FINANCIAL STATEMENT OF

OF

SEAM INDUSTRIES LIMITED,

FOR THE YEAR ENDING ON 31ST MARCH,2014

K. K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

K.K.MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

KINGSWAY, NAGPUR - 440001
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INDEPENDENT AUDITOR'S REPORT

To,
The Members of
SEAM INDUSTRIES LIMITED
Butibori, Nagpur.

1. Report on the financial Statements

We have audited the accompanying financial statements of **SEAM INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss, Cash flow Statement for the year ended on that date annexed there to and a summary of significant accounting policies & other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013. This responsibility includes the design, implementation and maintenance of internal control 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with notes 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, 2014;

b. in the case of the Statement of Profit & 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.

5. Report on Other Legal and Regulatory Matters

As required by the Companies (Auditor's Report) Order, 2003("the order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Act, we give in the Annexure a Statement on the matter specified in paragraph 4 and 5 of the said order.

6. As required by section 227 (3) of the Act, we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;

ii. 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;

iii. The Balance Sheet, Statement of Profit & Loss & Cash Flow Statement dealt with by this report are in agreement with the books of account;

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

iv. In our opinion, the Balance Sheet, Statement of Profit & Loss & Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Sec 133 of the Companies Act, 2013;

v. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

ABHAY UPADHYE
Partner
Membership No. 049354
For & on behalf of
K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Nagpur, dated the,
13th May, 2014.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(The annexure referred to in our report of even date to the members of **SEAM INDUSTRIES LIMITED** on the Financial Statements for the year ended 31st March, 2014)

In terms of information and explanations given to us and books and records examined by us in the normal course of audit and to the best of our information and belief, we state that:

1. **In respect of fixed assets:**

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. The fixed assets were physically verified during the year by the Management in a phased periodical manner, which in our opinion is reasonable, having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

   c. The company has not disposed off any substantial part of fixed assets during the year and the going concern status of the company is not affected.

2. **In respect of inventories:**

   a. The Inventory has been physically verified by the management at reasonable intervals. Materials lying with third parties have substantially been physically verified. In our opinion, the frequency of verification is reasonable.

   b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c. The Company is maintaining proper records of inventories.There were no materials discrepancies noticed on physical verification of inventories, as compared to the book records.

3. In respect of loans, secured or unsecured, granted or taken by the company to / from Companies, firms or other parties covered in the registered maintained under section 301 of the Companies Act, 1956:

   a. The company has not granted any loan secured or unsecured to any companies/firms covered in the register maintained under section 301 of the Companies Act, 1956, accordingly clause (iii)(b), (iii)(c) and (iii)(d) are not applicable to the company.

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b. The company has not taken any loans, secured or unsecured, during the year from Companies/firm covered under section 301 of The Companies Act 1956, however it has Outstanding Unsecured loan from One Party covered in the register maintained under section 301 of the Companies Act 1956. Total Outstanding balance as on 31st March, 2014 was Rs. 300 Lakhs.

c. The rate of interest, wherever applicable and other terms and conditions are not *prima facie* prejudicial to the interest of the company.

d. In respect of loan taken by the Company, these are repayable on demand and therefore the question of overdue amount does not arise. The company is paying interest regularly.

4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business and services for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal controls.

5. **In respect of transactions covered under section 301 of the Companies Act, 1956:**

a. The transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b. The transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.

6. The company has not accepted any deposit from the public within the meaning of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board on the Company.

7. The Company neither has its own internal audit department neither has entrusted the work of internal audit to an outside agency during the year.

8. We have broadly reviewed the books of accounts and records maintained by the Company relating to the products of the Company pursuant to the rules by the Central Government for the maintenance of Cost records under Section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

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9. **In respect of statutory dues:**

   a. All undisputed statutory dues including Provident fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Excise Duty, cess and other statutory dues have been generally regularly deposited with the appropriate authorities.

      There are no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six month from the date of becoming payable.

   b. There are no dues of income tax, sales tax, wealth tax, custom duty, excise duty, service tax and cess which have not been deposited on account of any dispute.

10. The Company has no accumulated losses as on 31st March, 2014 and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. The company has not defaulted in repayment of dues of financial institution or bank, as at the balance sheet date.

12. No loans and advances have been granted by the Company on the basis of security by way of pledge of shares debentures and other securities.

13. The Company is not a chit fund or nidhi / mutual benefit fund / society therefore clause 4 (xiii) of the Companies (Auditors Reports) order 2003 is not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments.

15. The Company has not given guarantees for loans taken by others from banks or financial institutions.

16. On an overall basis, the term loans taken and / or utilized during the year have been applied for the purpose for which they were obtained other than temporary deployment of such funds.

17. On an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have not been used for long-term purposes.

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18. The Company has not made preferential allotment of shares to any party covered in the register maintained in section 301 of the Act.

19. The Company has not issued any debentures during the year. Hence, reporting on paragraph 4 (xix) of Companies (Auditor's Report) Order, 2003 pertaining to creation of security or charged for debentures does not arise.

20. The Company has not raised any money by way of public issues during the year. Accordingly reporting on paragraph 4 (xx) of Companies (Auditor's Report) Order, 2003 is not applicable to the company.

21. During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Accounting Practices in India, and in accordance to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

As per our report attached

ABHAY UPADHYE
Partner
Membership No: 049354
For and on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS ★NAGPUR★

Nagpur, dated the,
13th May, 2014.

SEAM INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST March, 2014

(Figures in Rs.)

	Particulars	Note No.	As on 31st March 2014	As on 31st March 2013
I.	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	(a) Share capital	1	5,53,00,000	5,53,00,000
	(b) Reserves & surplus	2	28,86,09,657	24,97,88,025
2	**NON-CURRENT LIABILITIES**			
	(a) Long-term borrowings	3	10,88,13,031	10,83,67,403
	(b) Deferred tax liability	4	1,17,86,255	85,22,746
	(c) Other Long term liabilities	5	7,11,66,644	15,51,13,955
	(d) Long-term provisions	6	38,51,266	43,87,965
3	**CURRENT LIABILITIES**			
	(a) Short-term borrowings	7	37,79,70,192	37,83,04,233
	(b) Trade payables	8	24,15,99,245	41,76,64,819
	(c) Other Current Liabilities	9	4,81,61,856	4,18,44,193
	(d) Short-term provisions	10	29,90,266	86,21,564
	TOTAL		**1,21,02,48,412**	**1,42,79,14,903**
II.	**ASSETS**			
	NON-CURRENT ASSETS			
1	(a) Fixed assets	11		
	(i) Tangible assets		34,27,35,192	30,21,28,294
	(ii) Intangible assets		21,15,464	11,98,688
	(iii) Capital work-in-progress		6,09,229	3,96,62,339
	(b) Non-current investments	12	16,00,000	16,00,000
	(c) Long-term loans and advances	13	24,18,198	58,51,981
2	**CURRENT ASSETS**			
	(a) Inventories	14	37,49,39,356	35,43,25,306
	(b) Trade receivables	15	36,65,75,771	59,91,54,073
	(c) Cash and Bank balance	16	5,18,56,148	3,22,51,092
	(d) Short-term loans and advances	17	6,43,13,577	9,05,10,052
	(e) Other Current Assets	18	30,85,477	12,33,078
	Significant Accounting Policies & Notes	19		
	TOTAL		**1,21,02,48,412**	**1,42,79,14,903**

The notes refered to above form an integral part of financial statements as per our report attached.

As per our Report attached

Abhay Upadhye
Partner
Membership No. 049354
For and on behalf of
K. K. Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Nagpur, dated the,
13th May, 2014

For & on behalf of Board of Directors

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

Sarita P. Kakani
COMPANY SECRETARY

SEAM INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(Figures in Rs.)

	Particulars	Refer Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
I.	Gross Revenue from operations	20	1,62,89,95,934	1,72,17,15,116
II.	Other income	21	70,63,727	27,88,737
III.	**Total Revenue (I + II)**		**1,63,60,59,661**	**1,72,45,03,853**
IV.	**Expenses:**			
	Cost of materials consumed	22	1,38,35,66,545	1,31,99,14,080
	(Increase)/ Decrease in Inventories	23	(13,59,80,468)	(3,41,96,656)
	Employee benefits expenses	24	7,87,89,629	6,94,52,528
	Finance costs	25	8,46,70,908	7,18,62,229
	Depreciation and amortization expenses	11	4,02,74,421	3,47,50,338
	Other expenses	26	12,29,24,175	14,37,49,151
	Total expenses		**1,57,42,45,210**	**1,60,55,31,670**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**6,18,14,451**	**11,89,72,183**
VI.	Tax expense:			
	(1) Current tax / MAT		1,84,65,465	3,40,18,192
	(2) Deferred tax		32,63,509	37,45,205
	(3) Tax expense Relating to prior years		24,81,218	-
VII.	Change in estimate of Depreciation (Refer note 11(viii))		(12,17,373)	-
VIII.	**Profit (Loss) for the period from continuing operations (V VI-VII)**		**3,88,21,632**	**8,12,08,786**
IX.	**Profit (Loss) for the period**		**3,88,21,632**	**8,12,08,786**
X.	Earnings per equity share:			
	(1) Basic	27	7.02	14.69
	(2) Diluted		7.02	14.69

The notes refered to above form an integral part of financial statements as per our report attached.

As per our Report attached

Abhay Upadhye
Partner
Membership No. 049354
For and on behalf of
K. K. Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS ★NAGPUR★

Nagpur, dated the,
13th May, 2014

For & on behalf of Board of Directors

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

Savita P. Kakani
COMPANY SECRETARY

SEAM INDUSTRIES LIMITED
CASH FLOW STATEMENT AS ON 31ST MARCH 2014

(Figures in Rs.)

Sr. No.	Particulars	As on 31st March 2014	As on 31st March 2013
1	**Cash Flow from Operating activities**		
	(a) Profit from operating activities before exceptional items and taxes	6,18,14,451	11,89,72,183
	Adjustments:		
	Depreciation and amortization	4,02,74,421	3,47,50,338
	Interest and Finance costs	8,46,70,908	7,18,62,229
	Bad Debts written off	-	17,55,504
	(Gain)/Loss on sale of fixed assets	-	-
	Misc. Expenditure Write off	-	1,18,573
	Interest Income	(30,85,477)	(13,70,087)
	(b) Working capital changes:		
	- Increase in inventories	(2,06,14,050)	(24,91,19,567)
	- Decrease /(Increase) in trade receivables	23,25,78,303	1,90,92,680
	- Decrease/ (increase) in short-term loans and advances	2,61,96,474	(7,01,59,717)
	- Increase /(Decrease) in other current assets	12,33,077	6,60,621
	- Increase in trade payables	(17,60,65,574)	2,98,23,927
	- Increase/ (Decrease) in other current liabilities	(14,38,643)	97,38,159
	- Increase /(Decrease) in provisions	(15,11,56,995)	29,82,505
	- Decrease / (Increase) in Fixed Deposits given as Margin Money	(1,69,98,711)	(1,74,60,621)
	-Income Tax paid	(2,66,83,675)	(3,34,05,025)
	Total of (1)	**5,07,24,509**	**(8,17,58,298)**
2	**Cash Flow from Investing Activities**		
	(a) Increase in Fixed assets	(8,05,80,722)	(8,31,92,652)
	(b) Decrease in Capital work in progress	4,24,86,893	(1,69,34,159)
	(c) Investment in subsidiaries/associates/business ventures	-	-
	(d) Interest received	-	1,37,009
	Total of (2)	**(3,80,93,829)**	**(9,99,89,802)**
3	**Cash Flow from Financing activities**		
	(a) Proceeds from Equity Share Capital	-	-
	(b) Increase /(Repayment) of long-term borrowings	82,01,934	2,95,07,262
	(b) Increase /(Repayment) of Short-term borrowings	(3,34,041)	8,54,40,770
	(c) Proceeds from other long-term liabilities	6,67,78,680	13,04,14,432
	(d) Interest and other finance costs	(8,46,70,908)	(7,18,62,229)
	Total of (3)	**(1,00,24,335)**	**17,35,00,235**
4	**Net (decrease)/increase in cash and cash equivalents (1+2+3)**	**26,06,345**	**(82,47,865)**
	Add: Cash and cash equivalents at the beginning of the period	**35,15,651**	**1,17,63,516**
5	**Cash and cash equivalents at the end of the period**	**61,21,996**	**35,15,651**

NOTES

1. The above statement has been prepared following the Indirect Method.
2. Increase in Fixed Assets are stated exclusive of movements of Capital work in progress and Capital advances.
3. Proceeds from long term and other borrowings are shown net of repayments.
4. Cash and Cash Equivalents represent Cash and Bank Balances only.
5. Figures for the previous year have been rearranged and regrouped wherever necessary to conform to Current year's classification.

As per our report attached

Abhay Upadhye
Partner
Membership No. 049354
For and on behalf of
K. K. Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS ★NAGPUR★

Nagpur, dated the,
13th May, 2014

For & on behalf of Board of Directors

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

Sarita P. Kakani
COMPANY SECRETARY

Note 1 - Share Capital

1.1

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs 10 each.	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued Equity Shares of Rs 10 each	55,30,000	5,53,00,000	55,30,000	5,53,00,000
Subscribed and Paid up Equity Shares of Rs 10 each fully paid	55,30,000	5,53,00,000	55,30,000	5,53,00,000
Total	**55,30,000**	**5,53,00,000**	**55,30,000**	**5,53,00,000**

1.2 **Reconciliation of number of shares outstanding at the beginning and at the end of reporting period**

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
At the beginning of the period	**55,30,000**	**5,53,00,000**	**55,30,000**	**5,53,00,000**
Add : Shares issued during the year	-	-	-	-
At the end of reporting period	**55,30,000**	**5,53,00,000**	**55,30,000**	**5,53,00,000**

1.3 **Terms of Equity Shares**

a) The Equity shares has, the face value a Rs 10/- per share .

b) Voting rights of Equity share Holders - As per the number of shares held ranking parri passu in all respects.

c) Dividend Rights of Shares Holders - As per the number of shares held ranking paripassu in all respects.

d) Rights of ShareHolders at the time of dissolution - N.A.

1.4 Details of Shares in respect of each class including more than 5% in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:-

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Hitech Engineers Limited- Holding Co.	49,00,000	88.6076	49,00,000	88.6076
Mr. Ratnakar M. Gutte- Managing Director	4,00,000	7.2333	4,00,000	7.2333

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Note 2 - Reserves & surplus

2.1

Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
a. Capital Reserves		
Opening Balance	25,00,000	25,00,000
(+) Received during the year	-	-
(-) Written Back in Current Year		
Closing Balance	**25,00,000**	**25,00,000**
b. Securities Premium Account		
Opening Balance	2,80,00,000	2,80,00,000
Add : Securities premium credited on Share issue	-	-
Closing Balance	**2,80,00,000**	**2,80,00,000**
c. General Reserves		
Balance as per Last Balance Sheet	1,50,00,000	1,50,00,000
Closing Balance	**1,50,00,000**	**1,50,00,000**
d. Surplus		
Opening balance of Statement of Profit & Loss	20,42,88,025	12,30,79,239
(+) Net Profit/(Net Loss) For the current year	3,88,21,632	8,12,08,786
Closing Balance	**24,31,09,657**	**20,42,88,025**
Total	**28,86,09,657**	**24,97,88,025**

2.2 The Capital reserve represents the Capital Subsidy from District Industry Centre, Nagpur. It was sanctioned in the Year 2008-09 for Capital Expansion Purposes.

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Note 3 - Long Term Borrowings

3.1 Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
Secured		
Term Loans-		
From Banks	7,88,13,031	7,83,67,403
Unsecured borrowings		
Loan & Advances from related parties	3,00,00,000	3,00,00,000
Total long term borrowings	**10,88,13,031**	**10,83,67,403**

3.2 Details of Long Terms Loans from Bank availed by company are stated as under:

Long term loans under consortium from Oriental Bank of Commerce & Punjab National Bank Of India are secured by way of:-

(i). First Pari Passu equitable mortgage charge over the assets created/ to be created from the term loans.
Also, Collateral security of
(ii). Land And Building at Five Star Industrial Zone, MIDC, Butibori Industrial Area,Nagpur.
(iii). Freehold Land at Nagpur - Jabalpur Road, Village Bende, Tahsil Ramtek, District Nagpur.
(iv). Freehold Land (situated in agricultural area) bearing GAT No. 421, Parli Vaijnath-Nagpur Road, Village Tokwadi, Tahsil Parli Vaijnath, District Beed.

A. All Secured Loans have Personal Guarantees of Following :

• Mr. Ratnakar M. Gutte	Managing Director
• Mr. Sunil R. Gutte	Director
• Mr. Vijay R. Gutte	Director

B. Corporate Guarantee: -
Collaterally secured by way of corporate guarantee of M/s. Sunil Hi-Tech Engineers Ltd. (Holding Co.)
C. Second charge by way of hypothecation on all the current assets of the borrower company for securing their working capital facility.

Long term loan from HSBC Bank is secured by way of:-

(i). First Pari Passu equitable mortgage charge over the assets created/ to be created from the term loans.

A. All Secured Loans have Personal Guarantees of Following :

• Mr. Ratnakar M. Gutte	Managing Director
• Mr. Sunil R. Gutte	Director
• Mr. Vijay R. Gutte	Director
• Mrs. Sudhamati Gutte	Relative of Director

B. Corporate Guarantee: -

Collaterally secured by way of corporate guarantee of M/s. Sunil Hi-Tech Engineers Ltd. (Holding Co.)

3.3 Term Loan Bank include Long Term Vehicle Loans availed by company are stated as under:

From ICICI bank for purchase of Sunny Nissan,Santa Fie Car and Tata Bus.
From HDFC bank for the purchase of AUDI Car against hypothecation of the respective Vehicles.
From Kotak Mahindra Bank for purchase of Two (2) Toyota Innova Cars.

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3.4 Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
Term Loans from Banks	
(i) Oriental Bank Of Commerce (Loan II) - (1) First charge on assets created from the term Loan.	In 20 quarterly instalments of Rs.30 Lacs each commenced from January 2011 (Total Outstanding Loan - Rs.157.48 Lacs out of which Rs.120 Lacs classified in Other Current Liabilities as current maturity of Long Term debt)
(ii) Oriental Bank Of Commerce (Loan III) - (1) First charge on assets created from the term Loan.	In 20 quarterly instalments of Rs.35 Lacs each commence from April 2012 (Total Outstanding Loan - Rs.424.98 Lacs out of which Rs.140 Lacs classified in Other Current Liabilities as current maturity of Long Term debt)
(iii) Punjab National Bank (Loan I) - (1) First charge on assets created From the term Loan.	In 20 quarterly instalments of Rs.12.50 Lacs each commenced from December 2013 (Total Outstanding Loan - Rs.229.88 Lacs out of which Rs.50 Lacs classified in Other Current Liabilities as current maturity of Long Term debt)
(iv) HSBC Bank (Loan 1) - (1) First charge on assets created from the term loan.	In the form of Bullet Repayment at the end of the three years from the procurement of loan. (Total Outstanding Loan - Rs.271.04 Lacs)
(v) HDFC - Audi Car - (1) Secured by way of hypothecation of vehicle.	EMI of Rs.87,373 in 36 Installments commenced from March 2012
(vi) ICICI - Santafe Car - (1) Secured by way of hypothecation of vehicle.	EMI of Rs.81,306 in 36 Installments commenced from November 2011
(vii) ICICI - Bus - (1) Secured by way of hypothecation of vehicle.	EMI of Rs.47,972 in 36 Installments commenced from July 2012
(viii) ICICI- Sunny Car - (1) Secured by way of hypothecation of vehicle.	EMI of Rs.28,495 in 36 Installments commenced from February 2012
(ix) Kotak Mahindra - 2 Innova Cars - (1) Secured by way of hypothecation of vehicles.	EMI of Rs.38,488 in 36 Installments commenced from October 2013 (EACH)

3.5 Loan & Advances from related parties is the amount payable to Sunil Hi-Tech Engineers Limited (Holding Company).

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS
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Note 4 -Deferred Tax Assets/Liability (Net)

In terms of Accounting Standard 22 , the computation has been made to the extent there is a reasonable certainty that these will be realised in future. The Deferred tax asset and liability as at 31st March, 2014 comprise of timing differences on account of:

	Particulars	As at March 31, 2014	As at March 31, 2013
	Expenditure Disallowed under the Income Tax Act	10,80,316	18,09,545
	Total	**10,80,316**	**18,09,545**
(b)	**Deferred Tax Liability:**		
	Higher depreciation claimed under tax laws	1,16,46,416	94,51,186
	Expenditure allowed on Payment under the Income Tax Act	12,20,156	8,81,105
	Total	**1,28,66,571**	**1,03,32,291**
(c)	**Net Deferred Tax Liability:**	1,17,86,255	85,22,746
	Closing Net Deferred Tax Liability/(Assets)	1,17,86,255	85,22,746
(d)	**Opening Deferred taxLiability/ (Asset)**	85,22,746	47,77,541
	Net Deferred Tax Charged to Statement of Profit & Loss	**32,63,509**	**37,45,205**

Note 5 - Other Long Term Liabilities

	Particulars	As at 31 March 2014	As at 31 March 2013
		Amount	Amount
	Due to Others	7,11,66,644	15,51,13,955
	Total	**7,11,66,644**	**15,51,13,955**

Note 6 - Long Term Provisions

	Particulars	As at 31st March 2014	As at 31st March 2013
		Amount	Amount
(a)	Provision for employee benefits-		
	Gratuity	18,08,864	16,62,054
	Leave Encashment	20,42,402	27,25,911
	Total	**38,51,266**	**43,87,965**

K.K. MANKESHWAR & CO.
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Note 7 - Short term borrowings

7.1	Particulars	As at 31st March 2014	As at 31st March 2013
		Amount	Amount
	Short Term Borrowings		
	Secured		
	Loans from banks		
	Cash Credit from banks	37,79,70,192	37,83,04,233
	Total	**37,79,70,192**	**37,83,04,233**

7.2 Details of cash credit (secured) availed from bank and description of security and name of guarantors provided for such loans.

(A) Oriental Bank of Commerce :

(i) The loan from Oriental Bank of Commerce is secured by way of hypothecation of Raw Materials, Stock in process, Finished Goods and receivables and other current assets of the company both current and future.

The Cash Credit limit of Oriental Bank of Commerce is 28 Crores.

(ii) Security

Corporate Guarantee of Sunil Hitech Ltd.

Personal Guarantees of Ratnakar Gutte , Sudhamati Gutte, Sunil Gutte and Vijay Gutte

(B) Punjab National Bank :

(i) The loan from Punjab National Bank is secured by way of hypothecation of Raw Materials, Stock in process, Finished Goods and receivables and other current assets of the company both current and future.

The Cash Credit limit of Punjab National Bank is 10 Crores.

(ii) Security

Corporate Guarantee of Sunil Hitech Ltd.

Personal Guarantees of Ratnakar Gutte , Sunil Gutte and Vijay Gutte

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Note 8 - Trade Payables

8.1

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount	Amount
Due to Micro, Small and Medium Enterprises	2,15,73,937	2,69,15,657
Due to Other	17,90,12,270	34,24,76,892
Due For Services	4,10,13,038	4,82,72,270
Total	**24,15,99,245**	**41,76,64,819**

8.2

(i) Principal amount due and remaining unpaid to any supplier as at the end of the accounting year	2,06,22,011	2,69,15,657
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	9,51,926	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	9,51,926	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	9,51,926	-
(vi) Interest accrued and remaining unpaid	9,51,926	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are	9,51,926	-

Note 9 - Other Current Liabilities

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount	Amount
Current maturities of long term debt	3,40,01,452	2,62,45,146
Advance from Customer	70,23,363	44,80,270
Statutory Dues	24,97,133	60,10,012
Liabilities for Expenses	46,39,908	51,08,765
Total	**4,81,61,856**	**4,18,44,193**

Note 10 - Short Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount	Amount
(a) Provision for employee benefits-		
Bonus	25,98,562	24,91,836
Leave Encashment	2,54,127	3,34,142
Gratuity	1,37,577	58,594
(b) Provision for Income Tax	-	57,36,992
Total	**29,90,266**	**86,21,564**

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS *NAGPUR*

Note 11: FIXED ASSETS

Particulars	Gross Block (at Cost)				Accumulated Depreciation				Net Block	
	As at 1.4.2013	Additions During The Year	Adjustment during the year	Total as at 31.03.2014	As at 1.4.2013	During the year	Adjustments during the year	Total as at 31.03.2014	As on 31.03.2014	As on 31.3.2013
Leasehold Land	2,39,27,432	9,48,500	-	2,48,75,932	7,06,727	2,49,320	-	9,56,047	2,39,19,885	2,32,20,705
Office Building	-	30,72,109	1,50,77,936	1,81,50,045	-	7,42,668	7,85,330	15,27,998	1,66,22,047	-
Factory Shed & Building	17,19,29,486	3,89,54,515	(1,50,77,936)	19,58,06,065	3,69,38,625	1,43,29,641	(15,47,746)	4,97,20,520	14,60,85,545	13,49,90,861
Plant & Equipments	15,67,38,183	2,93,26,036	-	18,60,64,219	3,23,01,137	1,97,12,360	-	5,20,13,497	13,40,50,722	12,44,37,046
Heavy Motor Vehicle	25,78,048	-	-	25,78,048	10,97,692	4,44,107	-	15,41,799	10,36,249	14,80,356
Motor Vehicle	1,05,13,570	29,95,740	-	1,35,09,310	40,71,576	20,63,068	-	61,34,644	73,74,666	64,41,994
Air Conditioner	1,56,651	67,835	-	2,24,486	46,750	19,678	-	66,428	1,58,058	1,09,901
Electrical Installation	94,55,855	31,94,498	-	1,26,50,353	26,40,210	10,70,479	-	37,10,689	89,39,664	68,15,645
Office Equipment	19,20,181	2,93,856	(5,47,597)	16,66,440	6,06,287	2,66,539	1,46,982	10,19,808	6,46,632	13,13,894
Furniture & Fixture	38,19,388	4,48,828	-	42,68,216	16,14,903	4,24,383	-	20,39,286	22,28,930	22,04,485
Computers & Softwares	27,41,635	78,805	5,47,597	33,68,037	16,28,228	3,68,667	(3,01,652)	16,95,243	16,72,794	11,13,407
Tangible Assets Total(A)	**38,37,80,429**	**7,93,80,722**	**-**	**46,31,61,151**	**8,16,52,135**	**3,96,90,910**	**(9,17,086)**	**12,04,25,959**	**34,27,35,192**	**30,21,28,294**
ERP Software	20,00,000	12,00,000	-	32,00,000	8,01,312	5,83,511	(3,00,287)	10,84,536	21,15,464	11,98,688
Intangible Assets Total(B)	**20,00,000**	**12,00,000**	**-**	**32,00,000**	**8,01,312**	**5,83,511**	**(3,00,287)**	**10,84,536**	**21,15,464**	**11,98,688**
Capital Work In Progress(C)	**3,96,62,339**	**2,74,22,643**	**6,64,75,752**	**6,09,229**	**-**	**-**	**-**	**-**	**6,09,229**	**3,96,62,339**
Total(A+B+C)	**42,54,42,768**	**10,80,03,365**	**6,64,75,752**	**46,69,70,381**	**8,24,53,447**	**4,02,74,421**	**(12,17,373)**	**12,15,10,495**	**34,54,59,886**	**34,29,89,321**
Previous Year	**32,62,53,349**	**12,28,54,990**	**2,36,65,571**	**42,54,42,768**	**4,77,03,109**	**3,47,50,338**	**-**	**8,24,53,447**	**34,29,89,321**	

11.1 (i) Fixed assets are stated at cost of acquisition (net of CENVAT & VAT), installation or construction including financing costs till commencement of commercial production other direct expenses incurred to bring the assets to its present location and condition less accumulated depreciation thereon.

(ii) Depreciation is provided on Written Down Value Method in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(iii) Fixed asset individually costing Rs.5000 or less are depreciated 100%, except when they are part of larger capital investment program.

(iv) Rate of depreciation on Computer Software (Intangible Fixed Assets) have been changed retrospectively from 40% to 25% for better estimate of useful life.

(v) Depreciation on Buildings other than Factory Building (Tangible Fixed Assets) have been regrouped and depreciation charged at the rate 5% retrospcetively.

(vi) Assets, amounting to Rs.1,50,77,936 have been rectified which were previously grouped in 'Factory Building' and now Re-grouped in 'Office Building'.

(vii) Assets, amounting to Rs.5,47,597 have been rectified which were previously grouped in 'Computers & Softwares' and now Re-grouped in 'Office Equipment'.

(viii)Sale/ Adjustments/ Disposal during the year in case of Accumulated Depreciation includes depreciation reversed during the year for giving retrospective effect due to change in rate of depreciation as under :

Change of Estimate in Depreciation :

Particulars	Depreciation Reversed
Computers & Softwares	(1,54,670)
ERP Software	(3,00,287)
Office Building	(7,62,416)
Grand Total	**(12,17,373)**

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS *NAGPUR*

Note 12: Non Current Investments

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount	Amount
Other Investments		
Investment in Equity instruments	16,00,000	16,00,000
Total	**16,00,000**	**16,00,000**

	Details of Other Investments											
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (RS.)		Whether stated at Cost Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
			2014	2013			2014	2013	2014	2013		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investement in Equity Instruments											
	Gangakhed Sugar and Energy Ltd.	Controlled Entity	40,000	40,000	Unquoted	Fully Paid Up	0.06	0.06	16,00,000	16,00,000	Yes	-
	Total								**16,00,000**	**16,00,000**		

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Note 13 - Long term loans and advances

13.1	Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
	Other loans & advances, unsecured, considered good		
	Capital Advances	24,18,198	58,51,981
	Total	**24,18,198**	**58,51,981**

Note 14 - Inventories

14.1	Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
	Raw materials	16,96,78,532	28,39,84,468
	Stock In Process	16,72,60,471	2,35,97,420
	Finished Goods	2,26,67,991	3,03,50,574
	Stores and spares	1,53,32,362	1,63,92,844
	Total	**37,49,39,356**	**35,43,25,306**

14.2 Raw Material, Stores & Spare parts, etc., are valued at cost. Finished goods and Stock In Process are valued at cost or net realizable value which ever is lower.

Note 15 - Trade receivables

15.1	Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
	Trade Receivables		
	Outstanding for a period exceeding six months from the date they are due for payment		
	(a) Secured, considered good	-	-
	(b) Unsecured, considered good.	9,75,83,761	26,32,40,540
	(c) Doubtful	-	-
		9,75,83,761	26,32,40,540
	Provision for doubtful debts	-	-
	Sub-total (a)	**9,75,83,761**	**26,32,40,540**
	Other Receivables		
	(a) Secured, considered good	-	-
	(b) Unsecured, considered good	22,21,88,303	21,29,68,845
	(c) Doubtful	-	-
		22,21,88,303	21,29,68,845
	Provision for doubtful debts	-	-
	Sub-total (b)	**22,21,88,303**	**21,29,68,845**
	Debts Due by Companies in which Director is a Partner or Director or Member		
	(a) Secured, considered good	-	-
	(b) Unsecured, considered good,	4,68,03,707	12,29,44,688
	(c) Doubtful	-	-
	Provision for doubtful debts	-	-
	Sub-total (c)	**4,68,03,707**	**12,29,44,688**
	Total (a+b+c)	**36,65,75,771**	**59,91,54,073**

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS * NAGPUR *

Note 16 - Cash & Bank Balance

16.1	Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
	Cash & Cash Equivalants :		
	On current accounts	34,55,238	16,13,602
	Cash on hand	26,66,758	19,02,049
		61,21,996	35,15,651
	Others		
	Fixed Deposits (Given as Margin Money)	4,57,34,152	2,87,35,441
	Total	**5,18,56,148**	**3,22,51,092**

Note 17 - Short term loans and advances

17.1	Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
	Other loans & advances, unsecured, considered good		
	Employee advances	3,14,841	5,21,711
	Balance with statutory authorities	5,42,27,246	3,96,94,336
	Income Tax Receivable (AY 2014-15)	5,33,796	-
	Prepaid expenses	6,00,080	5,92,781
	Advances to Suppliers	41,50,341	4,64,04,099
	Short term security deposit	44,87,273	32,97,124
	Total	**6,43,13,577**	**9,05,10,052**

Note 18 - Other Current Assets

18.1	Particulars	As at 31st March 2014 Amount	As at 31st March 2013 Amount
	Interest Accrued On Fixed Deposits	30,85,477	12,33,078
	Total	**30,85,477**	**12,33,078**

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SEAM INDUSTRIES LIMITED.

NOTE: 19

I. NATURE OF BUSINESS:

The company is in the business of manufacturing, fabricating, assembling, designing and construction of boiler parts or similar items used in manufacture of Thermal power plants / Hydro Power Plants or like.

II.SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles In India, provisions of the Companies Act, 1956 and comply in material aspects with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rule, 2006.

B. USE OF ESTIMATES

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

C. CASH FLOW STATEMENT

The Cash flow Statement has been prepared under the "Indirect Method" in accordance with the requirements of Accounting Standard -3 "Cash flow Statement".

D. FIXED ASSETS - TANGIBLE

Fixed assets are stated at cost of acquisition and subsequent improvement thereto including Freight, Duties, Taxes and other incidental expenses related to acquisition and installation.

Expenditure during construction period including interest on specific borrowings for new major project is capitalized prior to the date of commercial operations

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

E. FIXED ASSETS – INTANGIBLE

Assets identified as Intangible assets are stated at cost including incidental expenses thereto, and are amortized over a predetermined period.

F. DEPRECIATION:

Depreciation on Fixed Asset is provided on Written Down Value Method in accordance with Schedule XIV of the Companies Act, 1956 however Leasehold Land is amortized over the period of lease.

G. INVENTORY VALUATION:

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Raw material and components & Work in Progress are determined on FIRST IN FIRST OUT BASIS.

H. REVENUE RECOGNITION

i. Revenue from the sale of products is recognized on dispatch of goods to the customer, which corresponds to transfer of significant risk and reward of ownership and is net off excise duty, sales tax and trade discounts.

ii. Revenue from Job Work recognized when significant risk and reward is transferred to the customer.

iii. Revenue from interest income is recognized on accrual basis.

I. INVESTMENTS

Current investments are carried at lower of cost and quoted/ Fair Value, computed category wise. Long- Term Investments are stated at cost. Provision for diminution in the value of Long- Term Investments is made only if such a decline is other than temporary.

J. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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K. EMPLOYEE BENEFITS / RETIREMENT BENEFITS:

i. Short term employee benefits are charged off in the year in which the related services are rendered.

ii. Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss

L. TAXATION:

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from the "timing difference" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively 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 realized in the future.

M. PROVISIONS AND CONTINGENCIES:

The company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made, where there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

K.K. MANKESHWAR & CO.
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III. NOTES TO ACCOUNT

1. Contingent Liability
   Bank Guarantee outstanding is Rs.7,99,02,062 (Previous year Rs.3,91,37,527).

2. Commitment:
   Estimated amount of contract remaining to be executed on Capital Accounts is Rs. Nil. (Previous year Rs. 10,40,000)

3. Information on Related Parties as required by Accounting Standard AS-18 "Related Party Disclosure" as under:-

a. **Name of the Related Parties and Relationships:-**

   i. Holding Company -Sunil Hi-tech Engineers Limited.
   ii. Subsidiaries -None
   iii. Fellow Subsidiaries - None
   iv. Associates -None
   v. Other related Party - Gangakhed Sugar and Energy Limited
   - Gutte Infra Pvt. Ltd.
   - Sunil Hitech India Infra Pvt. Ltd.
   - VRG Digital Corporation Pvt. Ltd.
   - Trimurti Towers Pvt. Ltd.

b. **Transactions during the year with Related Parties:-**

Sr. No.	Name of the Related Parties	Nature of Transactions	Transaction during the year Amount (Rs.)	Balance as on 31st March, 2014	Balance as on 31st March, 2013
(a)	Swati Phad(Director)	Remuneration/ Professional fees	25,83,000	Nil	89,518 (Cr.)
(b)	Sunil Gutte (Director)	Rent paid	2,94,000	2450(Dr.)	Nil
(c)	Devarajan Thankappan Manamtharayil (Director)	Remuneration/ Professional fees	19,92,155	5,64,038 (Dr.)	Nil
(d)	Sunil Hi-Tech Engineers Ltd. (Holding Company)	Interest paid on Inter corporate loan during the year.	33,00,001	4,68,03,707 (Dr.)	9,92,55,859 (Dr.)
		Purchase of Consumable Materials.	1,28,14,844		
		Sale of finished goods and services.	17,07,42,882		
		Service charges incurred during the year	80,66,742		
		Other Miscellaneous Charges (e.g. Bank Charges of Letter of	99,74,009		

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS
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		Credit) Inter corporate loan outstanding during the year.	-	3,00,00,000 (Cr)	3,00,00,000 (Cr)
(e)	Gangakhed Sugar & Energy Limited	Sales during the year	13,75,431	8,729 (Dr.)	4,22,689 (Dr)
(f)	Gutte Infra Pvt. Ltd.	Sales during the year	23,18,800	Nil	Nil

c. **Key Managerial Personnel**

Mr. Ratnakar M Gutte - Managing Director

Mr. Sunil R Gutte - Director

Mr. Vijay R Gutte - Director

Mrs. Swati R Phad - Director

Mr. Devarajan Thankappan Manamtharayil - Director

d. **Relative of Key Managerial Personnel**

Mrs. Sudhamati R. Gutte – Wife of Mr. Ratnakar. M. Gutte.

4. Figures of the previous year have been re-arranged and regrouped, wherever necessary to make them comparable to the classification of current year.

As per our report attached

K. K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS ★NAGPUR★

ABHAY UPADHYE
Partner
Membership No: 049354
For and on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

Nagpur, dated the,
13th May, 2014

FOR & ON BEHALF OF BOARD OF DIRECTORS

DIRECTOR **DIRECTOR**

Sarita P. Kakani
COMPANY SECRETARY

Note 20 - Revenue from Operations

	Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
		Amount	Amount
(a)	**Sale of Products**		
	Structures, Boiler parts and Components	1,59,90,54,173	1,72,41,67,672
(b)	**Other Operating revenue**		
	Job Work Receipts	9,27,89,515	11,25,90,516
	Gross revenue from operations	**1,69,18,43,688**	**1,83,67,58,188**
	Less:		
(c)	Excise duty	6,28,47,754	11,50,43,072
	Net revenue from operations (a)+(b)-(c)	**1,62,89,95,934**	**1,72,17,15,116**

Note 21 - Other income

	Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
		Amount	Amount
(a)	Sale of Scrap	39,52,750	13,65,250
(b)	Interest from Fixed Deposits	30,85,477	13,70,087
(c)	Miscellaneous Income	25,500	53,400
	Total	**70,63,727**	**27,88,737**

K.K. MANKESHWAR & CO.
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Note 22 - Cost of materials consumed

22.1

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount	Amount
(a) Opening stock of Inventory		
Material	30,03,77,312	8,54,54,401
Add : Purchases	1,26,82,00,127	1,53,48,36,991
less : Purchase return	-	-
Sub-Total(a)	1,56,85,77,439	1,62,02,91,392
Less : Closing stock of inventory	18,50,10,894	30,03,77,312
(b) Cost of material consumed	**1,38,35,66,545**	**1,31,99,14,080**

22.2 Details of various raw materials

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount	Amount
Breakup of raw material consumed :		
Piping & Pressure Parts	41,49,35,476	37,12,82,224
Stores & Spares(Consumables & Non Consumables)	1,24,38,844	7,44,97,104
Structures	95,61,92,225	87,41,34,752
	1,38,35,66,545	**1,31,99,14,080**

22.3 Value of Imported and Indigenous goods:-

Particulars	For the year ended 31st March 2014	%	For the year ended 31st March 2013	%
(a) Raw Material				
Indigenous	1,37,11,27,701	100%	1,24,54,16,976	100%
Imported	-	-	-	-
(b) Components & Spare Parts				
Indigenous	1,24,38,844	100%	7,44,97,104	100%
Imported	-	-	-	-

22.4 Value of Imports Calculated on C.I.F Basis By the Company During The Financial Year In Respect of :-

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
(a) Raw Material	-	-
(b) Components & Spare Parts	-	-
(c) Capital Goods	1,04,33,811	3,35,89,988

Note 23 - Changes in inventories in case of Stock in Process

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount	Amount
Opening Stock :		
Finished Goods	3,03,50,574	-
Stock In Process	2,35,97,420	1,97,51,338
Sub-total (a)	**5,39,47,994**	**1,97,51,338**
Closing Stock :		
Finished Goods	2,26,67,991	3,03,50,574
Stock In Process	16,72,60,471	2,35,97,420
Sub-total (b)	**18,99,28,462**	**5,39,47,994**
Net (Increase)/ Decrease in Stocks (a-b)	**(13,59,80,468)**	**(3,41,96,656)**

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Note 24 - Employee benefits expenses

24.1	Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
		Amount	Amount
	Salaries & Wages Includes Managerial Remunration	7,22,19,628	6,30,77,959
	Contribution to Provident & Other Funds	26,87,695	25,35,559
	Staff and Labour Welfare Expenses	38,82,306	38,39,010
	Total	**7,87,89,629**	**6,94,52,528**

24.2 Defined benefit Plan:

The Present Value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligations. The obligation for leave encashment is recognized in the same manner as gratuity.

		31.03.14		31.03.13	
		Gratuity Unfunded	Leave encashment (Unfunded)	Gratuity Unfunded	Leave encashment (Unfunded)
a)	**Reconciliation of Opening and closing balances of Defined benefit Obligation**				
	Defined Benefit Obligation at year beginning	17,20,648	30,60,053	10,28,980	15,72,247
	Current Service Cost	5,33,045	15,37,571	2,99,058	-
	Interest Cost	1,39,372	2,47,864	1,13,481	-
	Plan Amendments	-	-	-	-
	Actuarial (gain)/loss	(4,46,624)	(25,48,959)	2,80,130	-
	Benefits Paid	-	-	(84,993)	-
	Liabilities assumed on Acquisation	-		83,992	
	Defined benefit obligations at year end	19,46,441	22,96,529	17,20,648	30,60,053
b)	**assets**				
	Fair Value of plan assets at year beginning	-	-	-	-
	Expected Return on Plan Assets	-	-	-	-
	Actuarial gain/(loss)	-	-	-	-
	Employer's Contribution	-	-	-	-
	Benefit Paid	-	-	-	-
	Fair Value of Plan Assets at year end	-	-	-	-
	Actual Return on Plan Assets	-	-	-	-
c)	**Reconciliation of Fair value assets and obligations**				
	Fair Value of plan assets as at year end	-	-	17,20,648	30,60,053
	Present Value of obligation as at year end	19,46,441	22,96,529	(17,20,648)	(30,60,053)
	Amount recognised in balance sheet	(19,46,441)	(22,96,529)		
d)	**Expenses recognised during the period (Under the head "Employee Benefit Expenses)**				
	Current Service Cost	5,33,045	15,37,571	2,99,058	-
	Interest Cost	1,39,372	2,47,864	1,13,481	-
	Past Service Cost	-	-	-	-
	Expected return on plan assets	-	-	-	-
	Actuarial (gain) / loss	(4,46,624)	(25,48,959)	2,80,130	-
	Net Cost	2,25,793	(7,63,524)	6,92,669	-
e)	**Discount Rate (Per Annum)**	9.00%	9.00%	8.10%	8.10%
f)	**Expected rate of return on plan assets (per annum)**	0.00%	0.00%	0.00%	0.00%
g)	**Salary esclation rate(per annum)**	5.00%	5.00%	6.00%	6.00%

Note: Actuarial valuation has been carried out using the Projected Unit Credit Method

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Note 25 - Finance costs

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest	7,45,38,651	6,64,90,119
Other Borrowing Cost	1,01,32,257	53,72,110
Total	**8,46,70,908**	**7,18,62,229**

Note 26 - Other expenses

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Manufacturing Expenses		
Crane Hire charges	88,50,239	56,97,703
Water Charges	13,07,767	18,20,685
Power & Fuel	73,62,848	87,28,207
Repairs and Maintenance - Plant & Machinery	13,55,565	20,38,802
Testing & Inspection charges	25,60,313	19,64,950
Job work charges	4,66,99,969	7,42,08,094
Factory expenses	33,19,316	40,85,557
Service charges	71,79,371	32,72,730
Increase/(Decrease) in Excise Duty Provision	(16,71,441)	37,88,216
Adminstrative Expenses		
Insurance Charges	4,96,075	2,82,980
Rates and Taxes, excluding taxes on Income	3,53,274	40,349
Loss due to Foreign Exchange Fluctuatuion	24,77,882	3,51,138
Office & Other Expenses	42,54,617	49,80,398
Travelling and Conveyance	47,15,508	34,36,658
Repairs and Maintenance - Buildings	13,81,223	16,94,141
Repairs and Maintenance - Others	32,33,588	28,72,790
Security Expenses	46,64,783	35,62,463
Rent	32,16,555	34,20,194
Advertisement Charges	64,400	9,07,390
Legal and Professional Charges (* Refer note 26.1)	78,42,452	30,06,851
Business Promotion	16,65,660	30,85,850
Late Delivery Charges	91,712	23,11,267
Interest On MSME	9,51,926	-
Bad Debts Written Off	-	17,55,504
Miscellaneous Expenses	-	1,18,573
Selling and Distribution Expenses		
Transportation Expenses	1,05,50,573	63,17,661
Total	**12,29,24,175**	**14,37,49,151**

26.1 Legal and Professional Charges include :-

Payment to Auditors	For the year ended 31st March 2014	For the year ended 31st March 2013
For Statutory Audit	3,00,000	3,00,000
For Tax Audit	50,000	50,000
For Taxation Matters	-	-
For Cost Audit	45,000	45,000
Total	**3,95,000**	**3,95,000**

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Note 27 - Earnings Per Share

	Profit Computation for EPS	For the year ended 31st March 2014	For the year ended 31st March 2013
(a)	Net Profit after tax attributable to equity Shareholders	3,88,21,632	8,12,08,786
(b)	Weighted Number of shares for Basic Earnings per share	55,30,000	55,30,000
(c)	Weighted Number of shares for Diluted Earnings per share	55,30,000	55,30,000
(a) / (b)	Basic earnings per share	7.02	14.69
(a) /(c)	Diluted earnings per share	7.02	14.69
(d)	Nominal value per equity share	10	10

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