

**ACRYSIL STEEL LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

---

---

## **INDEPENDENT AUDITORS' REPORT**

---

---

To  
The Members of  
[ACRYSIL STEEL LIMITED](#)

### **Report on the Financial Statements**

We have audited the accompanying financial statements of [Acrysil Steel Limited](#) ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, 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 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 of these financial statements that give a true and fair view of the financial position and financial performance 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 auditors' 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 auditors consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March 2017 and of the profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent possible.
2. 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 purpose 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 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 written representations received from the directors as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B; and
- g) With respect to the other matters to be included in the Auditors' 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 explanation 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 derivatives contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. In absence of any external evidences, based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. (refer note no. 26)

Mumbai  
May 25, 2017

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**  
SD/-  
**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

---

---

## **ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

---

---

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the Company.
- 2 The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties in the register maintained under section 189 of the Companies Act, 2013.
- 4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- 5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7 In respect of statutory and other dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - b. There are no amounts outstanding, which have not been deposited on account of dispute.

- 8 The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.
- 9 Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- 11 No managerial remuneration has been paid or provided by the Company during the year. Provisions of paragraph 3(xi) of the Order are, therefore, not applicable.
- 12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 The Company has made preferential allotment of 510,000 equity shares during the year under the review in compliance with section 42 of the Companies Act, 2013. The amounts raised have been used for the purpose for which the funds were raised.
- 15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

**SD/-**

Mumbai  
May 25, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

---

---

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

---

We have audited the internal financial controls over financial reporting of **Acrysil Steel Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

**SD/-**

Mumbai  
May 25, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

**ACRYSIL STEEL LIMITED**

**BALANCE SHEET AS AT 31st MARCH 2017**

(Amounts in Indian ₹)

Particulars	Note No.	31st March, 2017		31st March 2016	
<b><u>EQUITY AND LIABILITIES ::</u></b>					
<b>Shareholders' Funds</b>					
Share Capital	2	54,100,000		49,000,000	
Reserves and Surplus	3	<u>7,279,114</u>	61,379,114	<u>(3,530,444)</u>	45,469,556
<b>Non-Current Liabilities</b>					
Long-term Borrowings	4	36,232,638		48,465,782	
Other Long Term Liabilities		-		-	
Long-term Provisions	5	<u>534,653</u>	36,767,291	<u>395,541</u>	48,861,323
<b>Current Liabilities</b>					
Short-term Borrowings	6	22,671,962		17,357,766	
Trade Payables		41,585,689		31,847,463	
Other Current Liabilities	7	22,518,807		16,765,927	
Short-term Provisions	8	<u>1,853,260</u>	88,629,718	<u>259,079</u>	66,230,235
<b>Total...</b>			<u><u>186,776,123</u></u>		<u><u>160,561,114</u></u>
<b><u>ASSETS ::</u></b>					
<b>Non-Current Assets</b>					
<b><u>Fixed Assets</u></b>					
Tangible Assets	9	71,219,530		75,315,740	
Intangible Assets		67,864		184,214	
Capital Work-in-Progress		<u>972,205</u>		<u>113,718</u>	
		<u>72,259,599</u>		<u>75,613,672</u>	
Deferred Tax Assets		8,360,000		9,546,000	
Long-term Loans and Advances	10	593,007		1,116,347	
Other Non-current Assets		-	81,212,606	-	86,276,019
<b>Current Assets</b>					
Current Investments		-		-	
Inventories	11	68,912,488		46,190,165	
Trade Receivables	12	27,977,613		21,358,841	
Cash and Bank Balances	13	3,280,130		3,772,703	
Short-term Loans and Advances	14	5,393,286		2,963,386	
Other Current Assets		-	105,563,517	-	74,285,095
<b>Total...</b>			<u><u>186,776,123</u></u>		<u><u>160,561,114</u></u>

The accompanying notes 1 to 31 are an integral part of these financial statements.

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**C. A. PAREKH**  
Director  
(DIN: 00298807)

**P. H. GOHIL**  
Director  
(DIN: 03022804)

**MANOJ GANATRA**  
Partner

**KALPESH D VEKARIYA**  
Company Secretary

Mumbai  
May 25, 2017

Mumbai  
May 25, 2017

**ACRYSIL STEEL LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017**

(Amounts in Indian ₹)

Particulars	Note No.	2016-2017	2015-2016
<b>REVENUE :</b>			
Revenue from Operations (Gross)	15	172,544,618	140,784,225
Less: Excise Duty		<u>27,957,703</u>	<u>21,065,478</u>
Revenue from Operations (Net)		144,586,915	119,718,747
Other Income	16	1,166,957	787,951
Total Revenue		<u>145,753,872</u>	<u>120,506,698</u>
<b>EXPENSES :</b>			
Cost of Materials Consumed	17	78,011,555	56,308,256
Purchases of Stock-in-Trade		8,600,914	7,656,671
Changes in Inventories	18	(28,805,577)	(14,545,936)
Employee Benefits Expense	19	9,456,657	9,519,175
Finance Costs	20	9,693,675	9,906,824
Depreciation and Amortization		7,363,822	7,346,221
Other Expenses	21	53,234,743	36,969,329
Total Expenses		<u>137,555,789</u>	<u>113,160,540</u>
<b>Profit before exceptional and extraordinary items and tax</b>		8,198,083	7,346,158
Exceptional Items		-	-
Extraordinary Items		-	-
<b>Profit Before Tax</b>		8,198,083	7,346,158
Tax Expenses			
Current tax		1,562,000	-
Earlier years' tax		760,525	(12,412)
Deferred Tax		<u>1,186,000</u>	<u>2,842,000</u>
<b>Net Profit for the year</b>		<u>4,689,558</u>	<u>4,516,570</u>
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic / Diluted		0.94	0.92
The accompanying notes 1 to 31 are an integral part of these financial statements.			

As per our report of even date

For and on behalf of the Board of Directors

For SANGHAVI & COMPANY  
Chartered Accountants

C. A. PAREKH  
Director  
(DIN: 00298807)

P. H. GOHIL  
Director  
(DIN: 03022804)

MANOJ GANATRA  
Partner

KALPESH D VEKARIYA  
Company Secretary

Mumbai  
May 25, 2017

Mumbai  
May 25, 2017

**ACRYSIL STEEL LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

	2016-2017	2015-2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax and Extraordinary Items	81.98	73.46
<b>Adjustments for -</b>		
Depreciation and Amortization	73.64	73.47
Dividend	-	-
Interest	58.00	56.77
Operating Profit Before Working Capital Changes	213.62	203.70
<b>Adjustments for -</b>		
Trade and Other Receivables	(85.38)	(98.56)
Inventories	(227.22)	(178.57)
Trade and Other Payables	156.77	66.72
Cash generated from Operations	57.79	(6.71)
Direct Taxes Paid (Net)	(7.62)	0.68
<b>NET CASH FROM OPERATING ACTIVITIES</b>	50.17	(6.03)
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(40.10)	(14.86)
Sale of Fixed Assets	-	-
Interest Received	0.64	0.84
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(39.46)	(14.02)
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Loans Borrowed	(69.19)	79.32
Proceeds from Issue of Share Capital	112.20	-
Interest Paid	(58.64)	(57.61)
Dividend Paid	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(15.63)	21.71
Net Increase in Cash and Cash Equivalents	(4.92)	1.66
Cash and Cash Equivalents as at beginning of the year	37.73	36.07
<b>Cash and Cash Equivalents as at end of the year</b>	32.80	37.73

Cash and Cash Equivalents:

Cash and Bank Balances	32.80	37.73
Statutory restricted accounts	-	-
	32.80	37.73

As per our report of even date

**For and on behalf of the Board of Directors**

**For SANGHAVI & COMPANY**  
Chartered Accountants

**P. H. GOHIL**  
Directors

**MANOJ GANATRA**  
Partner

**C. A. PAREKH**  
Directors

Mumbai  
May 25, 2017

Mumbai  
May 25, 2017

## **Note No. 1**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **BASIS OF ACCOUNTING:**

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and are based on historical cost convention on an accrual basis.

#### **USE OF ESTIMATES:**

The preparation of financial statement in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### **FIXED ASSETS:**

All tangible assets are stated at cost less depreciation. All the costs incurred till the date the assets are put to use, have been capitalized and included in the cost of the respective assets. Depreciation is provided on Written Down Value method except for Buildings, Plant and Machinery and Dies and Moulds where depreciation is provided on Straight Line Method in the manner specified in Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013.

#### **INVENTORIES:**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

- Raw materials, traded goods and stores and spares – on a first-in first-out (FIFO) basis;
- Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.

#### **REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

Revenue from services are recognized as and when the services are rendered in terms of the agreements with the customers. Service tax, wherever applicable, is collected on behalf of the Government and therefore, excluded from the revenue.

#### **EXCISE AND CUSTOM DUTY:**

Excise duty in respect of goods manufactured by the Company is, according to the method consistently followed by the Company, accounted for at the time of removal of goods from the factory for sale.

However, excise duty payable on the closing stock of Finished Goods is provided for in the account. Purchases of goods and fixed assets are accounted for net of excise cenvat credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

## **EMPLOYEE BENEFITS:**

### **Post-employment benefit plans**

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the Company is made in accordance with the scheme with Life Insurance Corporation of India.
- ii. Defined Benefit Plan: The liabilities in respect of leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur.

### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

## **FOREIGN CURRENCY TRANSACTIONS:**

Foreign Currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit and loss account. Current assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising therefrom is dealt with in the profit and loss account.

## **BORROWING COSTS:**

Net costs of borrowed funds for the projects are capitalized and included in the cost of fixed assets till its completion and other borrowing costs are recognized as expenses in the period in which they are incurred.

## **TAXATION:**

Provisions are made for current income tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## **EARNING PER SHARE:**

Basic Earning per Share (EPS) is computed by dividing the net profit for the year attributable to the equity shareholders, by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted number of equity and dilutive equity equivalent shares outstanding at the year-end.

## **PROVISION AND CONTINGENCIES:**

The company creates a provision when there is present obligation as a result of a past event 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 when 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 can not be made.

## Note No. 2

### 2.1 Share Capital:

	31st March 2017	31st March 2016
	₹	₹
<b>Authorised</b>		
9,000,000 (5,000,000) equity shares of ₹ 10 each	90,000,000	50,000,000
	<u>90,000,000</u>	<u>50,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
5,410,000 (4,900,000) equity shares of ₹ 10 each fully paid up	54,100,000	49,000,000
	<u>54,100,000</u>	<u>49,000,000</u>

a. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years: Nil

### 2.2 Share Capital Reconciliation:

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	4,900,000	49,000,000
Shares issued during the year	510,000	5,100,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5,410,000	54,100,000

### 2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2017		31st March 2016	
	No. of shares	% of holding	No. of shares	% of holding
Acrysil Limited	4,598,000	84.99%	4,598,000	93.84%
Shri C A Parekh	710,000	13.12%	-	-

### 2.4 Rights, preferences and restrictions attached to shares

Equity Shares:

The company has one class of equity shares having a face value of ₹ 10 each ranking pari passu in all respects including voting rights and entitlement to dividend.

**Note No. 3**  
**Reserves and Surplus**

Particulars	31st March	31st March
	2017	2016
	₹	₹
<b>a. Securities Premium Account</b>		
Balance at the beginning of the year	-	-
Additions during the year	6,120,000	-
Balance at end the of the year	6,120,000	-
<b>b. Surplus</b>		
Balance at the beginning of the year	(3,530,444)	(8,047,014)
Net Profit for the year	4,689,558	4,516,570
Balance at the end of the year	1,159,114	(3,530,444)
	7,279,114	(3,530,444)

**Note No. 4**  
**Long Term Borrowings**

Particulars	31st March	31st March
	2017	2016
	₹	₹
<b>a. Secured</b>		
Term loans from banks (Indian rupee accounts)	6,232,638	8,465,782
	6,232,638	8,465,782
Notes:		
Term loan from a bank is secured by exclusive charge on movable properties excluding vehicles and hypothecation of all current assets both present and future and further secured by personal guarantees of some of the directors and corporate guarantee of the holding company, Acrysil Limited		
Period of default	NA	
Amount	Nil	
<b>b. Unsecured</b>		
From Holding Company, Acrysil Limited	30,000,000	30,000,000
From Directors	-	10,000,000
	30,000,000	40,000,000
	36,232,638	48,465,782

**Note No. 5**  
**Long Term Provisions**

Particulars	31st March	31st March
	2017	2016
	₹	₹
Provision for leave encashment	534,653	395,541
	534,653	395,541

**Note No. 6**  
**Short Term Borrowings**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<b>a. Secured</b>		
Working capital finance from banks (Indian rupee accounts)	22,671,962	17,357,766
	<b>22,671,962</b>	<b>17,357,766</b>

Working capital finance from a bank is secured by hypothecation of all current assets and exclusive charge on movable properties excluding vehicles, both present & future and further secured by the personal guarantees of some of the directors and corporate guarantee of the holding company, Acrysil Limited.

Period of default    NA  
Amount                Nil

**Note No. 7**  
**Other Current Liabilities**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Current maturities of long-term debt	4,045,693	3,360,410
Interest accrued and due on borrowings	11,819,027	8,444,027
Advances from customers	6,112	11,516
Statutory liabilities	3,710,342	2,843,148
Due to holding company	1,606,776	996,776
Other liabilities	1,330,857	1,110,050
	<b>22,518,807</b>	<b>16,765,927</b>

**Note No. 8**  
**Short Term Provisions**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Provision for bonus	241,633	212,776
Provision for leave encashment	63,748	46,303
Provision for income tax (net of payments)	1,547,879	-
	<b>1,853,260</b>	<b>259,079</b>

**Note No. 10**  
**Long-term Loans and Advances**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Unsecured (considered good)</u>		
Capital advances	234,079	757,419
Security deposits	358,928	358,928
	593,007	1,116,347

**Note No. 11**  
**Inventories**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Raw materials	5,408,095	8,196,451
Work-in-progress	31,426,437	10,674,238
Stock in trade	7,317,885	4,312,892
Finished goods	23,330,252	18,281,867
Stores & spares	1,346,059	1,578,550
Packing materials	83,760	1,062,653
Bought-out items	-	2,083,514
	68,912,488	46,190,165

**Note No. 12**  
**Trade Receivables**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Unsecured (considered good)</u>		
Over six months	1,867,153	346,299
Others	26,110,460	21,012,542
	27,977,613	21,358,841

includes -

	More than Six Months	Others
due from holding company	-	4,862,340

**Note No. 13**  
**Cash and Bank Balances**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>I. Cash and Cash Equivalents</u>		
<u>a. Balances with Banks:</u>		
Current accounts	61,908	677,964
Short term deposits	2,506,240	2,516,550
	2,568,148	3,194,514
b. Cash on Hand	711,982	578,189
	3,280,130	3,772,703
<u>II. Other Bank Balances</u>		
Dividend accounts	-	-
Terms deposits with more than 12 months maturity	-	-
Other terms deposits	-	-
	-	-
	3,280,130	3,772,703

**Note No. 14**  
**Short-term Loans and Advances**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Unsecured (considered good)</u>		
Trade advances to suppliers	3,310,277	890,842
Loans and advances to staff (including officers of the company Nil (₹ 40,000))	30,560	113,560
Input credits receivable	1,295,628	1,413,317
Advance payment of taxes (net of provision)	-	12,352
Other loans and advances	756,821	533,315
	5,393,286	2,963,386

**Note No. 9**  
**Fixed Assets**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1st April 2016	Additions	Deductions	As at 31st March 2017	As at 1st April 2016	Depreciation For the Year	On Deductions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
<b>Tangible Assets</b>										
Freehold Land	5,648,091	-	-	5,648,091	-	-	-	-	5,648,091	5,648,091
Buildings	41,751,044	314,608	-	42,065,652	4,306,446	1,321,940	-	5,628,386	36,437,266	37,444,598
Plant & Equipment	43,508,206	-	-	43,508,206	17,336,303	4,466,872	-	21,803,175	21,705,031	26,171,903
Moulds and Dies	10,231,800	-	-	10,231,800	5,099,535	782,149	-	5,881,684	4,350,116	5,132,265
Vehicles	1,329,968	2,486,981	-	3,816,949	803,599	504,468	-	1,308,067	2,508,882	526,369
Furniture & Fixtures	635,054	228,748	-	863,802	378,249	117,764	-	496,013	367,789	256,805
Office Equipment	1,715,201	120,925	-	1,836,126	1,579,492	54,279	-	1,633,771	202,355	135,709
	104,819,364	3,151,262	-	107,970,626	29,503,624	7,247,472	-	36,751,096	71,219,530	75,315,740
<b>Intangible Assets</b>										
Computer Software	905,376	-	-	905,376	721,162	116,350	-	837,512	67,864	184,214
	905,376	-	-	905,376	721,162	116,350	-	837,512	67,864	184,214
<b>Total...</b>	105,724,740	3,151,262	-	108,876,002	30,224,786	7,363,822	-	37,588,608	71,287,394	75,499,954
Previous Year	89,910,134	15,814,606	-	105,724,740	22,878,565	7,346,221	-	30,224,786	75,499,954	67,031,569

**Note No. 15**  
**Revenue from Operations**

Particulars	2016-2017 ₹	2015-2016 ₹
<u>Sale of Products</u>		
Domestic sales	151,863,855	109,754,615
Export sales	<u>15,170,540</u>	<u>20,845,058</u>
	<b>167,034,395</b>	130,599,673
<u>Other Operating Revenue</u>		
Foreign currency fluctuation gain/(loss)	(65,379)	228,588
Other operational income	<u>5,575,602</u>	<u>9,955,964</u>
	<b>172,544,618</b>	<b>140,784,225</b>

**Note No. 16**  
**Other Income**

Particulars	2016-2017 ₹	2015-2016 ₹
Interest receipts	64,815	84,073
Miscellaneous income	<u>1,102,142</u>	<u>703,878</u>
	<b>1,166,957</b>	<b>787,951</b>

**Note No. 17**  
**Cost of Materials Consumed**

Particulars	2016-2017 ₹	2015-2016 ₹
<u>Raw Materials Consumed</u>		
Opening stock	8,196,451	6,328,480
Purchase and direct expenses	<u>65,932,621</u>	<u>51,691,163</u>
	<b>74,129,072</b>	58,019,643
Closing stock	<u>5,408,095</u>	<u>8,196,451</u>
	<b>68,720,977</b>	49,823,192
Bought out items consumption	9,290,578	6,485,064
	<b>78,011,555</b>	<b>56,308,256</b>

**Note No. 18**  
**Changes in Inventories**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Opening Stock</u>				
Finished goods	18,281,867		8,349,853	
Stock in trade	4,312,892		-	
Work-in-progress	10,674,238	33,268,997	10,373,208	18,723,061
<u>Closing Stock</u>				
Finished goods	23,330,252		18,281,867	
Stock in trade	7,317,885		4,312,892	
Work-in-progress	31,426,437	62,074,574	10,674,238	33,268,997
		<u>(28,805,577)</u>		<u>(14,545,936)</u>

**Note No. 19**  
**Employee Benefit Expenses**

Particulars	2016-2017		2015-2016	
	₹		₹	
Salaries, wages, allowances and bonus		8,329,575		8,591,502
Contribution to employee benefit funds		611,823		496,733
Staff welfare expenses		515,259		430,940
		<u>9,456,657</u>		<u>9,519,175</u>
Includes remuneration to directors		-		-

**Note No. 20**  
**Finance Costs**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Interest</u>				
Working capital finance		2,625,792		2,034,364
Term loans		1,261,884		2,045,355
Others		5,351,037	9,238,713	5,568,790
		<u>9,238,713</u>		9,648,509
Other borrowing costs		454,962		258,315
		<u>9,693,675</u>		<u>9,906,824</u>

**Note No. 21**  
**Other Expenses**

Particulars	2016-2017	2015-2016		
	₹		₹	
<u>Manufacturing Expenses</u>				
Power & fuel	2,183,944		1,801,993	
Machinery repairs and maintenance	193,029		188,799	
Packing materials and expenses	8,473,221		5,569,163	
Stores & spares	9,209,572		6,230,948	
Other expenses	10,823,654	30,883,420	8,471,992	22,262,895
<u>Selling and Distribution Expenses</u>				
Sales discount and commission	-		6,872,756	
Advertisement and sales promotion expenses	708,714		192,621	
Export freight and insurance	465,631		161,785	
Other selling expenses	15,911,807	17,086,152	1,790,413	9,017,575
<u>Administrative and Other Expenses</u>				
Travelling expenses	386,772		273,350	
Rent	267,500		255,000	
Rates and taxes	16,332		2,400	
Insurance premiums	656,465		957,021	
Building and other repairs	722,604		848,709	
Director Sitting Fees	40,000		-	
Legal and professional fees	915,332		880,597	
Postage and telephone expenses	135,575		106,019	
Printing and stationery expenses	117,360		140,928	
Payments to auditors	120,000		100,000	
Bank discount, commission and other charges	674,987		903,485	
Vehicle expenses	52,476		40,428	
Prior period expenses	-		49,487	
General expenses	1,159,768	5,265,171	1,131,435	5,688,859
		<u>53,234,743</u>		<u>36,969,329</u>

22. Balances for trade receivables, trade payables and for loans and advances are subject to confirmations from the respective parties.
23. In the opinion of the directors, current assets, loans and advances are of the value stated in the balance sheet, if realized in the normal course of the business and also provisions for all known liabilities have been made.
24. Based on the confirmed orders on hand and the future projected profits of the company, balance in deferred tax assets of ₹ 8,360,000 is on account of carried forward business loss and unabsorbed depreciation under the Income Tax Act.
25. **Auditors' Remuneration:**

	<b>2016-2017</b>	2015-2016
	<b>₹</b>	<b>₹</b>
Audit Fees	<b>80,000</b>	60,000
Tax Audit Fees	<b>20,000</b>	20,000
Other Matters	<b>20,000</b>	20,000

26. Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

<b>Particulars</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
<b>Closing cash on hand as on 8<sup>th</sup> November, 2016</b>	755,500	16,206	771,206
Add: Withdrawal from Bank Accounts	-	480,000	480,000
Less: Paid for permitted transactions	-	230,528	230,528
Less: Amount deposited in Banks	755,500	-	755,500
<b>Closing cash on hand as on 30<sup>th</sup> December, 2016</b>	-	265,678	265,678

27. **Related Party Disclosures:**

<b>Key Managerial Personnel</b>	Shri Chirag A. Parekh Mr. Kalpesh D Vekariya
<b>Holding Company</b>	Acrysil Limited

**Transactions with related parties:**

<b>Particulars</b>	<b>Key Managerial Personnel ₹</b>	<b>Holding Company ₹</b>
(a) Loan taken	<b>100,000</b> (10,000,000)	-- (--)
(b) Loan Repaid	<b>10,100,000</b> (--)	- (-)
(c) Interest paid	<b>940,885</b> (587,089)	<b>3,750,000</b> (4,319,554)
(d) Sales	-- (--)	<b>26,019,249</b> (39,009,844)
(e) Job Work Income	-- (--)	-- (272,216)
(f) Office Rent paid	-- (--)	<b>60,000</b> (60,000)
(g) Outstanding Balances		
Unsecured Loans	-- (10,000,000)	<b>30,000,000</b> (30,000,000)
Trade Receivable	-- (--)	<b>4,862,340</b> (2,692,377)
Other Current Liabilities	4,223 (--)	<b>13,425,803</b> (9,440,803)
Other Loans and Advances	(--) (--)	-- (50,000)

28. Additional information (as certified by the management)

• Opening and Closing Stock of Finished and Traded Goods :

Class of Goods	Opening Stock ₹	Closing Stock ₹
Finished Goods :		
Kitchen Sinks	18,281,867	23,330,252
<b>Total</b>	<b>18,281,867</b>	<b>23,330,252</b>

• Sales :

Class of Goods	2016-2017 ₹	2015-2016 ₹
Manufactured Goods :		
Stainless Steel Kitchen Sinks	148,923,209	117,804,833
Accessories	18,111,186	12,794,840
<b>Total</b>	<b>167,034,395</b>	<b>130,599,673</b>

• Raw Material Consumed :

Raw Materials:	2016-2017 ₹	2015-2016 ₹
Stainless Steel	68,720,977	49,823,192
<b>Total</b>	<b>68,720,977</b>	<b>49,823,192</b>

• Consumption of Raw Materials, Components and Spare Parts :

	2016-2017 ₹	%	2015-2016 ₹	%
<b>Raw Materials :</b>				
Imported	-	-	4,487,485	9.01
Indigenous	68,720,977	100.00	45,335,707	90.99
	<b>68,720,977</b>	<b>100.00</b>	<b>49,823,192</b>	<b>100.00</b>
<b>Components and Spares Parts</b>				
Accessories Imported	3,214,177	100.00	3,464,725	100.00

• **Value of Imports C.I.F. basis :**

	2016-2017 ₹	2015-2016 ₹
Raw Material	--	4,487,485
<u>Components and Spares Parts</u>		
Store & Spares	372,106	--
Accessories	2,092,818	4,773,226
Hobs & Chimney	4,423,982	4,926,849
Food Waste Disposer	2,359,122	2,710,697

• **Earnings in Foreign Exchange :**

FOB value of Exports ₹ 14,704,909 (20,683,273)

29. Figures in the brackets are the figures for the previous year, unless otherwise stated.

30. All the amounts are stated in Indian Rupees, unless otherwise stated.

31. Previous year's figures are regrouped and rearranged, wherever necessary.

**Signatures to Notes 1 to 31**

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**MANOJ GANATRA**  
Partner

**KALPESH D VEKARIYA**  
Company Secretary

**P. H. GOHIL**  
Director  
(DIN: 03022804)

**C. A. PAREKH**  
Director  
(DIN: 00298807)

Mumbai  
May 25, 2017

Mumbai  
May 25, 2017