DIRECTORS' REPORT

To,

The Members,
SEAM Industries Limited

Your Directors have pleasure in presenting the 10th Annual Report together with the audited financial statements of the Company for the year ended March 31, 2015.

Financial Result

The Financial Performance of the Company for the financial year ended on 31st March, 2015 is summarized below:

Rs. in lacs

Particulars	2014-15	2013-14
Net Sales /Revenue	16583.61	16289.96
Other Income	82.83	70.64
Total Income	16666.44	16360.60
Total Expenses	15995.28	15742.45
Profit Before Tax	671.16	618.14
Tax	24859085	242.10
Change in Estimate of Depreciation	-	(12.17)
Profit After Tax	422.56	388.22
Surplus transferred to Balance Sheet	422.56	388.22

Operational Review

Your Company has registered the turnover of Rs. **16,583.61 lacs** for the financial year 2014-15 as against Rs.**16289.96 lacs** in the previous year, thereby registered increase of 1.8 % over the last year's turnover. Profit before tax for the financial year ended on 31st March, 2015 is Rs 671.16 lacs, whereas it was Rs. 618.14 lacs for the financial year ended on 31st March, 2014, thereby registered increase of 8.58% over the last year's figure.

Profit after tax is Rs. 422.56 lacs for the financial year 2014-15 and for the financial year 2013-14, it was 388.22 lacs thereby profit after tax registered a growth of 8.85% over last year's performance.

Future Prospects

Your Company '**SEAM Industries Limited'**, a Subsidiary of 'Sunil Hitech Engineers Limited' a leading Infrastructure Project Executor of India mainly deals in Power, Civil and Road / Highway Projects. Your Company deals with 'Structural & Technical Fabrication' and Erection, and manufactures various products required in the execution of Power and Infrastructure Projects. It manufactures and supplies technological structures, Pressure parts, Boiler parts, Piping and fittings, Tanks and Vessels and miscellaneous components

for thermal power projects, for Sugar Projects – tubes, jackets and piping's, for Petroleum Projects – columns, condensers and miscellaneous vessels.

Infrastructure sector of India is growing at higher rate and expecting heavy investment which shall aid company to secure more orders in future time.

Dividend

In order to conserve resources for future plans, the Board of Directors has not recommended any dividend for the financial year ended on 31^{st} March, 2015.

Public Deposits

During the year ended 31st March, 2015, your Company has not accepted any deposits from the public. There is no deposit remained unpaid/unclaimed at the end of the financial year.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Audit Committee

The Audit Committee of the Company met four times during the financial year 2014-15 to review the financial statements of accounts, internal controls & audit systems, scope of audit in details. Mr. Parag Sakalikar who is a Non- executive director is the Chairman of the Audit Committee and Mr. Sunil R. Gutte and Mr. Vijay R. Gutte are the members of the Committee.

Auditors

Your are Directors recommend the appointment of M/s K. K. Mankeshwar & Co., Chartered Accountants, (having ICAI Firm Reg. No. 106009W) for a period of five years from conclusion of this Annual General Meeting until the conclusion of 15^{th} annual general meeting subject to ratification by members at every Annual General Meeting. The Company has received letter from them that their appointment, if made shall in terms of Section 141 of the Companies Act, 2013.

Appointment of Cost Auditor

Your Directors have reappointed M/s Ujwal P. Loya & Co. Cost Auditors (having FRN 101399) as the Cost Auditor of the Company for the financial year 2015-16 to conduct audit of cost records and to fulfill all other compliances as may be required under the provisions of the Companies Act, 2013 and under all other applicable rules, regulations or guidelines issued hereunder.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

a) In the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed along with proper explanation to material departures;

b) They have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year 2014-15 and of the Profit of the Company for that period.

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) They have prepared the annual accounts of the Company on a going concern basis.

e) They have laid down internal financial controls in the company that are adequate and were operating effectively.

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these were adequate and operating efficiently.

Directors

Mr. Ratnakar M. Gutte and Mr. Vijay R. Gutte, Executive Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for their reappointment. The Board of Directors recommends their reappointment subject to the approval of shareholders at the ensuing annual general meeting of the company.

Independent Directors

The Independent Director has given declarations that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Training of Independent Directors

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company' culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy. They are provided with Company brochures, annual reports, company booklets, etc.

Company's Policy on Directors Appointment and Remuneration

Appointment of Directors

Appointment Policy

a. The Nomination and Remuneration Committee (Committee) shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.

b. A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Directors' Remuneration

Remuneration policy

1. **Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

    a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

    b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. **Remuneration to Non- Executive / Independent Director:**

    a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
    b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
    c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
    d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
        i. The Services are rendered by such Director in his capacity as the professional; and
        ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. **Remuneration to Key Managerial Personnel and Senior Management:**

    a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
    b. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

    c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Number of Board Meetings held

The Board of Directors duly met 6 times during the financial year from 1st April, 2014 to 31st March, 2015.
The dates on which the meetings were held are as follows:

13th May, 2014, 18th July, 2014, 9th September, 2014, 7th October, 2014, 17th November, 2014 and 13th February, 2015.

Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The evaluation was done on parameters such attendance at board meetings and general meetings, level of active participation in the board deliberations, contribution and independence of judgment thereby safeguarding the interest of the Company. The board also carried out annual performance evaluation of the working of its Audit and Nomination and Remuneration committee. The Directors expressed their satisfaction with the evaluation process.

Vigil Mechanism

In pursuance to provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.
The Policy on Vigil Mechanism has been uploaded on the website of the Company at www.seamlimited.com.

Development and Implementation of a Risk Management policy

The Company had laid down the procedures to inform Board Members about the risk assessment and minimization procedures. Accordingly, the Company periodically submits the Risk Management Review Report to the Board for the review and suggestions.

The Board being responsible for framing, implementing and monitoring the risk management plan for the company has laid down the framework for risk assessment and mitigation procedures. It has set out detailed framework to deal with key areas of risks encompassing raw material risk, product price risk, regulatory risk, finance risk and risk specific to the company. It has put in place adequate system to keep its key operating team aware and beware of the likely risk factors. Internal control systems and internal audit checks help the company continuously monitor emerging risks and take timely corrective action.

Related Party Transactions

The company's related party transactions are entered with its group companies and firms. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of group companies. All related party transactions are negotiated on an arms-length basis, and are intended to further the Company's interests.

Extract of the annual return as provided under sub-section (3) of Section 92

The Extract of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 is annexed herewith as Annexure-A.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are set out below;

a) Conservation of Energy:
Your Company is continuously taking initiatives to ensure the optimum utilization of energy available in day to day operations not only in offices but also at different sites of execution of various projects. Your Company uses energy efficient lighting devices, light fittings to save energy, capacitor bank / devices to maintain power factor and plant & equipment which are environment and power efficient.

b) Technology Absorption:
Your Company is doing business by its own means, by utilizing all its available resources in best possible way. It has not initiated any Research & Development Activity so far.

c) Foreign Exchange Earnings and Outgo
There is no foreign exchange.

Acknowledgement

The Directors of your Company express their gratitude for the valuable support extended by Shareholders, Customers, Bankers and Vendors. Your Directors place on record their appreciation for the valuable contribution made by the employees at all levels towards the development of the Company. With the whole hearted support of Employees, Bankers and our valuable customers, your company will reach the new heights of success and growth.

On behalf of the Board
For SEAM Industries Limited

Date: May13, 2014	**M.T. Devrajan**	**Sunil Ratnakar Gutte**
Place: Butibori,Nagpur	**Director**	**Director**

Annexure - D

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U28120MH2005PLC153364
ii) Registration Date: - 17th May, 2005
iii) Name of the Company: - Seam Industries Limited
iv) Category / Sub-Category of the Company:- Public Limited Company
v) Address of the Registered office and contact details:- 602, 6th Floor, Trade Center, Bandra Kurla Complex, Bandra (East), Mumbai-440051.
vi) Whether listed company Yes / No : No
vii) Name, Address and Contact details of Registrar and Transfer Agent
Bigshare Services Private Limited,
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072 Tel.: 022-40430200 Email: info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Structural Metal Products	2511	99.50

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of The Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Sunil Hitech Engineers Limited	L28920MH1998PLC115155	Holding	88.61	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									

(a) Individual/ HUF	629970	20	629990	11.3922	629970	20	629990	11.3922	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt. (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	4900000	-	4900000	88.6076	4900000	-	4900000	88.6076	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**5529970**	**20**	**5529990**	**99.9998**	**5529970**	**20**	**5529990**	**99.9998**	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs									
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									

2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	10	10	0.0002	-	10	10	0.0002	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
i) Trusts									
ii) Clearing Member									
iii) Directors/Relatives									
iii) NRI									
Sub-total (B)(2):-	-	10	10	0.0002	-	10	10	0.0002	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	10	10	0.0002	-	10	10	0.0002	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**5529970**	**30**	**5530000**	**100.0000**	**5529970**	**30**	**5530000**	**100.0000**	**-**

(ii) Shareholding of Promoters

Sl No.	Sharehoder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	Sunil Hitech Engineers Limited	4900000	88.6076	-	4900000	88.6076	-	-
2	Ratnakar Manikrao Gutte	400000	7.2333	-	400000	7.2333	-	-
3	Sunil Ratnakar Gutte	179970	3.2544	-	179970	3.2544	-	-
4	Vijay Ratnakar Gutte	50000	0.9041	-	50000	0.9041	-	-

5	Sudhamati Ratnakar Gutte	10	0.0002	-	10	0.0002	-	-
6	Swati Ratnakar Gutte	10	0.0002	-	10	0.0002	-	-
	Total	**5529990**	**99.9998**	**-**	**5529990**	**99.9998**	**-**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total hares of the company
1	Sunil Hitech Engineers Limited	4900000	88.6076	01.04.2014	-	Nil movement during the year	-	-
	At the end of the year	4900000	88.6076	31.03.2015				
2	Ratnakar Manikrao Gutte	400000	7.2333	01.04.2014	-	Nil movement during the year	-	-
	At the end of the year	400000	7.2333	31.03.2015				
3	Sunil Ratnakar Gutte	179970	3.2544	01.04.2014	-	Nil movement during the year	-	-
	At the end of the year	179970	3.2544	31.03.2015				
4	Vijay Ratnakar Gutte	50000	0.9041	01.04.2014	-	Nil movement during the year	-	-
	At the end of the year	50000	0.9041	31.03.2015				
5	Sudhamati Ratnakar Gutte	10	0.0002	01.04.2014	-	Nil movement during the year	-	-

	At the end of the year	10	0.0002	31.03.2015				
6	Swati Ratnakar Gutte	10	0.0002	01.04.2014	-	Nil movement during the year	-	-
	At the end of the year	10	0.0002	31.03.2015				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	M T Devarajan	10	0.0002	01.04.2014	-	Nil movement during the year	-	-
	At the end of the year	10	0.0002	31.03.2015				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Ratnakar Manikrao Gutte Director	400000	7.2333	01.04.2014	-	Nil movement during the year	-	-
		400000	7.2333	31.03.2015				
2	Sunil Ratnakar Gutte Director	179970	3.2544	01.04.2014	-	Nil movement during the year	-	-
		179970	3.2544	31.03.2015				
3	Vijay Ratnakar Gutte	50000	0.9041	01.04.2014	-	Nil movement	-	-

	Director					during the year		
		50000	0.9041	31.03.2015				
4	Swati Ratnakar Gutte Director	10	0.0002	01.04.2014	-	Nil movement during the year	-	-
		10	0.0002	31.03.2015				
5	M T Devarajan Director	10	0.0002	01.04.2014	-	Nil movement during the year	-	-
		10	0.0002	31.03.2015				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,67,83,223	3,00,00,000	-	48,67,83,223
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	45,67,83,223	3,00,00,000	-	48,67,83,223
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	25,49,114	-	-	25,49,114
Net Change	**25,49,114**	**-**	**-**	**25,49,114**
Indebtedness at the end of the financial year				
i) Principal Amount	45,42,34,109	3,00,00,000	-	48,42,34,109
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**45,42,34,109**	**3,00,00,000**	**-**	**48,42,34,109**

(vi) Shareholding of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Ratnakar M. Gutte	Sunil R. Gutte	Vijay R.	Swati Ratnakar	M T Devarajan	

				Gutte	**Gutte**		
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	22.80	18.57	41.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others	-	-	-	-	-	-
5	Others	-	-	-	-	-	-
	Total (A)	-	-	-			
	Ceiling as per the Act						

B. Remuneration to other Directors

Sl. no.	**Particulars of Remuneration**	**Name of Directors**	**Total Amount**
		Parag Ashok Sakalikar	
1	Independent Directors	-	
	· Fee for attending board /committee meetings	-	-
	· Commission	-	-
	· Others	-	-
	Total (1)	-	-
2	Other Non-Executive Directors		
	· Fee for attending	-	-

	board /committee meetings		
	· Commission	-	-
	· Others	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	Total
		Company Secretary (Mrs. Sarita Kakani)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.60	0.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	-others	-	-
5	Others	-	-
	Total	0.60	0.60

Note:

- Salary of Company Secretary is upto 24/08/2014.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				

Punishment	
Compounding	
B. DIRECTORS	
Penalty	None
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT	
Penalty	None
Punishment	
Compounding	

K.K.MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

KINGSWAY, NAGPUR - 440001
PH. : 91-712 - 6629946 / 47,2554223
FAX No.: 91-712 - 6629948 / 6613404
TELEGRAM : METHOD
E-mail : mail@kkmindia.com

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.

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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.

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS
NAGPUR

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.

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS
NAGPUR

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.

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS
NAGPUR

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.

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

As per our Report attached

For & on behalf of Board of Directors

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

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	7,87,69,629
	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**
V.	**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:			
	(1) Basic	27	7.54	7.02
	(2) Diluted		7.54	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. 149054
For and on behalf of
K. K. Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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	12,21,27,053	[illegible]
	- Increase/ (Decrease) in other current liabilities	5,12,68,445	(14,58,643)
	- 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

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Nagpur, dated the,
13th May, 2015

For & on behalf of Board of Directors

Sunil K Gutte
Director
DIN : 00165822

M T Devarajan
Director
DIN : 06470763

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**

a) The Equity shares has, face value of 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.

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 Amount	As at 31st March, 2014 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
(-) Carring 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.

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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 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.)

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.

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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).

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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**

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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 RatnakarGutte , Sunil Gutte and Vijay Gutte

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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	5,08,85,382	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	46,39,909
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	[illegible]
Gratuity	6,17,200	1,37,577
(b) Provision for Income Tax	2,56,39,768	-
Total	**2,98,16,958**	**29,90,266**

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

SLAM INDUSTRIES LIMITED
Notes forming part of the financial statements
Note 12: Fixed Assets

12.1

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	Sale/Deletion during the year	Adjustments as per note 7(b) to Part C of schedule II	Total as at 31.03.2015	As on 31.03.2015	As on 31.03.2014
Leasehold Land	2,40,75,532	10,14,408	52,51,888	2,06,08,352	9,56,047	2,24,558	3,38,037		8,34,468	1,97,73,754	2,39,19,585
Residential Building		2,33,90,525	-	2,33,90,525	-	5,63,991	-	-	5,63,991	2,28,26,534	-
Office Building	1,81,50,045	7,84,881	-	1,89,34,926	15,27,997	8,33,443	-	-	23,61,440	1,65,73,486	1,66,22,047
Factory Shed & Building	19,58,06,065	1,21,501	-	19,59,27,566	4,97,20,820	1,36,87,155	-	-	6,34,07,675	13,25,20,131	14,60,85,345
Plant & Equipments	18,60,54,219	12,31,292	-	18,73,85,511	5,20,13,496	2,55,24,016	-	(5,745)	7,75,31,767	10,98,53,744	13,40,56,722
Motor Vehicle	1,60,87,358	-	-	1,60,87,358	76,76,442	29,17,630	-	(32,452)	1,05,61,626	55,25,732	84,10,916
Air Conditioner	2,24,486	-	-	2,24,486	66,428	1,31,820	-	-	1,58,248	56,238	1,58,058
Electrical Installation	1,25,50,354	-	-	1,25,50,354	37,10,689	17,51,112	-	-	54,61,801	71,88,553	88,39,664
Office Equipment	16,36,440	35,690	10,95,191	27,77,321	12,19,007	12,37,297	-	89,277	21,40,580	6,36,741	3,46,632
Furniture & Fixture	42,68,210	-	-	42,68,210	20,39,286	6,54,875	-	(8,152)	27,22,009	15,46,401	22,28,930
Computers & Software	35,98,037	-	(10,92,191)	22,72,046	16,95,744	3,99,309	-	1,37,471	21,72,223	1,00,822	18,73,394
Tangible Assets Total(A)	**46,31,61,152**	**2,66,18,199**	**52,81,960**	**48,44,97,571**	**13,54,25,857**	**4,76,37,052**	**3,38,037**	**1,85,598**	**16,79,26,570**	**31,65,71,001**	**34,77,35,197**
ERP Software	32,00,000	-		32,00,000	10,84,536	10,78,742			21,63,278	10,36,722	21,15,464
Intangible Assets Total(B)	**32,00,000**	-	-	**32,00,000**	**10,84,536**	**10,78,742**	-	-	**21,63,278**	**10,36,722**	**21,15,464**
CWIP - Office Building	6,09,229	1,73,348	-	7,82,577	-					7,82,577	6,09,229
CWIP - Plant and Machinery		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**	**6,09,229**
Total(A+B+C)	**46,69,70,381**	**2,69,28,923**	**52,81,960**	**48,86,17,324**	**12,15,10,493**	**4,87,15,794**	**3,38,037**	**1,85,598**	**17,00,89,048**	**31,85,27,477**	**34,56,59,805**
Previous Year	**42,54,42,768**	**10,80,02,365**	**4,84,75,752**	**48,69,70,381**	**8,24,53,447**	**4,01,74,421**	**12,17,383**	-	**12,15,10,485**	**34,54,59,896**	

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.1,20,948 of Computers and Softwares and Office Equipments and Rs.35,345 of carrying amount of assets transferred to retained earnings on remaining useful life of assets in Nil as on 1st April, 2014.

Note 18: 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)
	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		

K.K. MANKESHWAR & CO.
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NAGPUR

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		-
	14,28,61,570	9,75,83,761
Provision for doubtful debts	-	
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	-	
	29,82,69,530	22,21,88,303
Provision for doubtful debts		-
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**

K.K. MANKESHWAR & CO.
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Note 17 - Cash & Bank Balance

Particulars	As at 31st March, 2015 Amount	As at 31st March, 2014 Amount
Cash & Cash Equivalants :		
On current accounts	5,50,545	34,55,238
Cash on hand	6,37,277	25,66,758
	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 Amount	As at 31st March, 2014 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 Amount	As at 31st March, 2014 Amount
Interest Accrued On Fixed Deposits	34,55,764	30,85,477
Total	34,55,764	30,85,477

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

Note20 - Revenue from Operations

Particulars	For the year ended 31st March, 2015 Amount	For the year ended 31st March, 2014 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**
<u>Less:</u> (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**

Note21 - Other income

Particulars	For the year ended 31st March, 2015 Amount	For the year ended 31st March, 2014 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**

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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) Raw Material		
Indigenous	1,28,49,30,103	1,37,11,27,701
Imported	-	-
(b) Components & Spare Parts		
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)**

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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	6,73,18,893	7,22,19,026
	Contribution to Provident & Other Funds	25,15,879	26,87,605
	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	22,95,529	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	[illegible]
	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	[illegible]
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	1,75,160	2,06,688	1,39,372	2,47,854
	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	[illegible]
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 esclation 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

[illegible]	[illegible]	[illegible]
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	-
Adminstrative Expenses		
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 Fluctuatuion	-	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	37,16,555
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	-	-
Selling and Distribution Expenses		
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**

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS
NAGPUR

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	3,88,21,532
(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

K.K.MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

KINGSWAY, NAGPUR - 440001
PH. : 91-712 - 6629946 / 47,2554223
FAX No.: 91-712 - 6629948 / 6613404
TELEGRAM : METHOD
E-mail : mail@kkmindia.com

The Board of Directors,
Seam IndustriesLimited
K 43/2, Five Star Industrial Zone
MIDC, Butibori
Nagpur-441122

Dear Sirs,

Re: FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

We have completed the checking of the Financial Statements of the Company for the year under reference. We are enclosing herewith the Draft Balance Sheet as at 31st March 2015,Statement of Profit and Loss and Cash Flow Statements for the year ended 31st March 2015 along with Significant Accounting Policies & Notes to financial statements annexed thereto and forming part thereof for approval by the Board of Directors of the Company.

RESOLUTIONS FROM THE BOARD OF DIRECTORS:

The following matters may kindly be specifically noted and approved by passing suitable resolutions while adopting the enclosed set of Financial Statements along with schedules forming part thereof:

(Rupees in Lakhs)

1.	Addition to Fixed Assets: -	
	Tangible-	266.18
2.	Deletion To Fixed Assets	52.82
3.	Capital Work in Progress as on 31/03/2015	9.20
4.	Depreciation on Fixed Assets	487.36
5.	Carrying Cost Transferred To Reserves	1.81
6.	Profit On Sale Of Assets	40.56
7.	Net Deferred Tax Liability Reversed during the year	12.60
8.	Provision of Gratuity as on 31/03/2015	19.04
9.	Provision for Leave Encashment as on 31/03/2015	10.04
10.	Provision For Income Tax as on 31/03/2015	256.40

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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. PARANJAPE LANE, NEAR HOTEL VAISHALI, SHIVAJINAGAR PUNE - 411004.

19. CONFIRMATION FROM THE BOARD OF DIRECTORS THAT:

Accounting Policies

(i) The accounting policies, which are material or critical in determining the financial position and result, are set out in the financial statements.

(ii) The Accounts have been prepared on accrual basis as a going concern under historical cost convention.

Loans and Advances

Assets other than fixed assets and non-current investments are realizable in the ordinary course of business at the value at which they are stated in the Financial Statements.

Liabilities

All known liabilities have been provided for.

Provisions for Claims and Losses

(i) Provision has been made in the accounts for all known losses and material claims.

(ii) There have been no material events subsequent to the balance sheet date, which require adjustment of, or disclosure in, the Accounts or notes thereto.

General

(i) The directors of company as on 31stMarch, 2015 are not disqualified from being appointed as directors in terms of sub-section (1) of section 164 of the Companies Act, 2013.

(ii) The prices paid for purchase of goods and materials from any of the parties listed in the Register maintained under Section 189 of Companies Act,2013 are reasonable having regard to prevailing market prices of such goods and materials. In case of certain sales of goods or rendering of services from above parties are at prices which are comparable to the prices at which transactions for similar goods or services have been made with other parties, and that there were no transactions with Companies under the same management other than those listed in the Register maintained under Section 189 of the Companies Act,2013.

(iii) No Political Contributions have been made during the period in contravention of Sec 182 of the Companies Act 2013.

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

(iv) The Balance Sheet has been drawn in accordance with mandatory Accounting Standards issued by Institute of Chartered Accountants of India, as notified by the Companies (Accounts) Rules, 2014, as applicable to the Company.

As soon as we get a certified copy of necessary confirmations and resolutions for adoption of the Financial Statements, we shall forward the final Financial Statements duly certified by us.

Yours faithfully

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, 2015

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".

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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.

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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.

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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 31st March, 2015	Balance as on 31st 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.)

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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

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