

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Seam Industries Limited,
Butibori, Nagpur.

We have audited the accompanying standalone financial statements of Seam Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility.

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control.

OFFICES AT :

- 243, "SHRIKA RESIDENCY" CANAL ROAD, DHARAMPETH, NAGPUR - 440010.
- BLOCK-E, NEW R D A BUILDING, BOMBAY MARKET, G.E. ROAD, RAIPUR - 492001.
- A-425, SARITA VIHAR, NEW DELHI - 110076.
- 29, KALIANDAS UDYOG BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI - 400025.
- PRABHATARA APTS, 3rd FLOOR, WR. PARANJPE LANE, NEAR HOTEL VAISHALI, SHIVAJINAGAR PUNE - 411004.



An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

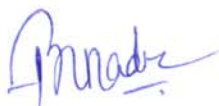
As required by the Companies (Auditor's Report) Order 2015 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act 2015, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.



ABHAY UPADHYE

Partner

Membership No. 049354

For and on Behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Nagpur, dated the

13th May, 2015.



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the members of Seam Industries Limited ("the Company") on the standalone financial statements for the year ended 31st March 2015, we report that.

- i. 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.
- ii. In respect on inventories:
 - a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedure of physical verification of inventories followed by the management is 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 inventory. There were no discrepancies noticed on verification between the physical stocks as compared to the book records.
- iii. The company has not granted any loan secured or unsecured to any companies/firms covered in the register maintained under section 189 of the Companies Act, 2013, accordingly clause (iii)(a) and (iii)(b) are not applicable to the company.
- iv. In our opinion, the Company has an adequate internal control system which is commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Also, there is no major weakness in internal control system.
- v. The Company has not accepted any deposits from public within the meaning of sections 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under, where applicable. Therefore the said clause is not applicable to the company.
- vi. 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 made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the records with a view to determine whether they are accurate or complete.



- vii. In respect of statutory dues:
- a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no undisputed amounts payables in respect of the aforesaid dues as on 31st March 2015 for a period more than six months 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.
 - c) The provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the Company.
- viii. The Company has no accumulated losses as on 31st March 2015 and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- x. The Company has not given guarantees for loans taken by others from banks or financial institution.
- xi. The term loans taken and/or utilised during the year have been applied for the purpose for which they were obtained.
- xii. 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.



ABHAY UPADHYE

Partner

Membership No. 049354

For and on Behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Nagpur, dated the

13th May, 2015.



SEAM INDUSTRIES LIMITED
Balance Sheet as at 31st March, 2015

(Figures in Rs.)

Particulars		Note No.	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES				
1 SHAREHOLDERS' FUNDS				
(a) Share capital		2	5,53,00,000	5,53,00,000
(b) Reserves & surplus		3	33,06,84,391	28,86,09,657
2 NON-CURRENT LIABILITIES				
(a) Long-term borrowings		4	10,14,59,063	10,88,13,031
(b) Deferred tax liability		5	1,05,26,161	1,17,86,255
(c) Other Long term liabilities		6	3,46,54,800	7,11,66,644
(d) Long-term provisions		7	29,08,895	38,51,266
3 CURRENT LIABILITIES				
(a) Short-term borrowings		8	38,27,75,046	37,79,70,192
(b) Trade payables		9	36,37,26,297	24,15,99,245
(c) Other Current Liabilities		10	8,95,97,102	4,81,61,856
(d) Short-term provisions		11	2,98,16,958	29,90,266
TOTAL			1,40,14,48,713	1,21,02,48,412
II. ASSETS				
NON-CURRENT ASSETS				
1				
(a) Fixed assets		12		
(i) Tangible assets			31,65,71,001	34,27,35,192
(ii) Intangible assets			10,36,722	21,15,464
(iii) Capital work-in-progress			9,19,753	6,09,229
(b) Non-current investments		13	16,00,000	16,00,000
(c) Long-term loans and advances		14	16,32,672	24,18,198
2 CURRENT ASSETS				
(a) Inventories		15	41,10,95,256	37,49,39,356
(b) Trade receivables		16	51,02,19,897	36,65,75,771
(c) Cash and Bank balance		17	5,04,36,528	5,18,56,148
(d) Short-term loans and advances		18	10,44,81,121	6,43,13,577
(e) Other Current Assets		19	34,55,763	30,85,477
Significant Accounting Policies & Notes		1		
TOTAL			1,40,14,48,713	1,21,02,48,412

The notes referred 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



For & on behalf of Board of Directors


Sunil R Gutte
Director
DIN : 00165822


M T Devarajan
Director
DIN : 06470763

Nagpur, dated the,
13th May, 2015

SEAM INDUSTRIES LIMITED**Statement Of Profit & Loss for the year ended 31st March, 2015****(Figures in Rs.)**

Particulars		Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
I.	Gross Revenue from operations	20	1,65,83,60,588	1,62,89,95,934
II.	Other income	21	82,82,631	70,63,727
III.	Total Revenue (I + II)		1,66,66,43,219	1,63,60,59,661
IV.	Expenses:			
	Cost of materials consumed	22	1,29,84,87,119	1,38,35,66,545
	(Increase)/ Decrease in Inventories	23	(1,41,08,660)	(13,59,80,468)
	Employee benefits expenses	24	7,39,20,831	7,87,89,629
	Finance costs	25	9,27,07,912	8,46,70,908
	Depreciation and amortization expenses	12	4,87,35,794	4,02,74,421
	Other expenses	26	9,97,84,807	12,29,24,175
	Total expenses		1,59,95,27,803	1,57,42,45,210
	Profit before exceptional and extraordinary items and tax (III-IV)		6,71,15,416	6,18,14,451
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax		6,71,15,416	6,18,14,451
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (III- IV)		6,71,15,416	6,18,14,451
X.	Tax expense:			
	(1) Current tax / MAT		2,61,19,179	1,84,65,465
	(2) Deferred tax		(12,60,094)	32,63,509
	(3) Tax expense Relating to prior years		-	24,81,218
XI.	Change in estimate of Depreciation (Refer note 12(viii))		-	(12,17,373)
XII.	Profit (Loss) for the year		4,22,56,332	3,88,21,632
XIII.	Earnings per equity share:	27		
	(1) Basic		7.64	7.02
	(2) Diluted		7.64	7.02

The notes referred 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



For & on behalf of Board of Directors


Sunil R Gutte
 Director
 DIN : 00165822


M T Devarajan
 Director
 DIN : 06470763

Nagpur, dated the,
 13th May, 2015

SEAM INDUSTRIES LIMITED
Cash Flow Statement as on 31st March, 2015

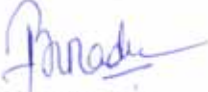
(Figures in Rs.)

Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
1	Cash Flow from Operating activities		
	(a) Profit from operating activities before exceptional items and taxes	6,71,15,416	6,18,14,451
	Adjustments:		
	Depreciation and amortization	4,87,35,794	4,02,74,421
	Interest and Finance costs	9,27,07,912	8,46,70,908
	Interest Income	(34,55,764)	(30,85,477)
	Profit on Sale of Fixed Asset	(40,56,060)	-
	(b) Working capital changes:		
	- Increase in inventories	(3,61,55,900)	(2,06,14,050)
	- Decrease /(Increase) in trade receivables	(14,36,44,126)	23,25,78,303
	- Decrease/ (increase) in short-term loans and advances	(4,00,71,708)	2,61,96,474
	- Increase /(Decrease) in other current assets	30,85,477	12,33,077
	- Increase in trade payables	12,21,27,052	(17,60,65,574)
	- Increase/ (Decrease) in other current liabilities	5,12,68,445	(14,38,643)
	- Increase /(Decrease) in provisions	2,44,553	(4,31,005)
	- Increase /(Repayment) of Short-term borrowings	48,04,854	(3,34,041)
	- Proceeds from other long-term liabilities	(3,65,11,844)	(8,39,47,310)
	- Decrease / (Increase) in Fixed Deposits given as Margin Money	(35,14,555)	(1,69,98,711)
	- Income Tax paid	(5,75,247)	(2,66,83,675)
	Total of (1)	12,21,04,300	11,71,69,148
2	Cash Flow from Investing Activities		
	(a) Increase in Fixed assets, Capital work in progress and capital advances	(2,61,43,397)	(3,80,93,829)
	(b) Proceeds from Sale of Fixed Assets	90,00,000	-
	(c) Interest received	-	-
	Total of (2)	(1,71,43,397)	(3,80,93,829)
3	Cash Flow from Financing activities		
	(a) Increase /(Repayment) of long-term borrowings	(1,71,87,166)	82,01,934
	(b) Interest and other finance costs	(9,27,07,912)	(8,46,70,908)
	Total of (3)	(10,98,95,078)	(7,64,68,974)
4	Net (decrease)/increase in cash and cash equivalents (1+2+3)	(49,34,175)	26,06,345
	Add: Cash and cash equivalents at the beginning of the period	61,21,996	35,15,651
5	Cash and cash equivalents at the end of the period	11,87,821	61,21,996

NOTES

1. The above statement has been prepared following the Indirect Method.
2. Proceeds from long term and other borrowings are shown net of repayments.
3. Cash and Cash Equivalents represent Cash and Bank Balances only.
4. 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



For & on behalf of Board of Directors


Sunil R. Gutte
Director
DIN : 00165822


M T Devarajan
Director
DIN : 06470763

Nagpur, dated the,
13th May, 2015

SEAM INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 2 - Share Capital

2.1	Particulars	As at 31st March, 2015		As at 31st March, 2014	
		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

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

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	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

2.3 Terms of Equity Shares

- The Equity shares has, face value of Rs 10/- per share.
- Voting rights of Equity share Holders - As per the number of shares held ranking parri passu in all respects.
- Dividend Rights of Shares Holders - As per the number of shares held ranking paripassu in all respects.
- Rights of Shareholders at the time of dissolution - N.A.

2.4 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, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Hitech Engineers Limited- Holding Co.	49,00,000	88.61	49,00,000	88.61
Mr. Ratnakar M. Gutte - Managing Director	4,00,000	7.23	4,00,000	7.23



SEAM INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 3 - Reserves & surplus

3.1 Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	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	24,31,09,657	20,42,88,025
(-) Carrying Amount of Asset whose life exhausted	(1,81,598)	-
(+) Net Profit/(Net Loss) For the current year	4,22,56,332	3,88,21,632
Closing Balance	28,51,84,391	24,31,09,657
Total	33,06,84,391	28,86,09,657

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



Note 4 - Long Term Borrowings

4.1	Particulars	As at 31st March, 2015	As at 31st March, 2014
		Amount	Amount
	Secured		
	Term Loans-		
	From Banks	7,14,59,063	7,88,13,031
	Unsecured borrowings		
	Loan & Advances from related parties	3,00,00,000	3,00,00,000
	Total	10,14,59,063	10,88,13,031

4.2 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 Vajinath-Nagpur Road, Village Tokwadi, Tahsil Parli Vajinath, District Beed.

A. All Secured Loans have Personal Guarantees of Following :

§ Mr. Ratnakar M. Gutte
§ Mr. Sunil R. Gutte
§ Mr. Vijay R. Gutte

Managing Director
Director
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
§ Mr. Sunil R. Gutte
§ Mr. Vijay R. Gutte
§ Mrs. Sudhamati Gutte

Managing Director
Director
Director
Relative of Director

B. Corporate Guarantee: -

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

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

From ICICI bank for purchase of Tata Bus.

From Kotak Mahindra Bank for purchase of Two (2) Toyota Innova Cars.

From Uco Bank for purchase of Four (4) Residential Flates.



4.4 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.36.46 Lacs out of which Rs 36.46 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.283.67 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.182.35 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) Uco Bank - Corporate Housing Loan - (1) Secured by way of hypothecation	EMI of Rs.2,60,352 in 120 Installments commenced from October 2014
(vi) ICICI - Bus - (1) Secured by way of hypothecation of vehicle.	EMI of Rs.47,972 in 36 Installments commenced from July 2012
(vii) 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)

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



Note 5 -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, 2015 comprise of timing differences on account of:

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Deferred Tax Asset:		
Expenditure Disallowed under the Income Tax Act	13,58,294	10,80,316
Total	13,58,294	10,80,316
(b) Deferred Tax Liability:		
Higher depreciation claimed under tax laws	94,75,895	1,16,46,416
Expenditure allowed on Payment under the Income Tax Act	24,08,560	12,20,156
Total	1,18,84,455	1,28,66,571
(c) Net Deferred Tax Liability:	1,05,26,161	1,17,86,255
Closing Net Deferred Tax Liability/(Assets)	1,05,26,161	1,17,86,255
(d) Opening Deferred taxLiability/ (Asset)	1,17,86,255	85,22,746
Net Deferred Tax Charged to Statement of Profit & Loss	(12,60,094)	32,63,509

Note 6 - Other Long Term Liabilities

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Due to Others	3,46,54,800	7,11,66,644
Total	3,46,54,800	7,11,66,644

Note 7 - Long Term Provisions

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Provision for employee benefits-		
Gratuity	19,04,441	18,08,864
Leave Encashment	10,04,454	20,42,402
Total	29,08,895	38,51,266



Note 8 - Short term borrowings

8.1	Particulars	As at 31st March, 2015	As at 31st March, 2014
		Amount	Amount
	Short Term Borrowings		
	Secured		
	Loans from banks		
	Cash Credit from banks	38,27,75,046	37,79,70,192
	Total	38,27,75,046	37,79,70,192

8.2 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



SEAM INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 9 - Trade Payables

9.1	Particulars	As at 31st March, 2015	As at 31st March, 2014
		Amount	Amount
	Due to Micro, Small and Medium Enterprises	49,99,623	2,15,73,937
	Due to Other	29,78,41,291	17,90,12,270
	Due For Services	6,08,85,382	4,10,13,038
	Total	36,37,26,297	24,15,99,245

9.2	(i) Principal amount due and remaining unpaid to any supplier as at the end of the accounting year	41,99,233	2,06,22,011
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	8,00,390	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	8,00,390	9,51,926
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	8,00,390	9,51,926
	(vi) Interest accrued and remaining unpaid	8,00,390	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 actually paid	8,00,390	9,51,926

Note 10 - Other Current Liabilities

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Current maturities of long term debt	2,41,68,254	3,40,01,452
Advance from Customer		
- From Related Parties	49,91,269	-
- From Others	4,13,03,864	70,23,363
Statutory Dues	78,96,289	24,97,133
Liabilities for Expenses	1,12,37,426	46,39,908
Total	8,95,97,102	4,81,61,856

Note 11 - Short Term Provisions

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
(a) Provision for employee benefits-		
Bonus	24,01,508	25,98,562
Leave Encashment	11,58,482	2,54,127
Gratuity	6,17,200	1,37,577
(b) Provision for Income Tax	2,56,39,768	-
Total	2,98,16,958	29,90,266



SEAM INDUSTRIES LIMITED
Notes forming part of the financial statements
Note 12: FIXED ASSETS

Particulars	Gross Block (at Cost)			Accumulated Depreciation			Net Block	
	As at 01.04.2014	Additions During The Year	Sale/Adjustments during the year	Total as at 31.03.2015	As at 01.04.2014	During the year	Total as at 31.03.2015	As on 31.03.2015
Leasehold Land	2,48,75,232	10,14,400	52,81,980	2,06,08,352	9,56,047	2,16,598	8,34,608	1,97,73,744
Residential Building	2,33,90,525	2,33,90,525	-	2,33,90,525	-	5,63,991	5,63,991	2,28,26,534
Office Building	1,81,50,045	7,64,891	-	1,89,34,936	15,27,997	8,33,443	23,61,440	1,65,73,495
Factory Shed & Building	19,38,06,065	1,21,801	-	19,59,27,866	4,97,20,520	1,36,87,155	6,34,07,675	13,25,20,191
Plant & Equipments	18,60,64,219	12,91,292	-	18,73,55,511	5,20,13,496	2,55,24,016	7,75,31,767	10,98,23,744
Motor Vehicle	1,60,87,358	-	-	1,60,87,358	76,76,443	29,17,636	1,05,61,626	55,25,732
Air Conditioner	2,24,486	-	-	2,24,486	66,428	1,01,820	1,68,248	56,138
Electrical Installation	1,26,50,354	-	-	1,26,50,354	37,10,889	17,51,112	54,61,801	21,88,555
Office Equipment	16,66,440	15,490	10,95,191	27,77,121	10,19,807	10,37,297	20,57,104	8,33,277
Furniture & Fixture	42,66,216	-	-	42,66,216	20,39,286	6,84,525	27,22,009	15,45,406
Computers & Softwares	33,66,037	-	(10,95,191)	22,72,846	16,95,244	3,39,309	21,72,223	1,00,623
Tangible Assets Total(A)	46,31,61,152	2,66,18,339	52,81,980	48,44,97,371	12,04,25,957	4,76,37,052	18,79,26,370	31,65,71,001
Goodwill	32,00,000	-	-	32,00,000	10,84,538	10,78,742	21,63,278	10,36,722
Intangible Assets Total(B)	32,00,000	-	-	32,00,000	10,84,538	10,78,742	21,63,278	10,36,722
Crup - Office Building	6,09,229	1,23,388	-	7,32,617	-	-	7,32,617	7,32,617
Crup - Plant and Machinery	-	1,37,176	-	1,37,176	-	-	1,37,176	1,37,176
Capital Work In Progress(C)	6,09,229	3,10,524	-	9,19,753	-	-	-	9,19,753
Total(A+B+C)	46,69,70,381	2,69,28,923	52,81,980	48,86,17,124	12,15,10,493	4,87,35,794	17,00,89,848	31,85,27,477
Previous Year	42,54,42,768	10,80,03,305	6,64,75,752	46,69,70,381	8,24,53,447	4,02,74,421	13,13,10,493	34,54,59,885

12.2 (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 as per the prescribed useful life of assets in the Schedule II to the Companies Act, 2013.
(iii) Adjustments include reversal of excess depreciation charged in earlier years of Rs. 1,20,347 of Computers and Softwares and Office Equipment and Rs.39,349 of carrying amount of assets transferred to retained earnings as remaining useful life of assets in Nil as on 1st April, 2014.



Note 13: Non Current Investments

Particulars	As at 31st March, 2015	As at 31st March, 2014
	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
			2015	2014			2015	2014	2015	2014		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investment 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		



Note 14 - Long term loans and advances

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Other loans & advances, unsecured, considered good Capital Advances	16,32,672	24,18,198
Total	16,32,672	24,18,198

Note 15 - Inventories

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Raw Materials	18,73,71,563	16,96,78,532
Stock In Process	17,40,79,986	16,72,60,471
Finished Goods	2,99,57,136	2,26,67,991
Stores and spares	1,96,86,571	1,53,32,362
Total	41,10,95,256	37,49,39,356

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 16 - Trade receivables

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	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.	14,28,61,570	9,75,83,761
(c) Doubtful	-	-
Provision for doubtful debts	14,28,61,570	9,75,83,761
Sub-total (a)	14,28,61,570	9,75,83,761
Other Receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	29,82,69,530	22,21,88,303
(c) Doubtful	-	-
Provision for doubtful debts	29,82,69,530	22,21,88,303
Sub-total (b)	29,82,69,530	22,21,88,303
Debts Due by Companies in which Director is a Partner or Director or Member		
(a) Secured, considered good	-	-
(b) Unsecured, considered good,	6,90,88,797	4,68,03,707
(c) Doubtful	-	-
Provision for doubtful debts	-	-
Sub-total (c)	6,90,88,797	4,68,03,707
Total (a+b+c)	51,02,19,897	36,65,75,771



Note 17 - Cash & Bank Balance

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Cash & Cash Equivalants :		
On current accounts	5,50,545	34,55,238
Cash on hand	6,37,277	26,66,758
	11,87,821	61,21,996
Others		
Fixed Deposits (Given as Margin Money)	4,92,48,707	4,57,34,152
Total	5,04,36,528	5,18,56,148

Note 18 - Short term loans and advances

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Other loans & advances, unsecured, considered good		
Employee advances	5,97,838	3,14,841
Balance with statutory authorities	8,37,42,779	5,42,27,246
Income Tax Receivable (AY 2014-15)	6,29,632	5,33,796
Prepaid expenses	5,28,884	6,00,080
Advances to Suppliers	1,35,02,527	41,50,341
Short term security deposit	54,79,461	44,87,273
Total	10,44,81,121	6,43,13,577

Note 19- Other Current Assets

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount	Amount
Interest Accrued On Fixed Deposits	34,55,764	30,85,477
Total	34,55,764	30,85,477



Note 20 - Revenue from Operations

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount	Amount
(a) Sale of Products Structures, Boiler parts and Components	1,65,08,36,999	1,59,90,54,173
(b) Other Operating revenue Job Work Receipts	2,84,36,021	9,27,89,515
Gross revenue from operations	1,67,92,73,019	1,69,18,43,688
Less: (c) Excise duty	2,09,12,431	6,28,47,754
Net revenue from operations (a)+(b)-(c)	1,65,83,60,588	1,62,89,95,934

Note 21 - Other income

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount	Amount
Sale of Scrap	7,70,125	39,52,750
Interest from Fixed Deposits	34,55,764	30,85,477
Profit on Sale of Asset	40,56,060	-
Miscellaneous Income	682	25,500
Total	82,82,631	70,63,727



Notes forming part of the financial statements
Note 22 - Cost of materials consumed

22.1	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		Amount	Amount
	(a) Opening stock of Inventory		
	Material	18,50,10,894	30,03,77,312
	Add : Purchases	1,32,05,34,359	1,26,82,00,127
	less : Purchase return	-	-
	Sub-Total(a)	1,50,55,45,253	1,56,85,77,439
	Less : Closing stock of inventory	20,70,58,134	18,50,10,894
	(b) Cost of material consumed	1,29,84,87,119	1,38,35,66,545

22.2 Details of various raw materials

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount	Amount
Breakup of raw material consumed :		
Piping & Pressure Parts	38,27,82,401	41,49,35,476
Stores & Spares(Consumables & Non Consumables)	1,35,57,016	1,24,38,844
Structures	90,21,47,702	95,61,92,225
	1,29,84,87,119	1,38,35,66,545

22.3 Value of Imported and Indigenous goods:-

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
(a) <u>Raw Material</u>		
Indigenous	1,28,49,30,103	1,37,11,27,701
Imported	-	-
(b) <u>Components & Spare Parts</u>		
Indigenous	1,35,57,016	1,24,38,844
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, 2015	For the year ended 31st March, 2014
(a) Raw Material	-	-
(b) Components & Spare Parts	-	-
(c) Capital Goods	-	1,04,33,811

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

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Amount	Amount
Opening Stock :		
Finished Goods	2,26,67,991	3,03,50,574
Stock In Process	16,72,60,471	2,35,97,420
Sub-total (a)	18,99,28,462	5,39,47,994
Closing Stock :		
Finished Goods	2,99,57,136	2,26,67,991
Stock In Process	17,40,79,986	16,72,60,471
Sub-total (b)	20,40,37,122	18,99,28,462
Net (Increase)/ Decrease in Stocks (a-b)	(1,41,08,660)	(13,59,80,468)



SEAM INDUSTRIES LIMITED
Notes forming part of the financial statements
Note 24 - Employee benefits expenses

24.1	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		Amount	Amount
	Salaries & Wages Includes Managerial Remuneration	6,73,19,893	7,22,19,628
	Contribution to Provident & Other Funds	25,15,879	26,87,695
	Staff and Labour Welfare Expenses	40,85,059	38,82,306
	Total	7,39,20,831	7,87,89,629

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.

		31/03/15		31/03/14	
		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	19,46,441	22,96,529	17,20,648	30,60,053
	Current Service Cost	5,44,758	14,35,266	5,33,045	15,37,571
	Interest Cost	1,75,180	2,06,688	1,39,372	2,47,864
	Plan Amendments	-	-	-	-
	Actuarial (gain)/loss	(1,44,738)	(18,46,172)	(4,46,624)	(25,48,959)
	Benefits Paid	-	-	-	-
	Liabilities assumed on Acquisition	-	-	-	-
	Defined benefit obligations at year end	25,21,641	20,92,311	19,46,441	22,96,529
b)	Reconciliation of Fair value assets and obligations				
	Fair Value of plan assets as at year end	-	-	-	-
	Present Value of obligation as at year end	25,21,641	20,92,311	19,46,441	22,96,529
	Amount recognised in balance sheet	(25,21,641)	(20,92,311)	(19,46,441)	(22,96,529)
c)	Expenses recognised during the period (Under the head "Employee Benefit Expenses)				
	Current Service Cost	5,44,758	14,35,266	5,33,045	15,37,571
	Interest Cost	1,75,180	2,06,688	1,39,372	2,47,864
	Past Service Cost	-	-	-	-
	Expected return on plan assets	-	-	-	-
	Actuarial (gain) / loss	(1,44,738)	(18,46,172)	(4,46,624)	(25,48,959)
	Net Cost	5,75,200	(2,04,218)	2,25,793	(7,63,524)
d)	Discount Rate (Per Annum)	7.77%	7.77%	9.00%	9.00%
e)	Expected rate of return on plan assets (per annum)	0.00%	0.00%	0.00%	0.00%
	Salary escalation rate(per annum)	5.00%	5.00%	5.00%	5.00%

Note:

(i) Actuarial valuation has been carried out using the Projected Unit Credit Method.

(ii) Rs. 70,625 is towards short term compensated liability not considered above. However, the same has been recognised in the financial statement.



Note 25 - Finance costs

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest	7,88,81,029	7,45,38,651
Other Borrowing Cost	1,38,26,883	1,01,32,257
Total	9,27,07,912	8,46,70,908

Note 26 - Other expenses

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<u>Manufacturing Expenses</u>		
Crane Hire charges	50,43,318	88,50,239
Water Charges	14,45,943	13,07,767
Power & Fuel	89,87,554	73,62,848
Repairs and Maintenance - Plant & Machinery	5,07,670	13,55,565
Testing & Inspection charges	18,24,516	25,60,313
Job work charges	3,57,84,247	4,66,99,969
Factory expenses	23,40,552	33,19,316
Service charges	-	71,79,371
Increase/(Decrease) in Excise Duty Provision	15,85,927	(16,71,441)
Packing & forwarding expenses	1,64,488	-
<u>Administrative Expenses</u>		
Insurance Charges	5,95,533	4,96,075
Rates and Taxes, excluding taxes on Income	1,70,807	3,53,274
Loss due to Foreign Exchange Fluctuation	-	24,77,882
Office & Other Expenses	26,68,933	42,54,617
Travelling and Conveyance	40,07,292	47,15,508
Repairs and Maintenance - Buildings	2,48,195	13,81,223
Repairs and Maintenance - Others	35,97,308	32,33,588
Security Expenses	34,70,322	46,64,783
Rent	34,22,483	32,16,555
Advertisement Charges	70,000	64,400
Legal and Professional Charges (* Refer note 26.1)	36,59,196	78,42,452
Business Promotion	6,59,651	16,65,660
Late Delivery Charges	61,869	91,712
Interest On MSME	8,00,390	9,51,926
Bad Debts Written Off	-	-
Miscellaneous Expenses	-	-
<u>Selling and Distribution Expenses</u>		
Transportation Expenses	1,86,68,615	1,05,50,573
Total	9,97,84,807	12,29,24,175

26.1 Legal and Professional Charges include :-

Payment to Auditors	For the year ended 31st March, 2015	For the year ended 31st March, 2014
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



Note 27 - Earnings Per Share

	Profit Computation for EPS	For the year ended 31st March, 2015	For the year ended 31st March, 2014
(a)	Net Profit after tax attributable to equity Shareholders	4,22,56,332	3,88,21,632
(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	7.64	7.02
(a) / (c)	Diluted earnings per share	7.64	7.02
(d)	Nominal value per equity share	10	10



SEAM INDUSTRIES LIMITED

NOTE: 1

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 have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 read with Rule 7 to Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for procession and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

B. USE OF ESTIMATES

The preparation of financial statements with Indian GAAP requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known/material.

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

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 tangible assets is provided on Written Down Value Method over the useful lives of assets as prescribed under Schedule II of the Companies Act, 2013. Depreciation and amortization methods, useful lives and residual values are reviewed periodically, at each financial year end.

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.

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.



III. NOTES TO ACCOUNT

1. Contingent Liability
Bank Guarantee outstanding is Rs.10,62,00,000/- (Previous year Rs.7,99,02,062/-).
2. Commitment:
Estimated amount of contract remaining to be executed on Capital Accounts is Rs. Nil. (Previous year Nil.)
3. Balance of Secured Loan from HSBC is subject to confirmation.
4. 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.
- Sunilhitech Solar (Dhule) 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 31 st March, 2015	Balance as on 31 st March, 2014
(a)	Swati Phad (Director)	Remuneration/ Professional fees	22,80,000	1,50,000 (Cr.)	Nil
(b)	Sunil Gutte (Director)	Rent paid	5,34,000	4,36,500 (Cr.)	2,450 (Dr.)
(c)	Devarajan Thankappan Manamtharayil (Director)	Remuneration/ Professional fees	18,57,495	1,23,833 (Dr.)	5,64,038 (Dr.)



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



ABHAY UPADHYE

Partner

Membership No: 049354

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: - 106009W



FOR & ON BEHALF OF BOARD OF DIRECTORS



Sunil R Gutte

Director

DIN: 00165822



M T Devarajan

Director

DIN: 06470763

Nagpur, dated the,
13th May, 2015