Long term liabilities	4	620,000		1,458,000	
	(d) Long-term Provisions	5	11,722,889		10,897,209	
				14,567,424		14,579,744
4.	Current Liabilities					
	(a) Short term borrowings	6	297,209,324		278,955,893	
	(b) Trade payables	7	414,990,657		375,981,573	
	(c) Other current liabilities	8	55,629,594		42,790,030	
	(d) Short term provisions	9	927,976		729,217	
				768,757,550		698,456,714
	TOTAL			1,055,993,937		976,614,030
II	<u>ASSETS</u>					
1.	Non-current assets					
	(a) Fixed assets	10				
	(i) Tangible assets		19,235,465		18,565,411	
	(ii) Intangible assets		2,371,145		3,648,079	
	(b) Long-term loans and advances	11	9,758,639		10,441,574	
				31,365,249		32,655,064
2.	Current assets					
	(a) Inventories	12	361,583,852		296,499,312	
	(b) Trade receivables	13	555,635,504		516,749,503	
	(c) Cash and Cash equivalents	14	102,709		197,125	
	(d) Short-term loans and advances	15	107,306,623		130,513,025	
				1,024,628,688		943,958,966
	TOTAL			1,055,993,937		976,614,030

Notes on Account and Significant accounting policies 24

Schedules referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

FOR A.H. JOSHI & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO.-112396W

For and on behalf of the Board of Directors

S A JOSHI
PARTNER
MEMBERSHIP REG. NO.-037772
PLACE : PUNE
Date: 03.05.2017

A B RATHI
MANAGING DIRECTOR

V R BHATIA
DIRECTOR

P S RAGHAVAN
COMPANY SECRETARY

RIECO INDUSTRIES LTD
1162/2, BEHIND OBSERVATORY, SHIVAJI NAGAR, PUNE - 411005

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

	PARTICULARS	Note No.	Period Ended 31.03.2017		Period Ended 31.03.2016	
			Rs.	Rs.	Rs.	Rs.
I	Revenue from operations	16	1,130,518,460		996,443,312	
	Less : Excise Duty		97,412,814		75,572,942	
				1,033,105,646		920,870,370
II	Other Income	17		2,436,180		6,663,130
III	Total Revenue (I + II)			1,035,541,826		927,533,500
IV	Expenses					
	Cost of Materials Consumed	18	638,888,757		575,165,575	
	Purchase of stock - in - trade	19	32,686,633		14,743,890	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	20	(56,913,573)		(35,758,617)	
	Employee benefits expenses	21	112,995,145		105,343,453	
	Finance Costs	22	34,667,381		48,956,372	
	Depreciation and amortization expenses		3,871,546		4,870,761	
	Other expenses	23	260,254,546		207,574,149	
	Total Expenses			1,026,450,434		920,895,583
V	Profit before tax (III-IV)			9,091,392		6,637,916
VI	Tax expense:					
	Current tax		1,735,000		1,265,000	
	MAT Credit Aailed		(1,735,000)		(1,265,000)	
	Net Tax expense			-		-
VII	Profit/(Loss) for the period from continuing operations (V - VI)			9,091,392		6,637,916
VIII	Profit/(Loss) for the period			9,091,392		6,637,916
IX	Earnings per equity share:					
	(1) Basic - Nominal Value of Shares is Rs.10 each			18		13
	(2) Diluted					

Notes on Account and Significant accounting policies 24

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement
This is the Profit & Loss Statement referred to in our Report of even date.

FOR A.H. JOSHI & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO.-112396W

For and on behalf of the Board of Directors

S A JOSHI
PARTNER
MEMBERSHIP REG. NO.-037772
PLACE : PUNE
Date: 03.05.2017

A B RATHI
MANAGING DIRECTOR

V R BHATIA
DIRECTOR

P S RAGHAVAN
COMPANY SECRETARY

Rieco Industries Ltd			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017			
Particulars		March 31,2017 Rs.	March 31,2016 Rs.
A.	Cash flow from operating activities		
	Profit/(Loss) before tax from operations	9,091,392	6,637,916
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation/amortization	3,871,546	4,870,761
	Unrealized foreign exchange loss/(gain)	378,649	(1,451,880)
	Provision for doubtful debt	49,769,997	30,604,091
	Interest expense	34,667,381	48,956,372
	Interest income	(1,601,653)	(4,851,533)
	Operating profit before working capital changes	96,177,312	84,765,728
	Movements in working capital :		
	Decrease/(Increase) in trade payables	39,009,084	111,158,066
	Increase / (decrease) in provisions	1,024,439	891,336
	Increase/(decrease) in other liabilities	12,001,564	(22,947,786)
	Decrease/(increase) in trade receivables	(89,034,647)	(70,066,299)
	Decrease/(increase) in inventories	(65,084,540)	(44,986,085)
	Decrease / (increase) in loans and advances	26,292,241	15,734,351
	Cash generated from /(used in) operations	20,385,453	74,549,311
	Direct taxes paid	(2,402,904)	(471,615)
	Net cash flow from/ (used in) operating activities (A)	17,982,549	74,077,697
B.	Cash flows from investing activities		
	Purchase of fixed assets, including intangible assets, CWIP and	(3,264,667)	(648,573)
	Proceeds from sale of fixed assets		33,427
	Interest received	1,601,653	4,851,533
	Net cash flow from/(used in) investing activities (B)	(1,663,014)	4,236,387
C.	Cash flows from financing activities:		
	Proceeds/(Repayment) from short-term borrowings	18,253,429	(99,438,577)
	Issue of share capital	-	70,000,000
	Interest paid	(34,667,381)	(48,956,372)
	Net cash flow from/(used in) in financing activities (C)	(16,413,952)	(78,394,949)
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	(94,416)	(80,866)
	Cash and cash equivalents at the beginning of the year	197,125	277,991
	Cash and cash equivalents at the end of the year	102,709	197,125
	Components of cash and cash equivalents		
	Cash on hand	54,322	160,566
	With banks :		
	On current account	48,387	36,559
	On deposit account		
	Lien account		-
	Total cash and cash equivalents (note 14)	102,709	197,125
FOR A.H. JOSHI & CO.		For and on behalf of the Board of Directors	
CHARTERED ACCOUNTANTS			
FIRM REG. NO.-112396W			
S A JOSHI	A B RATHI	V R BHATIA	P S RAGHAVAN
PARTNER	MANAGING DIRECTOR	DIRECTOR	COMPANY SECRETARY
MEMBERSHIP REG. NO.-037772			
PLACE : PUNE			
Date : 03.05.2017			

RIECO INDUSTRIES LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	31.03.2017	31.03.2016	
No		Rs.	Rs.	
1	Share Capital :			
	Authorised Share capital 17000000 Equity shares of Rs.10/- each (previous year 17000000 Equity shares of Rs. 10/-)	170,000,000	170,000,000	
		170,000,000	170,000,000	
	Issued, Subscribed and Paid up Share Capital			
	12500000 Equity Shares of Rs.10/- each fully paid up (Previous year 5500000 Equity Shares of Rs.10/- each fully paid up)	125,000,000	55,000,000	
	Share Application Money NIL (7000000 Previous Year)	-	70,000,000	
		125,000,000	125,000,000	
	a) Reconciliation of the share outstanding at the beginning and end of the year			
	Equity Share			
	Shares outstanding at the beginning of the year	5,500,000	5,500,000	
	Shares Issued during the year	7,000,000	-	
	Shares bought back during the year	-	-	
	Shares outstanding at the end of the year	12,500,000	5,500,000	
	b) Details of shareholders holding more than 5% shares in the company:			
	Sudarshan Chemical Industries limited	12,499,994	100	5,499,994
				100
	The Company has only one class of share i.e equity share having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.			
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			

RIECO INDUSTRIES LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No	Particulars	31.03.2017 Rs.	31.03.2016 Rs.
2	RESERVES & SURPLUS		
	a) Capital Redemption Reserve	1,000,000	1,000,000
	b) General Reserve		
	Balance as per last Balance Sheet	21,548,855	21,548,855
	Add : Transferred from Profit & Loss A/c	-	-
		21,548,855	21,548,855
	c) Balance in Profit and Loss A/c		
Balance as per last Balance Sheet	116,028,719	109,390,803	
Add : Profit/ (Loss) for the year brought forward	9,091,392	6,637,916	
	125,120,111	116,028,719	
	Total ...	147,668,965	138,577,573
3	DEFERRED TAX LIABILITIES (NET)		
	Provision for Deffered Tax Liabilities	5,158,817	5,158,817
	Deferred Tax Asset	2,934,282	2,934,282
	Total ...	2,224,535	2,224,535
4	OTHER LONG TERM LIABILITIES		
	a) Car Deposits	620,000	620,000
	b) Security Deposits (Employees)	-	838,000
	Total ...	620,000	1,458,000
5	LONG -TERM PROVISIONS		
	a) Pension	6,097,015	5,018,886
	b) Compensated Absences	5,625,874	5,878,323
	Total ...	11,722,889	10,897,209

RIECO INDUSTRIES LTD			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
Note No	Particulars	31.03.2017 Rs.	31.03.2016 Rs.
6	CURRENT LIABILITIES		
	SHORT - TERM BOROWINGS LOAN REPAYABLE ON DEMAND		
	From Bank -		
	a) Secured Loan		
	Working capital borrowings from bank	267,209,324	278,955,893
	Total ...	267,209,324	278,955,893
	Working capital loan (cash credit) from Bank of Maharashtra carries interest @ base rate + .5 % p.a(presently 10.20%). The loan is secured by hypothecation of inventory & receivables.		
	b) Unsecured Loan From Others		
	Loans & advances from related parties		
	Sudarshan Chemical Industries Ltd.	30,000,000	
	Total ...	30,000,000	-
7	TRADE PAYABLES		
	a) Micro Enterprises and Small Enterprises	81,728,398	69,606,354
	b) Other than Micro Enterprises and Small Enterprises	333,262,259	306,375,219
	Total ...	414,990,657	375,981,573
8	Other Current Liabilities		
	a) Statutory dues	6,071,893	5,420,667
	b) Other Liabilities	49,557,702	37,369,363
	Total ...	55,629,596	42,790,030
9	SHORT TERM PROVISION		
	a) Pension	218,502	186,300
	b) Short term compensated absence	709,474	542,917
	Total ...	927,976	729,217

RIECO INDUSTRIES LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE -10- FIXED ASSETS

Sr. No	Description	Gross Block				Depreciation				Net Block	
		Balance As on 01.04.2016	Additions	Deduction/Ch anges	Balance As on 31.03.2017	Balance As on 31.03.2016	For the year	Deduction/ Changes	Balance As on 31.03.2017	Balance As on 31.03.2017	Balance As on31.03.2016
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A	<u>Tangible Assets</u>										
1	Land	59,500	-		59,500	-	-	-	59,500	59,500	59,500
2	Building	16,091,013	-		16,091,013	5,374,928	454,209	5,829,137	10,261,876	10,716,085	
3	Plant and Equipment	6,156,810	700,552		6,857,362	2,861,674	703,075	3,564,749	3,292,614	3,295,136	
4	Vehicles (Cars)	6,546,584	-		6,546,584	3,379,577	823,920	4,203,497	2,343,087	3,167,006	
5	Furniture & Fixtures	2,941,224	-		2,941,224	2,534,413	96,003	2,630,415	310,809	406,812	
6	Office Equipment	5,324,738	58,500		5,383,238	4,909,770	205,318	5,115,089	268,149	414,967	
7	Computers	11,264,949	2,505,615		13,770,564	10,759,044	312,089	11,071,133	2,699,431	505,905	
	SUB TOTAL (A)	48,384,818	3,264,667	-	51,649,485	29,819,407	2,594,613	-	32,414,019	19,235,465	18,565,411
B	<u>Intangible Assets</u>										
	Computer software	7,920,795	-	-	7,920,795	4,272,716	1,276,933	5,549,650	2,371,145	3,648,079	
	SUB TOTAL (B)	7,920,795	-	-	7,920,795	4,272,716	1,276,933	-	5,549,650	2,371,145	3,648,079
	Total [A + B] (Current Year)	56,305,613	3,264,667	-	59,570,280	34,092,123	3,871,546	-	37,963,669	21,606,612	22,213,491
	(Previous Year)	56,325,652	648,573	668,612	56,305,613	29,856,542	4,870,762	635,181	34,092,123	22,213,491	26,469,110

RIECO INDUSTRIES LTD			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
Note No	Particulars	31.03.2017 Rs.	31.03.2016 Rs.
11	LONG-TERM LOANS AND ADVANCES		
	a) Advance Tax (net)	9,572,141	10,205,076
	b) Deposits with Government	186,498	236,498
	Total ...	9,758,639	10,441,574
12	INVENTORIES		
	a) Raw Materials	53,832,870	46,713,394
	b) Work-in-Progress	254,159,865	200,660,838
	c) Finished Goods	43,821,539	40,406,992
	d) Stores & Spares	9,769,580	8,718,089
	Total ...	361,583,852	296,499,312
13	TRADE RECEIVABLES		
	Unsecured considered good-:		
	a) Outstanding for more than six months (Considered Doubtful)	72,566,053	53,258,123
	Less: Provision for doubtful debt	47,294,678	30,604,091
	b) Others	483,069,451	463,491,380
	Total ...	555,635,504	516,749,503
14	CASH & CASH EQUIVALENTS		
	a) Balances in Current Account	48,387	36,559
	b) Cash-in-Hand	54,322	160,566
	Total ...	102,709	197,125
15	SHORT TERM LOANS & ADVANCES		
	Unsecured, Considered Good :		
	a) Advances to suppliers	26,991,872	51,962,496
	b) Advance to employees	1,255,446	1,958,211
	c) Deposits	1,968,736	2,054,109
	d) Prepaid Expenses	2,727,623	-
	e) Prepaid Gratuity	2,475,320	-
	f) Cenvat, Sales tax and other taxes receivable	71,887,626	74,538,208
	Total ...	107,306,623	130,513,023

RIECO INDUSTRIES LTD			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
Note No	Particulars	31.03.2017 Rs.	31.03.2016 Rs.
16	REVENUE FROM OPERATIONS		
	Sale of Manufacturing goods		
	Gross Sales	1,047,513,240	953,233,463
	Less : Excise Duty	97,412,814	75,572,942
	Net Sales	950,100,426	877,660,521
	Sale of bought out items	44,731,855	19,214,630
	Services Rendered	38,273,365	23,995,219
	Total ...	1,033,105,646	920,870,370
17	OTHER INCOME		
	Miscellaneous Income	834,527	237,592
	Profit on Sale/Disposal of Fixed Assets (Net)	-	122,125
	Interest Income	1,601,653	4,851,533
	Foreign Exchange Difference (Net)	-	1,451,880
	Total ...	2,436,180	6,663,130
18	COST OF MATERIALS CONSUMED		
	Opening Stock of Raw Materials	46,713,394	39,390,753
	Add : Purchases during the year of Raw materials & stock in trade purchases	646,008,232	582,488,216
	Less : Closing Stock of Raw Materials	53,832,870	46,713,394
	Total ...	638,888,757	575,165,575
19	Purchase of stock - in - trade	32,686,633	14,743,890
	Total ...	32,686,633	14,743,890

RIECO INDUSTRIES LTD			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
Note	Particulars	31.03.2017	31.03.2016
No		Rs.	Rs.
20	CHANGE IN INVENTORIES		
	A. - Opening Balance		
	- Finished Goods	40,406,992	37,119,868
	- Semi - Finished Goods	200,660,838	168,189,345
		241,067,830	205,309,213
	B. - Closing Balance		
	- Finished Goods	43,821,539	40,406,992
	- Semi - Finished Goods	254,159,865	200,660,838
		297,981,403	241,067,830
	Total ...	(56,913,573)	(35,758,617)
21	EMPLOYEE BENEFITS EXPENSES		
	Salaries	90,438,765	88,546,315
	Contribution to Provident & Other Fund	4,956,733	5,501,482
	Staff welfare Expenses	4,838,155	1,726,448
	Gratuity	9,023,157	6,172,596
	Superannuation	3,738,335	3,396,612
	Total ...	112,995,145	105,343,453
22	FINANCE COSTS		
	Interest Expenses		
	- On working capital loan	25,647,515	37,748,492
	- On others	9,019,866	11,207,880
	Total ...	34,667,381	48,956,372

RIECO INDUSTRIES LTD			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
Note No	Particulars	31.03.2017 Rs.	31.03.2016 Rs.
23	<u>OTHER EXPENSES</u>		
	A : MANUFACTURING EXPENSES		
	Fabrication and Labour Charges	68,724,405	55,225,835
	Stores and Spares consumed	11,629,337	10,005,340
	Power and Fuel	3,953,645	3,324,223
	Drawing and Designing Charges	280,447	312,063
	Freight & Octroi	37,108,589	18,570,888
	Repairs and Maintenance - Buildings	1,090,755	241,403
	Repairs and Maintenance - Others	2,092,815	1,924,274
	Repairs and Maintenance - Computers	175,356	179,124
	Insurance	1,117,686	1,800,134
	Rates & taxes	2,575,764	1,328,230
	Rent	5,140,515	5,521,327
	Water Charges	113,905	98,280
	SUB-TOTAL 'A'	134,003,219	98,531,121
	B : ADMINISTRATIVE AND SELLING EXPENSES		
	Postage, Telephones, Printing & Stationery	4,445,915	4,587,958
	Travelling & Conveyance	32,703,390	34,700,262
	Packing and Forwarding Charges	24,131	49,194
	Advertisement	107,200	433,450
	Professional Consultancy & Legal Charges	19,997,338	19,209,964
	Subscription, Books and Periodicals	52,646	11,738
	Royalty	288,850	191,500
	Bank Charges	10,668,494	7,722,710
	Commission on Sales	1,362,797	4,822,538
	Labour Charges	3,402,860	3,895,294
	General expenses	1,759,252	1,298,106
	Seminar exps	989,630	1,242,953
	Bad Debts	49,769,997	30,604,091
	Discount	300,179	273,270
	Foreign Exchange Difference	378,649	-
	SUB-TOTAL 'B'	126,251,327	109,043,028
	Total (A + B)	260,254,546	207,574,149

NOTE 24 : NOTES FORMING PART OF THE ACCOUNTS**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****i BASIS OF PREPARATION**

The Accounts of the company have been prepared in accordance with the generally accepted accounting principles in India. The financial statements have been prepared to comply in all material respects with The Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared under the historical cost convention on an accrual basis.

ii USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iii FIXED ASSETS

Fixed assets have been stated at cost less accumulated depreciation. The cost of a fixed asset comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

iv DEPRECIATION

The Company has revised the depreciation rates on Fixed Assets according to the useful life as specified in Schedule II to The Companies Act, 2013 or on the basis of its assessment made by the Company as permitted by the said Schedule.

v INVENTORIES

Inventories are valued at lower of cost and net realizable value. Raw material and stores inventories are valued at moving average price. Work in Progress is valued on the basis of cost and proportionate overheads on the basis of percentage completion. Finished goods inventory is valued at cost.

vi FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted at exchange rate prevailing on the date of transactions or in appropriate cases at the exchange rate under the related forward contracts. At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates as per Accounting Standard 11.

vii RETIREMENT BENEFITS

i. Short Term Employee Benefits are recognized in the period in which the employee renders the related service.

ii. Post Employment Benefits (Defined benefit plans) are accounted on actual basis with the corresponding payments to the recognized trust. All the eligible employees are covered by appropriate approved schemes and annual contributions are made to the respective funds. As per Accounting Standard (AS) 15, 'Accounting for Retirement Benefits in the Financial Statements of Employers', issued by the Institute of Chartered Accountants of India, in case the liability for gratuity is funded through a scheme administered by an insurer, it is usually considered necessary to obtain an actuarial certificate or a confirmation from the insurer that the contribution payable to the insurer is the appropriate accrual of the liability for the year which shall only be charged to the statement of profit and loss. Therefore, only premium payable/paid during the year is accounted for.

iii. Post Employment benefits (defined contribution plans) are recognized as an expense in the Statement of Profit & Loss in the period in which the contribution is due.

iv. Long Term Employee Benefits are measured based on an actuarial valuation carried out by an independent actuary at each Balance sheet date. Actuarial gains and losses and past service costs are recognized immediately in the Statement of Profit & Loss.

viii REVENUE RECOGNITION

Sale of goods is recognized on dispatch to the customer. Dividend income is accounted for when the right to receive is established. Interest income is recognized on a time proportion basis.

ix TAXATION

Income tax expenses comprises current tax and deferred tax charges or credit. Current tax is provided on the taxable income by applying the prevailing tax rates and tax laws. The balance sheet date. Deferred tax assets arising from the timing difference are recognized to the extent that there is reasonable certainty that sufficient future taxable income will be available. using tax rates and tax laws that have been enacted or substantively enacted at the deferred tax for timing difference between the book and tax profit for the year is accounted.

x **BORROWING COST**

Borrowing cost attributable to the acquisition of non-qualifying assets are recognized as an expense in the period in which they are incurred.

xi **EPS**

Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity share holders, by the weighted average number of equity shares outstanding during the year.

xii **PROVISIONS AND CONTINGENT LIABILITIES**

Contingent liabilities are disclosed by way of notes and are not recognized

xiii **IMPAIRMENT OF ASSETS.**

The assets are reviewed at each Balance sheet date for any impairment losses. Recovery amount of the asset is determined as lower of its net selling price and value in use. Impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount.

2 Contingent liability - As at 31.03.2017 Rs. 25,37,20,451/-[Bank Guarantees outstanding Rs.25,07,72,451 (previous year Bank Guarantees Rs.25,80,28,514/-) contested demand under Maharashtra Value Added Tax and the Central Sales Tax act is Rs. 29,48,000 (Previous Years Rs. 98,35,000/-)]

3 The Following disclosures are made in accordance with Accounting Standard - 15 (Revised)

Gratuity

Particulars	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
(a) Present value of the defined benefit obligation :		
Obligations at period beginning	18,987,159	18,104,028
Service cost	1,168,057	1,156,391
Acquisition adjustment		
Interest cost	1,477,721	1,355,068
Past service cost		
Curtailment cost / (credit)		
Settlement cost / (credit)		
Actuarial (gain) / loss	8,143,904	703,031
Benefits paid	(1,031,292)	(2,331,359)
Obligations at period end	28,745,549	18,987,159
(b) Fair value of plan assets :		
Plans assets at period beginning, at fair value	22,987,758	17,898,242
Expected return on plan assets	1,853,949	1,784,365
Mortality charges and taxes	(14,866)	-
Actuarial gain / (loss)	(87,424)	(550,910)
Contributions	7,512,744	6,187,420
Benefits paid	(1,031,292)	(2,331,359)
Plans assets at period end, at fair value	31,220,869	22,987,758
Actual returns on plan assets	1,766,525	1,233,455
(c) Assets and liabilities recognized in Balance Sheet :		
Fair value of the plan assets at the end of the year	31,220,869	22,987,758
Present value of the defined benefit obligations at the end of the period	28,745,549	18,987,159
Asset / (liability) recognized in the Balance Sheet		
(d) Expense recognized in Statement of Profit and Loss :		
Current service cost	1,168,057	1,156,391
Past service cost		
Interest cost	1,477,721	1,355,068
Expected return on plan assets	(1,853,949)	(1,784,365)
Curtailment cost / (credit)		
Settlement cost / (credit)		
Actuarial (gain) / loss	6,720,915	5,460,326
Net gratuity cost	7,512,744	6,187,420
(e) Investment details of the plan assets* :		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity shares of listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%
Others	0.00%	0.00%

*Plan assets are invested in the debt instruments prescribed by IRDA.

(f) Summary of Actuarial Assumptions :		
Discount Rate	7.30%	8.00%
Rate of return on plan assets	8.25%	9.00%
Rate of increase in Compensation levels	10.00%	5.00%
Expected Average remaining working lives of employees (Years)	10.23	20.14
The estimates of future salary increase, considered in actuarial valuation, takes into account inflation,		
(g) Experience adjustment * :		
On plan liability (loss) / gain	8,143,904	703,031
On plan asset (loss) / gain	87,424	550,910
Present value of benefit obligation	18,987,159	18,104,028
Fair value of plan assets	17,898,242	22,987,758
Surplus / (deficit)		-

4 Legal and Professional charges include the payments to auditors.

	Current Year Rs.	Previous Year Rs.
Audit Fees	180,000.00	180,000.00

5 SEGMENT REPORTING

The Company has 3 products, viz.: Air Pollution Control, Size Reduction Equipment & Pneumatic Conveying Systems. Consequently, there are no Reportable

Segments of the Company as per the Accounting Standard (AS-17) "Segment Reporting" prescribed by Companies (Accounting Standards) Amendment Rules, 2006.

6 RELATED PARTY TRANSACTION

List of Related Parties And description of relationship

(I) Key management personnel Mr. A. B. Rathi

(II) Holding Company - Sudarshan Chemical Industries Ltd.

(III) Common Director/member

a) PRR Finance Pvt. Ltd.

b) NJR Finance Pvt. Ltd

c) Laxminarayan Finance Pvt. Ltd

d) Balkrishna rathi Finance Ltd

(IV) Transactions With related parties

Name Of the related party & Relation	Nature of transaction	2016-17	2015-16
(I) Mr. A. B. Rathi (Key management personnel)	Salary	9,660,000	9,660,000
(II) Sudarshan Chemical Industries Ltd (Holding Company)	Investment in share capital	-	70,000,000
	Sale of goods	29,138,425	23,017,840
	Purchase of goods	582,188	499,768
	Ugase of table space	1,561,609	1,554,818
	Reimbursement of expenses (payable)	1,374,184	2,117,734
	Inter corporate deposit and unsecured loan	32,161,707	-
	Ugase of table space	1,130,780	1,122,055
	Reimbursement of expenses (receivable)	172,623	(7,748,638)
	Interest Paid on loan	1,442,466	-
	Unsecured Loan Repayment	175,517	-
	Balance Payable for purchase of Goods	1,750,082	
	Balance Receivable for sale of Goods	1,662,719	
	Balances of Unsecured Loan	30,000,000	
(III) Common Director/member			
	a) PRR Finance Pvt. Ltd. (Common director /Member)		955,836
	b) NJR Finance Pvt. Ltd (Common director /Member)		955,836
	c) Laxminarayan Finance Pvt. Ltd (Common director /Member)		955,836
	d) Balkrishna rathi Finance Ltd (Common director /Member)		1,911,670
a) PRR Finance Pvt. Ltd. (Common director /Member)	Repayment of ICD		7,000,000
	b) NJR Finance Pvt. Ltd (Common director /Member)	Repayment of ICD	7,000,000
	c) Laxminarayan Finance Pvt. Ltd (Common director /Member)	Repayment of ICD	7,000,000
	d) Balkrishna rathi Finance Ltd (Common director /Member)	Repayment of ICD	14,000,000
a) PRR Finance Pvt. Ltd. (Common director /Member)	Repayment of interest		2,841,641

b) NJR Finance Pvt. Ltd (Common director /Member)	Repayment of interest		2,404,279
c) Laxminarayan Finance Pvt. Ltd (Common director /Member)	Repayment of interest		2,841,643
d) Balkrishna rathi Finance Ltd (Common director /Member)	Repayment of interest		5,248,436
(V) Mr.D.N.Damania	Siting Fees		20,000
(VI) THYSSENKRUPP INDUSTRIES INDIA PVT LTD.	Sale of goods	10,960,000	48,426,091

7 SUNDRY CREDITORS:-

(I) To the best of knowledge and as per the information available with the management sundry creditors includes an amount of Rs.8,17,28,398 due to small scale industrial undertakings. (Previous year Rs.5,97,66,535.00)

(II) The company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures,if any, relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not be given

8 SALE

PCS, Chemical Machinery Items Size Reduction" And Equipment including Dust collectors & APC

	As at 31st March 2017	As at 31st March 2016
	VALUE RS.	VALUE RS.
	1,130,518,460	996,443,312
	<u>1,130,518,460</u>	<u>996,443,312</u>

9 RAW MATERIAL CONSUMED

MS Plates & SS sheets , Pipes

Control Console Timer, Compressors, Variables Speed Drives. Gear Boxes and Motors etc.

	As at 31st March 2017	As at 31st March 2016
	VALUE RS.	VALUE RS.
	138,578,339	124,420,833
	500,310,417	450,744,742
	<u>638,888,757</u>	<u>575,165,575</u>

10 INVENTORIES

Finished Products (APC,SRE & PHS)
Work in Progress (APC,SRE & PHS)

	As at 31st March 2017	As at 31st March 2016
	VALUE RS.	VALUE RS.
	43,821,539	40,406,992
	254,159,865	200,660,838
	<u>297,981,403</u>	<u>241,067,830</u>

11 The breakup of Deferred Tax Assets & Liabilities into major components at the year end is as below

PARTICULARS OF TIMING DIFFERENCE

Liabilities :

Depreciation/workmen compensation

Assets :

Provisions considered for disallowance for Income tax purpose, pending in Appeals

Deferred Tax Liability (Net)

	31.03.2017 (Rs.)	31.03.2016 (Rs.)
	-	-
	2,224,535	2,224,535
	<u>2,224,535</u>	<u>2,224,535</u>

12 CIF VALUE OF IMPORTS

Components & Spare Parts

	31.03.2017 (Rs.)	31.03.2016 (Rs.)
	11,020,208	5,501,266

13 EXPENDITURE IN FOREIGN CURRENCIES

Royalty

Others (Foreign Travelling)

	288,850	191,500
	1,275,959	1,169,689

14 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR	2016-17	2015-16
	Rs.	Rs.
Value of Imported Materials	11,020,208	5,501,266
Value of Indigenous Materials	627,868,549	569,664,309
	638,888,757	575,165,575

15 THE AMOUNT REMITTED IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND

NIL NIL

16 EARNING IN FOREIGN EXCHANGE (FOB BASIS) 42,573,989 57,287,066

17 CASH AND CASH EQUIVALENTS 102,709 197,125

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in and short-term investments with an original maturity of three months or less.

18 Details of Specified Bank Notes (SBN) held and transacted during the period 08th November 2016 to 30th December 2016

Particulars	SBN	Other Denomination Notes	Total (Rs.)
Closing Cash on Hand as on 8th November 2016	Rs. 500 X 1025 notes = Rs.5,12,500 Rs. 1000 X 43 notes = Rs.43,000	69,002	624,502
(+) Permitted Receipts		320,000	
(-) Permitted payments		368,480	
(-) Amount deposited in Banks	Rs. 500 X 1025 notes = Rs.5,12,500 Rs. 1000 X 43 notes = Rs.43,000		555,500
Closing Cash on Hand as on 30th December 2016		20,522	20,522

19 The company has reclassified previous year's figures to confirm to this year's classification.

FOR A.H. JOSHI & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO.-112396W

For and on behalf of the Board of Directors

S A JOSHI
PARTNER
MEMBERSHIP REG. NO.-037772

A B RATHI
MANAGING DIRECTOR

V R BHATIA
DIRECTOR

P S RAGHAVAN
COMPANY SECRETARY

PLACE : PUNE
Date: 03.05.2017