

- **BOARD OF DIRECTORS :**

**MR. S P MANGAL
MR. S N NAMBIAR**

- **AUDITORS :**

**M/s KEDIA & KEDIA ASSOCIATES,
CHARTERED ACCOUNTANTS
AHMEDABAD.**

- **REGISTERED OFFICE :**

**301, 'HINDPRAKASH' HOUSE,
PLOT NO.10/6,
PHASE-1, GIDC, VATVA,
AHMEDABAD-382 445**

- **CIN : U24100GJ2008PTC055401**

HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED

Regd. Office: 301, Hindprakash House, Plot No.10/6, GIDC, Vatva, Ahmedabad-382445
Tel: 39827000, Fax: 39827100, E-mail ID: info@hindprakash.com, URL: www.hindprakash.com

NOTICE

NOTICE is hereby given that the 9th **Annual General Meeting** of the Members of the Hindprakash Lonsen Industries Private Limited will be held on Friday, 29th September, 2017, at 10.00 A.M. at the Registered Office of the Company at 301, Hindprakash House, Plot No.10/6, G.I.D.C., Vatva Ahmedabad-382445 to transact the following business:

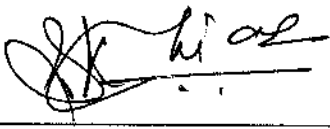
ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at 31st March, 2017 and Statement of Profit and Loss and Cash flow Statement for the year ended on 31st March, 2017 and the Report of the Directors' and Auditors' thereon.
- (2) To declare dividend on Equity Shares for the year ended 31st March, 2017.
- (3) To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT the appointment of M/s. Kedia & Kedia Associates, Chartered Accountants (who were appointed by members as statutory auditors of the company) having Firm Registration No. 104954W be and is hereby ratified until the conclusion of the next Annual General Meeting of the company, on such remuneration as may be decided by Mr. Sanjayprakash Mangal, Director of the Company.

NOTE:

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

<p>Place: Ahmedabad Date: 22/08/2017 <u>Registered office</u> 301, Hindprakash House Plot No.10/6, Gidc, Vatva Ahmedabad-382445.</p>	<p>By Order of The Board HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED</p> <p> (Signature) S N NAMBIAR Director DIN: 00144542</p>
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DIRECTORS' REPORT :

To,
THE MEMBERS

Your Directors present herewith the **9th ANNUAL REPORT** together with the Audited Financial Statements and Auditors' report thereon for the year ended 31ST March, 2017.

FINANCIAL RESULTS/ STATE OF COMPANY AFFAIRS:

The Financial Results of the Company for the year ended on 31st March, 2017 are as follows:-

Particulars'	(Amt. in Lacs)	
	Year 2016-2017	Year 2015-2016
Gross Income	8607.63	8346.69
Profit / (loss) Before Depreciation, Amortization and Taxation	325.28	302.77
Depreciation and Amortization	15.95	13.91
Profit / (Loss) before Taxation	309.33	288.86
Extra Ordinary Item	0	0
Provision for taxation - For Current Tax	(107.45)	(94.74)
Income Tax (Prior Period)	(0.53)	(0.18)
Provision for taxation - For Deferred Tax	(0.09)	(1.89)
Profit / (Loss) after Taxation	201.26	192.05
Appropriations:		
Proposed Dividend	-	(2.16)

DIVIDEND AND RESERVES:

During the year under review, your Directors recommended payment of dividend Rs. 0.05 per share on 21,55,460 Equity Shares of Rs. 10/- each amounting to Rs. 1,07,780/-. Further the Company has not transferred any amount to reserves during the year

MATERIAL CHANGES OR COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY:

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company under review and the date of the Board's Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

It is hereby stated that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors 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 and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for



safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts ongoing concern basis.

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF BOARD MEETINGS OF THE BOARD:

During the year under review, the Board of Directors duly met _6 times and the details of attendance of directors / members are as follows:

Name of Director	Date of Board Meeting				Total No. of Meetings attended
	16.05.2016	02.09.2016	10.12.2016	22.02.2017	
Mr. Santosh Nambiar	✓	✓	✓	✓	4/4
Mr. Sanjayprakash Mangal	✓	✓	✓	✓	4/4

DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the period under review.

LOANS FROM DIRECTOR/RELATIVE OF DIRECTOR:

The balances of monies accepted by the Company from Directors / relatives of Directors at the beginning of the year were Rs. Nil and at the close of year was Rs. Nil.

LOANS, GUARANTEES & INVESTMENTS U/S 186:

There are no loans, guarantee and security given by the Company and no investments have been made by the Company during the year under review.

EXTRACTS OF ANNUAL RETURN:

Extract of the Annual Return for the financial year ended under review in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 is annexed to this report as Annexure I.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Details of contracts or arrangements with related parties referred to in 188 (1) are as per **Annexure - II**.

STATUTORY AUDITORS AND THEIR OBSERVATION:

M/s. Kedia & Kedia Associates, Chartered Accountants (Registration No. 104954W) were appointed as Statutory Auditors, for a term of five years to hold office till the conclusion of the Annual general Meeting to be held for the financial year ending on March 31, 2019, subject to the ratification by the members at every Annual general Meeting. Accordingly, the appointment of said Statutory Auditors of the Company, is placed for ratification by the members.



The Auditors' Report to the members for the year under review does not contain any qualification.

INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Financial Control function is well defined.

PARTICULARS OF EMPLOYEES:

During the year under review, there are no employees drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RISK MANAGEMENT POLICY:

The Management regularly reviews the risk and took appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Company has a robust Business Risk Management (BRM) frame work to identify, evaluate, business risks, Financial risk, Competition risk, Human resource risk. In the opinion of the Board, no risk has been identified that may threaten the existence of the Company.

INDUSTRIAL RELATIONS:

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated hereunder:-

Conservation of Energy:**1. The steps taken or impact on conservation of energy:-**

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

2. The steps taken by the company for utilizing alternate sources of energy.

Company has not taken any step for utilizing alternate sources of energy.

3. The capital investment on energy conservation equipments.

Company has not made any capital investment on energy conservation equipments.

Technology Absorption

Company has not imported any technology and hence there is nothing to be reported here.

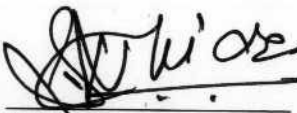



(C) FOREIGN EXCHANGE EARNING AND OUT GO:

- (i) The company is in the process of exploring the export markets.
- (ii) The total foreign exchange earned Rs. 4,02,22,753/- (Previous Year Rs. 6,14,74,877/-)
- (iii) The total foreign exchange outgo Rs 37,07,91,625/- (Previous Year Rs 20,58,23,003/-)

ACKNOWLEDGMENT:

Your Directors are thankful to regulatory and Government authorities, bankers and clients of the Company.

Date: 22/08/2017 Place: Ahmedabad	For HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED  (Signature) S N NAMBIAR Director DIN: 00144542  (Signature) S P MANGAL Director DIN: 02825484
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Annexure - I
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31st March, 2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U24100GJ2008PTC055401
ii	Registration Date	11th November,2008
iii	Name of the Company	HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED
iv	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company.
v	Address of the Registered office & contact details	301, Hindprakash House, Plot No.10/6,GIDC, Vatva, Ahmedabad-382445.
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

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 & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of Dyes	24114	69.14

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
N.A.					



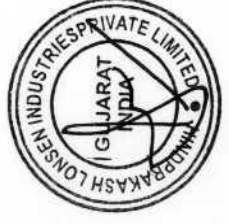
IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Dema t	Physical	Total	% of Total Shares	Dema t	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	2,155,340	2,155,340	99.99%	-	2,155,340	2,155,340	99.99%	0.00%
b) Central Govt. or State Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corporates	-	40	40	0.00%	-	40	40	0.00%	0.00%
d) Bank/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other (TRUST)	-	-	-	0.00%	-	-	-	0.00%	0.00%
SUB TOTAL: (A) (1)	-	2,155,380	2,155,380	100.00%	-	2,155,380	2,155,380	100.00%	0.00%
(2) Foreign									
a) NRI- Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other...	-	-	-	0.00%	-	-	-	0.00%	0.00%
SUB TOTAL (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	2,155,380	2,155,380	100.00%	-	2,155,380	2,155,380	100.00%	0.00%
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIS	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
SUB TOTAL (B)(1):	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) Non Institutions									
a) Bodies corporates	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	80	80	0.00%	-	80	80	0.00%	0.00%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
SUB TOTAL (B)(2):	-	80	80	0.00%	-	80	80	0.00%	0.00%
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	80	80	0.00%	-	80	80	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	-	2,155,460	2,155,460	100.00%	-	2,155,460	2,155,460	100.00%	0.00%



(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		Nos. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	Nos. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Shanker Global Private Limited	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
2	Hindprakash Tradelink Private Limited	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
3	Hindprakash Corporation Private Limited	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
4	Ahmedabad Chemicals Private Limited	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
5	Sanjayprakash O Mangal	419,920	19.48%	0.00%	419,920	19.48%	0.00%	0.00%
6	Sanjayprakash O Mangal (Karta of Sanjayprakash HUF)	39,960	1.85%	0.00%	39,960	1.85%	0.00%	0.00%
7	Dimple S Mangal	420,000	19.49%	0.00%	420,000	19.49%	0.00%	0.00%
8	Vedant S Mangal	420,000	19.49%	0.00%	420,000	19.49%	0.00%	0.00%
9	Radhika S Mangal	172,730	8.01%	0.00%	172,730	8.01%	0.00%	0.00%
10	Priyata S Mangal	172,730	8.01%	0.00%	172,730	8.01%	0.00%	0.00%
11	Om Prakash Mangal	420,000	19.49%	0.00%	420,000	19.49%	0.00%	0.00%
12	Om Prakash Mangal (Karta of Omprakash Sanjayprakash Mangal HUF)	60,000	2.78%	0.00%	60,000	2.78%	0.00%	0.00%
13	Om Prakash Mangal (Karta of O P S P Mangal HUF)	30,000	1.39%	0.00%	30,000	1.39%	0.00%	0.00%
	Total	2,155,380	100.00%	0.00%	2,155,380	100.00%	0.00%	0.00%



(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Shanker Global Private Limited				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
2	Hindprakash Tradelink Private Limited				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
3	Hindprakash Corporation Private Limited				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
4	Ahmedabad Chemicals Private Limited				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
5	Sanjayprakash O Mangal				
	At the beginning of the year	419,920	19.48%	419,920	19.48%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	419,920	19.48%	419,920	19.48%
6	Sanjayprakash O Mangal (Karta of Sanjayprakash HUF)				
	At the beginning of the year	39,960	1.85%	39,960	1.85%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	39,960	1.85%	39,960	1.85%



7	Dimple S Mangal				
	At the beginning of the year	420,000	19.49%	420,000	19.49%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	420,000	19.49%	420,000	19.49%
8	Vedant S Mangal				
	At the beginning of the year	420,000	19.49%	420,000	19.49%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	420,000	19.49%	420,000	19.49%
9	Radhika S Mangal				
	At the beginning of the year	173,730	8.01%	173,730	8.01%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	173,730	8.01%	173,730	8.01%
10	Priyata S Mangal				
	At the beginning of the year	173,730	8.01%	173,730	8.01%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	173,730	8.01%	173,730	8.01%
11	Om Prakash Mangal				
	At the beginning of the year	420,000	19.49%	420,000	19.49%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	420,000	19.49%	420,000	19.49%
12	Om Prakash Mangal (Karta of Om Prakash Sanjayprakash Mangal HUF)				
	At the beginning of the year	60,000	2.78%	60,000	2.78%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	60,000	2.78%	60,000	2.78%
13	Om Prakash Mangal (Karta of O P S P Mangal HUF)				
	At the beginning of the year	30,000	1.39%	30,000	1.39%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	30,000	1.39%	30,000	1.39%



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sarika S Modi				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
2	Shashi R Modi				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
3	Nancy Agarwal				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
4	Vibhor Agarwal				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
5	Anil Mathur HUF				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%
6	Ruhanshi Mathur				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%



7	Karuna Bagadia				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%

8	Rajendra P Modi				
	At the beginning of the year	10	0.00%	10	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	10	0.00%	10	0.00%

(v) Shareholding of Directors & KMP

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the	No of shares	% of total shares of the
1	Santosh N Nambiar				
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	0	0.00%	0	0.00%

2	Sanjayprakash O Mangal				
	At the beginning of the year	419,920	19.48%	419,920	19.48%
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year	419,920	19.48%	419,920	19.48%



V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	72,372,027	17,242,734	-	89,614,761
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	72,372,027	17,242,734	-	89,614,761
Change in Indebtedness during the financial year				
Additions	22,951,664	-	-	22,951,664
Reduction	-	3,749,387	-	3,749,387
Net Change	22,951,664	(3,749,387)	-	19,202,277
Indebtedness at the end of the financial year				
i) Principal Amount	95,323,691	13,493,347	-	108,817,038
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	95,323,691	13,493,347	-	108,817,038

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: N.A.

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
		Mr. Sanjay Mangal *	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	3,000,000	3,000,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	Total (A)	3,000,000	3,000,000
	Ceiling as per the Act		

* Appointed as Director only



B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	N.A.	N.A.
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify		
	Total (1)		
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify. (Salary)		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Cieling as per the Act.		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO	Total	
1	Gross Salary	NIL			NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.					
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	as % of profit					
	others, specify					
5	Others, please specify					
	Total					



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					

For HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED

Date: 22/08/2017
Place: Ahmedabad

Signature
S P MANGAL
(DIRECTOR)
DIN: 02825484

Signature
S N NAMBIAR
Director
DIN: 00144542



**Annexure - II
FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

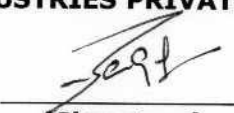
1. Details of contracts or arrangements or transactions not at Arm's length basis.

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements / transaction	Duration of the contracts/ arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Hindprakash Tradelink Pvt Ltd	A private company in which a director or manager or his relative is a member or director	Lease Rent Paid	01/04/2016 - 31/03/2017	Rs. 1,65,480	As per Note Below	As per note Below
Dimple Mangal	Relative of Director	Salary	01/04/2016 - 31/03/2017	Rs. 16,21,974/-	As per Note Below	As per Note Below

Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

Date: 22/08/2017 Place: Ahmedabad	For HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED	
	 (Signature) S N NAMBIAR Director DIN: 00144542	 (Signature) S P MANGAL Director DIN: 02825484





**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and 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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 there under.

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

We believe that the audit evidence obtained by us 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 & Loss and the Cash Flow statement dealt with by this Report are in agreement with the relevant 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 the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of 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 A".
- g. 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosure are in accordance with the books of account maintained by the Company and as produced to us by the management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, We give in "Annexure B" a Statement on the matters specified in paragraphs 3 and 4 of the Order.


SUBODH KEDIA

(M. No.: 043381), Partner
for and on behalf of
KEDIA & KEDIA ASSOCIATES
Chartered Accountants
FRN: 104954W
AHMEDABAD; August 22, 2017





**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON
THE FINANCIAL STATEMENTS OF HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED**

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

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION
143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of **HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

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 and the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 auditor's judgment, 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

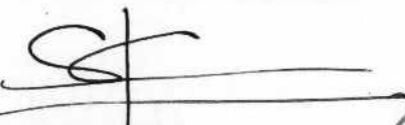
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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 payments 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, to the best of our information and according to the explanations given to us, 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.


SUBODH KEDIA

(M. No.: 043381), Partner
for and on behalf of

KEDIA & KEDIA ASSOCIATES

Chartered Accountants

FRN: 104954W

AHMEDABAD; August 22, 2017





**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON
THE FINANCIAL STATEMENTS OF HINDPRAKASH LONSEN INDUSTRIES PRIVATE LIMITED**
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)
**REPORT ON THE MATTERS SPECIFIED PARAGRAPHS 3 AND 4 OF THE COMPANIES (AUDITOR'S REPORT) ORDER,
2016 ("THE ORDER") ISSUED BY THE CENTRAL GOVERNMENT IN TERMS OF SECTION 143(11) OF THE COMPANIES
ACT, 2013 ("THE ACT")**

- (i)(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (i)(b) As explained to us, these fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- (i)(c) As per the information and explanations provided to us, title deeds of immovable properties are in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management. In our opinion, the frequency of the verification is reasonable. As explained to us, the discrepancies noticed on physical verification of inventory as compared to the book records were not material in relation to operations of the company, and have been properly dealt with in the books of account.
- (iii) The company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the company, whether reasonable steps for recovery of over-dues of such loans are taken does not arise.
- (iv) According to the information and explanations given to us, in our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the rules framed there under to the extent notified. Therefore, the provision of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act for the products manufactured by the Company. We have broadly reviewed the books of accounts/cost records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records. We are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) According to the records of the Company and information given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, duty of Customs, Value Added Tax, Cess and other applicable statutory dues with the appropriate authorities during the year. There are no arrears

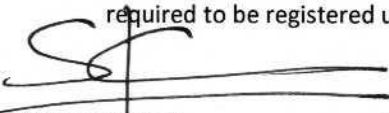


of outstanding undisputed statutory dues in respect of above taxes / dues as at March 31, 2017 for a period of more than six months from the date they become payable.

- (vii(b)) Details of dues of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rupees)	Period to which the amount relates	Forum where dispute is pending
NIL				

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company has not borrowed from financial institutions, government and it has not issued any debentures.
- (ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, monies raised by way of the term loans have been applied by the Company for the purposes for which they were raised.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid / provided managerial remuneration. The company is a private limited company and hence reporting under clause (xi) of Paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.


SUBODH KEDIA
(M. No.: 043381), Partner
for and on behalf of
KEDIA & KEDIA ASSOCIATES
Chartered Accountants
FRN: 104954W
AHMEDABAD; August 22, 2017



Balance Sheet as at 31st March 2017

Particulars	Note No.	2016-17 Rupees	2015-16 Rupees
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	21,554,600	21,554,600
(b) Reserves and Surplus	2	121,650,735	100,556,818
2 Share Application Money Pending Allotment		-	-
3 Non Current Liabilities			
(a) Long-term Borrowings	3	247,644	590,726
(b) Deferred Tax Liabilities (Net)	4	585,964	599,043
(c) Long-term Provisions	5	3,224,860	2,325,199
4 Current Liabilities			
(a) Short-term Borrowings	6	108,226,311	88,712,240
(b) Trade Payables	7	82,745,736	63,957,143
(c) Other Current Liabilities	8	5,121,548	2,604,483
(d) Short-term Provisions	9	2,986,738	4,239,037
TOTAL		346,344,136	285,139,289
II. ASSETS			
1 Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	33,252,660	32,950,789
(ii) Intangible Assets		475,979	-
(iii) Capital Work-In-Progress	10	-	-
(b) Non-current Investments	11	369,500	369,500
(c) Long Term Loans and Advances	12	104,499	102,000
2 Current Assets			
(a) Inventories	13	98,767,078	84,219,760
(b) Trade Receivables	14	164,283,522	126,431,076
(c) Cash and Bank Balance	15	437,297	840,682
(d) Short-term Loans and Advances	16	48,653,601	40,225,482
(e) Other Current Assets	17	-	-
TOTAL		346,344,136	285,139,289
Accounting Policies and Notes forming part of the financial statements	1 - 25		

This is the Balance Sheet referred to in our report of even date.

(SUBODH KEDIA)
Partner (M.No.:043381)

For and on behalf of
KEDIA & KEDIA ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN 104954W)

DATE : 22/08/2017
PLACE : AHMEDABAD



For and on behalf of the Board

S P MANGAL
(DIRECTOR)
DIN: 02825484

S N NAMBIAR
(DIRECTOR)
DIN: 00144542

DATE : 22/08/2017
PLACE : AHMEDABAD

Statement of Profit and Loss for the year ended 31st March 2017

Particulars	Note No.	2016-17 Rupees	2015-16 Rupees
I. Revenue from operations (Gross)	18	942,862,227	927,493,678
Less: Excise Duty		(82,099,394)	(92,824,483)
Revenue from operations (Net)		860,762,833	834,669,195
II. Other income	19	43,018	70,639
III. Total Revenue (I + II)		860,805,851	834,739,834
IV. Expenses:			
Cost of Materials Consumed	20	756,678,491	741,659,356
Changes in Inventories of Finished Goods	21	3,187,793	1,642,288
Employee Benefits Expense	22	16,200,352	14,996,282
Other Expenses	23	38,802,559	33,396,366
Total expenses		814,869,195	791,694,292
V. Profit Before Interest, Depreciation and Tax (III- IV)		45,936,656	43,045,542
Finance Costs	24	12,607,314	12,768,042
Depreciation and Amortization Expense		1,595,068	1,391,333
V Profit Before Tax (III- IV)		31,734,274	28,886,167
VI Tax expense:			
(1) Current Income Tax		(10,600,000)	(9,474,000)
(2) Income Tax (Prior Period)		(53,436)	(17,758)
(3) Deferred Tax		13,079	(189,175)
VII Profit (Loss) For the Year (V + VI)		21,093,917	19,205,234
VIII Earnings per equity share of Rs. 10/- each:			
(1) Basic		9.79	8.91
(2) Diluted		9.79	8.91
Accounting Policies and Notes forming part of the financial statements	1 - 25		

This is the Statement of Profit and Loss referred to in our report of even date.

(SUBODH KEDIA)

Partner (M.No.:043381)

For and on behalf of

KEDIA & KEDIA ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN 104954W)

DATE : 22/08/2017

PLACE : AHMEDABAD



For and on behalf of the Board

S P MANGAL
(DIRECTOR)

DIN: 02825484

S N NAMBIAR
(DIRECTOR)

DIN: 00144542

DATE : 22/08/2017

PLACE : AHMEDABAD

**HINDPRAKASH LONSEN INDUSTRIES
PRIVATE LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

HindPrakash
9th Annual Report 2016-17

Particulars	2016-17 Rupees	2015-16 Rupees
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax (A)	31,734,274	28,886,167
Adjustments for :		
Depreciation & Amortization	1,595,068	1,391,333
Loss/(Gain) on Sale of Fixed Assets	-	-
Unrealised Foreign Exchange (Gain) / Loss (Net)	(1,472,268)	(1,001,407)
Forward / Option Premium Adjustment	(855,748)	-
Provision for Gratuity	899,661	603,601
Provision for Previdge Leave	53,787	(170,654)
Excise Duty Adjustment on Finished Goods	(509,159)	(246,424)
Interest / Finance Charges	12,607,314	12,768,042
Interest & Dividend Earned	(5,001)	(27,888)
Sub Total (B)	12,313,654	13,316,603
Operating Profit Before Working Capital Changes (A + B)	44,047,928	42,202,770
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in Inventories	(14,547,318)	7,325,640
(Increase)/ Decrease in Trade Receivable	(37,790,572)	40,806,434
(Increase)/ Decrease in Advances to Suppliers	(690,685)	6,168,376
(Increase)/ Decrease in Short Term Loans & Advances	(6,944,293)	6,751,050
(Increase)/ Decrease in Other Non Current Assets	(2,499)	112,750
(Increase)/ Decrease in Other Current Assets	-	615,030
Increase/ (Decrease) in Trade Payables	20,198,987	(32,049,525)
Increase/ (Decrease) in Other Current Liabilities	2,579,672	(677,957)
Sub Total (C)	(37,196,708)	29,051,798
Cash Generated from Operations (A + B + C)	6,851,220	71,254,568
Income tax paid during the year (D)	(11,190,930)	(10,191,666)
Net Cash Generated from Operations (A + B + C + D)	(4,339,710)	61,062,902
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,372,918)	(7,371,180)
Sales of Fixed Assets	-	-
(Increase)/ Decrease in Other Bank Balances not considered as Cash and Cash Equivalents	385,799	17,218
Interest & Dividend Received	5,001	27,888
Net Cash Generated from Investing Activities	(1,982,118)	(7,326,074)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Share Capital Issued	-	-
Net of Repayment/ Proceeds from Working Capital Borrowings	23,263,458	(48,478,727)
Net of Repayment/ Proceeds from Long Term Borrowing	(343,082)	590,726
Net of Repayment/ Proceeds from Unsecured Short Term Borrowing	(3,749,387)	(11,316,873)
Interest/ Finance Charges Paid	(12,607,314)	(12,768,042)
Dividend & Dividend Tax Paid	(259,433)	(518,852)
Net Cash Generated from Investing Activities	6,304,242	(72,491,768)
Net Increase in Cash and Cash Equivalents	(17,586)	(18,754,940)
Cash and Cash Equivalents at the beginning of the Year	424,378	19,179,318
Cash and Cash Equivalents at the end of the Year	406,792	424,378
Cash and Cash Equivalents comprise of :		
Cash on Hand	360,672	406,915
Balance with Bank	46,120	17,463
Total	406,792	424,378

Notes:

(1) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements".

(2) Cash and cash equivalents at the end of the year represent cash and bank balances and includes unrealised loss of Rs. 2302/- (Previous Year gain of Rs. 637/-) on account of translation of foreign currency balances.

(3) Previous year's figures have been regrouped/reclassified wherever applicable.

This is the Cash Flow Statement referred to in our report of even date.

(SUBODH KEDIA)
Partner (M.No.:043381)
For and on behalf of
KEDIA & KEDIA ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN 104954W)
DATE : 22/08/2017
PLACE : AHMEDABAD



For and on behalf of the Board

S P MANGAL
(DIRECTOR)
DIN: 02825484

S N NAMBIAR
(DIRECTOR)
DIN: 00144542

DATE : 22/08/2017
PLACE : AHMEDABAD

Note 1

Share capital

<u>Share Capital</u>	2016-17	2015-16
	Rupees	Rupees
Authorised		
25,00,000 (25,00,000) Equity Shares of Rs. 10/- each	25,000,000	25,000,000
Issued		
21,55,460 (21,55,460) Equity Shares of Rs. 10/- each	21,554,600	21,554,600
Subscribed & Paid up		
21,55,460 (21,55,460) Equity Shares of Rs. 10/- each fully paid	21,554,600	21,554,600
Per Balance Sheet	21,554,600	21,554,600

Note:

1.1 Rights, preferences and restrictions attached to shares:

Equity Shares:

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

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

Particulars	2016-17	2015-16
	Number	Number
Equity Shares of Rs. 10/- each:		
Shares outstanding at the beginning of the year	2,155,460	2,155,460
Add: Shares Issued during the year	-	-
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	2,155,460	2,155,460

1.3 Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2016-17	
	No. of Shares held	% of Holding
Dimple S Mangal	420,000	19.49%
Omprakash Mangal	420,000	19.49%
Priyata S Mangal	172,730	8.01%
Radhika S Mangal	172,730	8.01%
Sanjayprakash O Mangal	419,920	19.48%
Vedant S Mangal	420,000	19.49%
Name of Shareholder	2015-16	
	No. of Shares held	% of Holding
Dimple S Mangal	420,000	19.49%
Omprakash Mangal	420,000	19.49%
Priyata S Mangal	172,730	8.01%
Radhika S Mangal	172,730	8.01%
Sanjayprakash O Mangal	419,920	19.48%
Vedant S Mangal	420,000	19.49%



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Note 2

Reserves and Surplus

Particulars	2016-17	2015-16
Securities Premium on Equity Shares Account		
Opening Balance	20,220,550	20,220,550
Add : Securities premium credited on Share issue	-	-
Less : Premium utilised for redemption of Preference Shares	-	-
Closing Balance	20,220,550	20,220,550
Surplus in the Statement of profit and loss		
Balance as per the last financial statements	80,336,268	61,390,467
Add: Net Profit/(Net Loss) For the current year	21,093,917	19,205,234
Less: Proposed Dividend	-	(215,546)
Less: Tax on Proposed Dividend	-	(43,887)
Closing Balance	101,430,185	80,336,268
Per Balance Sheet	121,650,735	100,556,818

Note 3

Long Term Borrowings

Particulars	2016-17	2015-16
Secured		
From Bank		
HDFC Bank Limited (Vehicle Loans) (Secured against respective Vehicle)	247,644	590,726
Per Balance Sheet	247,644	590,726

3.1 Maturity Profile (Repayment) of Vehicle Loans (Repayable in monthly EMI)

2018 - 19	247,644
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3.2. The rate of interest applicable to the vehicle loan is 9.60% per annum.

Note 4

Deferred tax liabilities (Net)

Particular of Timing Difference	Liabilities		Assets	
	Current Year	Previous Year	Current Year	Previous Year
Difference between book and tax depreciation	1,997,683	1,640,923	-	-
Employee Benefit	-	-	1,343,510	1,028,272
Preliminary Expenses	-	-	-	9,919
Other Expenses on payment basis (U/s 43B/40(a)(ia) etc.	-	-	68,209	3,689
Total Deferred Tax Liabilities	1,997,683	1,640,923		
Total Deffered Tax Assets			1,411,719	1,041,880
Net Deffered Tax Assets/Liabilities	585,964	599,043	-	-

Note 5

Long Term Provisions

Particulars	2016-17	2015-16
Provision for employee benefits		
Gratuity (unfunded)	3,224,860	2,325,199
Per Balance Sheet	3,224,860	2,325,199



Note 6

Short Term Borrowings

<u>Particulars</u>	2016-17	2015-16
Secured		
Loan repayable on demand		
IDBI BANK LTD (Cash Credit Account) (See Note No. 6.1)	94,732,964	71,469,506
	94,732,964	71,469,506
Unsecured		
Loans repayable on demand		
from Shareholders	13,493,347	17,242,734
	13,493,347	17,242,734
Per Balance Sheet	108,226,311	88,712,240

6.1. The Company has created a charge in favour of IDBI Bank Ltd, to the extent of Rs. 1500 Lacs (Previous Year Rs. 1500 Lacs) by way of hypothecation of moveable properties including moveable plant and machineries etc. and Raw Material, Goods, Book Debts, Vehicles and all other moveables of the company as a security for Cash Credit and other working capital facilities. The above facilities are further collaterally secured by way of equitable mortgage of company's shed no. A2-114 and A2-115, Vatva Industrial Estate, Phase II, GIDC, Ahmedabad. The above facilities are further guaranteed by two directors of the company in their personal capacity.

Note 7

Trade Payable

<u>Particulars</u>	2016-17	2015-16
Due to Micro & Small Enterprise	-	-
Due to Others	81,000,029	62,619,294
Current Liability for Expenses	1,745,707	1,337,849
Per Balance Sheet	82,745,736	63,957,143

7.1 The amount payable to Micro, Small & Medium units is based on the status of the parties as available with the Company.

7.2 None of the Suppliers of goods and services has confirmed their status as micro, small & medium enterprises under Micro, Small & Medium Enterprise Development (MSMED) Act, 2006. Hence company has no details to disclose under section 22 of the MSMED Act.

Note 8

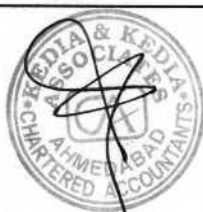
Other Current Liabilities

<u>Particulars</u>	2016-17	2015-16
(a) Current maturities of long-term debt		
- HDFC Bank Vehicle Loan Installments repayable with in 12 Months (Secured) (See Note 3)	343,083	311,795
(b) Advance from Customers	199,854	338,131
(c) Other Statutory Liability	3,282,164	1,891,950
(d) Forward / Option (FEC)	-	62,607
(e) Others	1,296,447	-
Per Balance Sheet	5,121,548	2,604,483

Note 9

Short Term Provisions

<u>Particulars</u>	2016-17	2015-16
Provision for employee benefits		
Leave Encashment (unfunded)	838,626	784,839
Others		
Income Tax [Net of Prepaid Tax]	664,800	1,202,294
Proposed Dividend on Equity Shares	-	215,546
Tax on Proposed Dividend	-	43,887
Excise Duty Payable on Finished Goods	1,483,312	1,992,471
Per Balance Sheet	2,986,738	4,239,037



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Note 10

FIXED ASSETS

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	Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
		Balance as at 1 April 2016	Additions/ (Disposals)	(Disposals) / Adjustments	Balance as at 31 Mar. '2017	Balance as at 1 April 2016	Depreciation charge for the year	(Disposals) / Adjustments	Balance as at 31 Mar. '2017	Balance as at 31 March 2016
a	Tangible Assets (Own use)									
	Land (Lease Hold)	9,609,620	-	-	9,609,620	-	-	-	9,609,620	9,609,620
	Factory Buildings	7,823,876	-	-	7,823,876	961,817	246,811	-	6,615,248	6,862,059
	Other Buildings	6,602,480	-	-	6,602,480	255,620	249,514	-	6,097,346	6,346,860
	Plant and Equipment	9,495,361	1,776,781	-	11,272,142	1,862,462	625,045	-	8,784,635	7,632,899
	Furniture and Fixtures	30,191	71,012	-	101,203	12,082	6,736	-	82,385	18,109
	Office equipment	258,309	-	-	258,309	91,561	45,044	-	121,704	166,748
	Electrical Installation	55,297	-	-	55,297	28,894	7,879	-	18,524	26,403
	Computers	443,925	22,625	-	466,550	334,795	44,769	-	86,986	109,130
	Vehicles	2,598,770	-	-	2,598,770	578,185	314,003	-	1,706,582	2,020,585
	Laboratory Equipments	251,026	-	-	251,026	92,650	28,746	-	129,630	158,376
	Total (a)	37,168,855	1,870,418	-	39,039,273	4,218,066	1,568,547	-	33,252,660	32,950,789
	Previous Year	29,797,675	7,371,180	-	37,168,855	2,826,733	1,391,333	-	32,950,789	26,970,942
b	Intangible Assets (b)	-	502,500	-	502,500	-	26,521	-	475,979	-
c	Capital Work In Progress	-	-	-	-	-	-	-	-	-
	Total (c)	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-
	Total (a + b + c)	37,168,855	2,372,918	-	39,541,773	4,218,066	1,595,068	-	33,728,639	32,950,789
	Previous Year	29,797,675	7,371,180	-	37,168,855	2,826,733	1,391,333	-	32,950,789	26,970,942



Note 11

Non-current Investments (Long Term Investment)

<u>Particulars</u>	2016-17	2015-16
Non Trade Investment at Cost (Unquoted)		
Others		
50 (50) Shares of Green Environment Service Co-op Society Ltd	300,000	300,000
Green Environment Water Booking	69,500	69,500
Per Balance Sheet	369,500	369,500

<u>Particulars</u>	2016-17	2015-16
Aggregate amount of Quoted Investment	Nil	Nil
Aggregate Market Value of Quoted Investment	NA	NA
Aggregate amount of Unquoted Investment	369,500	369,500

Note 12

Long-term Loans and Advances (Unsecured, considered good)

<u>Particulars</u>	2016-17	2015-16
Prepaid Income Tax / Advance Tax / T.D.S. (Net of Provisions, if any)	-	-
Deposit	104,499	102,000
Prepaid Expenses	-	-
Per Balance Sheet	104,499	102,000

<u>Particulars</u>	2016-17	2015-16
Long-term Loans and Advances include due from:		
Director	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-
Total	-	-

Note 13

Inventories (As taken, valued and certified by the management)

<u>Particulars</u>	2016-17	2015-16
Raw Materials and components (Valued at or below cost)	85,874,469	67,573,080
Finished goods (Valued at or below cost)	12,300,753	15,997,705
Packing Material (Valued at or below cost)	591,856	648,975
Per Balance Sheet	98,767,078	84,219,760

Note:

13.1 Stock lying in custom bonded warehouse Rs. Nil (Previous Year Rs. Nil)

13.2 Stock lying at Highseas Location Rs. Nil (Previous Year Rs. Nil)

13.3 Value of Raw Material shown above is exclusive of Stock/Goods in transit (Import) of Rs. 4,66,08,458/- (Previous Year Rs. 1,67,35,465/-). Corresponding liability is also not provided under the head Trade Payable.



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Note 14

Trade Receivables (Unsecured and Considered good)

Particulars	2016-17	2015-16
Over Six Months	6,132,181	5,039,001
Others	158,151,341	121,392,075
Per Balance Sheet	164,283,522	126,431,076

Particulars	2016-17	2015-16
Trade Receivable include due from:		
Director	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-
Total	-	-

Note 15

Cash and Bank Balance

Particulars	2016-17	2015-16
A. Cash and Cash Equivalents		
(a) Cash on hand	360,672	406,915
(b) Balances with banks		
(i) In Current Account	46,120	17,463
(ii) In Bank Deposit (original maturity of 3 months or less) (Not under lien for security)	-	-
Total Cash and Cash Equivalents	406,792	424,378
B. Other Bank Balances (See Note no. 15.2)		
(a) Other Bank Deposits (original maturity of 3 months or less) (under lien for security)	-	292,612
(b) Other Bank Deposits (Original Maturity more than 3 months) (See Note No. 15.1 and 15.2)	30,505	123,692
Total Other Bank Balances	30,505	416,304
Per Balance Sheet	437,297	840,682

15.1. Other Bank Deposit include Rs. Nil (Previous Year Rs. 28,115/-) deposits with remaining maturity of more than 12 months from the balance sheet date.

15.2. Bank Deposits includes Rs. 30,505/- (Previous Year Rs. 4,16,304/-) pledge for Import Letter of Credit Facility / pledge with Commercial Tax Department.



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Note 16

Short-term Loans and Advances

<u>Particulars</u>	2016-17	2015-16
a. loans and Advance to Related parties	-	-
b. Others (Unsecured, considered good)		
Loans given	-	-
Loans to Employees	55,000	-
Prepaid Expenses	308,250	283,821
Deposits	30,000	25,000
Excise, Service Tax, Vat etc Receivable	46,609,913	39,752,833
Advances to Suppliers	830,939	140,254
Forward Option	801,199	8,058
Others	18,300	15,516
Per Balance Sheet	48,653,601	40,225,482

<u>Particulars</u>	2016-17	2015-16
Loans and Advances include due from:		
Director	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-
Total	-	-

Note 17

Other Current Assets

<u>Particulars</u>	2016-17	2015-16
Others	-	-
Per Balance Sheet	-	-



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Note 18

Revenue from Operations

Particulars	2016-17	2015-16
Sale of products	942,146,757	926,354,438
Other operating revenues	715,470	1,139,240
Less: Excise duty	(82,099,394)	(92,824,483)
Per Statement of Profit and Loss	860,762,833	834,669,195

Note:

Particulars	2016-17	2015-16
(i) Sale of Product Comprises - Manufactured Goods		
- Auxiliary	62,352,892	48,127,816
- Dyes	594,618,739	691,967,448
(ii) Sale of Product Comprises - Trading Goods		
- Dyes	202,957,562	93,434,691
- Auxiliary	118,170	-
- Others	-	-
Total	860,047,363	833,529,955
(iii) Other operating revenues included		
- Export Incentive Income	715,470	1,139,240
Total	715,470	1,139,240

Note 19

Other Income

Particulars	2016-17	2015-16
Interest Income (Refer Note 19.1 below)	5,001	27,888
Other non-operating income (net of expenses directly attributable to such income) (Refer Note 19.2 below)	38,017	42,751
Per Statement of Profit and Loss	43,018	70,639

Note: 19.1

Interest Income Comprises:

- Interest from banks on Deposit	5,001	27,888
- Interest from Income Tax Refund	-	-
Total	5,001	27,888

Note: 19.2

Other Non Operating Income Comperises:

- Sale of Scrap / Packing Material	33,107	39,209
- Sale of DEPB	-	-
- Misc Income	-	-
- Exchnage Rate difference Others	4,910	3,542
Total	38,017	42,751



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Note 20

Cost of Materials Consumed (including Cost of Traded Goods)

Particulars	2016-17	2015-16
Opening Stock	67,573,080	72,846,374
Add : Purchases and incidental expenses (Net of returns, claims & discount, if any)	774,979,880	736,386,062
Less : Closing Stock	(85,874,469)	(67,573,080)
Per Statement of Profit and Loss	756,678,491	741,659,356

Particulars	2016-17	2015-16
- Auxiliary	50,297,665	28,363,837
- Basic Chemical	8,719,434	12,997,827
- Dyes	696,068,800	699,411,095
- Others	1,592,592	886,597
Total	756,678,491	741,659,356

Value of Material Consumed	2016-17	2015-16
Imported - Value	392,428,832	269,947,533
Imported - %	51.86%	36.40%
Indigenous - Value	364,249,659	471,711,823
Indigenous - %	48.14%	63.60%
Total - Value	756,678,491	741,659,356
Total - %	100.00%	100.00%

Note 21

Changes in Inventories of Finished Goods

Particulars	2016-17	2015-16
Opening Stock :		
Finished Goods	15,997,705	17,886,417
Closing Stock :		
Finished Goods	(12,300,753)	(15,997,705)
Add/(Less): Excise Duty adjustments on Finished Goods	(509,159)	(246,424)
Per Statement of Profit and Loss	3,187,793	1,642,288

Note 22

Employee Benefits Expense

	2016-17	2015-16
Salaries and Wages	14,383,752	13,501,658
Contributions to Provident Fund and Other Fund	491,373	451,382
Gratuity and Leave Encashment	1,050,175	886,318
Staff welfare expenses	275,052	156,924
Per Statement of Profit and Loss	16,200,352	14,996,282



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Note 23

Other Expenses

Particulars	2016-17	2015-16
Manufacturing Expenses		
Consumption of Stores and Spare Parts	4,722	9,506
Packing Material Consumed and Packing Expenses	4,469,568	4,945,795
Power and Fuel	405,946	481,706
Repairs to Building	701,800	3,500
Repairs to Machinery	52,172	86,344
Jobwork Process Charges	420,296	399,609
Other Factory Expenses	43,874	43,569
Laboratory Expense	51,546	382,467
Water & Water Treatment Charges	158,780	132,901
Administrative, Selling and Other Expenses		
Advertisement Expenses	82,396	152,730
Bank Charges etc.	404,554	488,271
Business Promotion Expenses	267,240	353,290
Claims, Damages and Discounts	-	-
Commission on Sales	17,353,269	14,080,803
Conveyance Expense	159,470	166,295
Donation	1,697,439	571,000
Export Expenses	1,276,650	1,679,023
Fare Participation Expense	30,702	996,039
FEC Hedging Expenses	1,574,060	329,765
Freight & Cartage	474,783	541,875
Insurance	163,072	175,680
Legal Charges and Consultancy Fees	4,302,909	1,512,816
Loading and Unloading Expenses	716,521	596,398
Other Office & Misc. Expenses	343,786	645,729
Other Selling Expenses	2,037,893	1,776,417
Payments to Auditor	244,617	228,090
Printing & Stationery	21,874	38,852
Prior Period Item (Net)	-	-
Rates and Taxes	149,964	605,752
Rent	172,363	143,564
Repairs to Others	276,658	138,941
Sample Expense	1,006	-
Telephone, Postage & Courier Expenses	33,841	44,957
Travelling Expense	708,788	1,644,682
Per Statement of Profit and Loss	38,802,559	33,396,366

Details of Prior Period Item

Particulars	2016-17	2015-16
Prior Period Expenses	-	-
Prior Period Income	-	-
Total	-	-

Details of Payment to Auditors

Particulars	2016-17	2015-16
For Audit Fees	150,750	150,000
For Tax Audit Fees	75,375	30,000
For Certification and Others	18,492	48,090
Total	244,617	228,090

Value of Stores Consumed

Particulars	2016-17	2015-16
Indigenous - Value	4,722	9,506
Indigenous - %	100%	100%
Total - Value	4,722	9,506
Total - %	100%	100%



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Note 24

Finance Costs

Particulars	2016-17	2015-16
Interest Expense:		
- on Borrowings	12,155,001	12,384,422
- on Term Loan	70,981	37,130
- on Income Tax	120,000	12,000
- on Others	17,828	8,622
Other Finance Cost	243,504	325,868
Per Statement of Profit and Loss	12,607,314	12,768,042



NOTE: 25

ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENT

A) SIGNIFICANT ACCOUNTING POLICIES:

1) (a) BASIS OF ACCOUNTING:

The financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees.

(b) USE OF ESTIMATES:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual result could differ from those estimated.

2) FIXED ASSETS:

Fixed Assets are stated at cost less accumulated depreciation. The cost is inclusive of directly attributable incidental expenditure.

3) DEPRECIATION:

Depreciation is charged in the accounts on Fixed Assets on straight-line method. Depreciation is provided based on useful life of the assets as prescribed in schedule II of The Companies Act, 2013. Computer software is amortised over a period of 3 years.

Depreciation on assets added / disposed off during the year is charged on pro-rata basis with reference to the month of addition / disposal.

4) INVESTMENT:

Long Term Investments are stated at cost. However, when there is a diminution, other than temporary, in the value of long term investments, the carrying cost is reduced to recognize the diminution.

5) INVENTORIES:

Inventories are valued at or below cost. The cost is assigned on the basis of specific identification method / FIFO method, as the case may be.

6) REVENUE RECOGNITION (SALE OF GOODS):

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customers, as per the terms of the respective sales order. Sales are recorded exclusive of sales tax (vat), recoveries in the nature of freight etc. Sales are inclusive of excise duty and net of trade discount.



7) PURCHASES:

Purchases are inclusive of expenses on purchase, import duty etc and are net of taxes (for which credit is available), claims / discount.

Purchases (Imports) are accounted for in the books when the goods is arrived on destination port except in case when goods are sold in transit (on highseas basis), in such cases purchases (Imports) are accounted for in the books immediately on sale. Goods in Transit (Import) is shown by way of note to Balance Sheet.

8) PROVISIONS AND CONTINGENT LIABILITIES:

- a) Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation.
- b) Contingent liabilities are disclosed by way of a note to the Financial Statement, after careful evaluation by the management of the facts and legal aspects of the matter involved.

9) CUSTOM DUTY:

Liabilities on account of custom duty on imported materials in transit or in bonded warehouse are accounted only in the year in which the goods are cleared from customs.

10) OPERATING LEASE:

Assets taken on lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments made under Operating Leases are recognised as expenditure in accordance with respective Lease Agreements.

11) INCOME TAX:

The Provision for income tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for the timing differences capable of reversal in subsequent period between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised subject to consideration of prudence.

12) FOREIGN CURRENCY TRANSACTION:

- a) Transaction in foreign currency is initially recorded at a rate, which closely approximates the exchange rate prevailing on the date of the transaction.
- b) Year-end balances of monetary items denominated in foreign currency are translated at the year-end rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognised as income or expenditure in the Profit and Loss Statement.
- c) In respect of transactions covered by Foreign Exchange Forward Contracts, the difference between the forward rate and exchange rate at the inception of contract is recognised as income or expenses over the life of the contract.

13) EMPLOYEES BENEFITS :

- a) Defined Contribution Plan : Contribution to defined contribution plans are recognised as expenses in the Profit and Loss Account as they are incurred.



- b) Defined Benefit Plan : The present value of obligation in respect of defined benefit plan is determined based on Projected Unit Credit Method.

14) RELATED PARTY TRANSACTION :

Disclosure of transactions with Related Parties, as required by "Accounting Standard 18-Related Party Disclosure" has been set out in the Notes on Accounts. Related Parties have been identified on the basis of representations made by key managerial personnel and information available with the company.

15) IMPAIRMENT OF ASSETS :

The Carrying amounts of tangible fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to the profit & loss account. Recoverable amounts are estimated for individual assets where feasible, otherwise to the relevant cash generating unit.

16) DERIVATIVE AND HEDGING TRANSACTIONS :

In respect of derivative contracts, premium paid, gain / loss on settlement and loss on restatement are recognised in Profit and Loss Statement.

B) NOTES FORMING PART OF FINANCIAL STATEMENT :

- In the opinion of the board, 'Trade Receivable', 'Loans and Advances' and 'Other Current Asset' are approximately of the value stated if realized in the ordinary course of business. Confirmation Letters have not been obtained in respect of Trade Receivables, Trade Payables, loans taken and loans/advances given. Accordingly such balances are subject to confirmation, reconciliation and consequent adjustments, if any.
- In the opinion of the Board, provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- Exchange rate difference (Net) :
 - Rs. 56,01,236/- (Net Gain) [Previous Year Rs. 20,46,208/- (Net Loss)] is adjusted to Purchases of Material.
 - Rs. 6,75,102/- (Net Gain) [Previous Year Rs. 13,17,717/- (Net Gain)] is adjusted to Sales.
 - Rs. 4,910/- (Net Gain) [Previous Year Rs. 3,542/- (Net Gain)] on others is included in other income.
 - Rs. 2,302/- (Net Loss) [Previous Year Rs. 637/- (Net Loss)] on others is included in other expenses.
- The Company has entered into following derivative contracts for hedging foreign exchange exposures. The transactions outstanding as on March 31, 2017 is as under:

Particulars	Foreign Currency	Current Year		Previous Year	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
I. Assets					
Receivable	USD	3,144	202,694	51,865	3,402,316
Cash Balance	USD	1,040	67,453	300	19,853
Total (A)	USD	4,184	270,147	52,165	3,422,169



Hedge by derivative contracts (B)	NA	-	-	-	-
Unhedge Assets (C=(A-B))	USD	4,184	270,147	52,165	3,422,169
II. Liabilities					
Payable (D)	USD	1,180,800	76,964,543	785,005	52,469,734
Hedge by derivative Options contracts (E)	USD	1,036,250	67,542,775	82,650	5,524,326
Unhedge Liabilities (F=(D-E))	USD	144,550	9,421,768	702,355	46,945,408

5. In Registering Authorities' record Vehicles, owned by the company, are in the name of directors.
6. GST / CST assessment are completed upto Financial Year 2013-14.
7. The company has retained deposits from members (deposit were received prior to 01/04/2014) amounting to Rs. 1,34,93,347/- (Previous Year Rs. 1,72,42,734/-), which has been shown in Note No. 6 under the head Short Term Borrowings - Unsecured loan repayable on demand from shareholders.
8. Directors Remuneration:

	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
Remuneration	30,00,000	28,80,000
Provision for Gratuity	2,98,264	1,78,570
Total :	32,98,264	30,58,570

9. Other Money for which the company is contingently liable:
 - (a) Outstanding amount of Foreign Letter of Credit [Net of Purchase of Rs. Nil (Previous Year Rs. 9,36,285/-)] Rs. Nil (Previous Year Rs Nil)
 - (b) Other claims against company not acknowledged as debt – amount not ascertained. However the management of the company does not envisages any contingent liability in this regard.
 - (c) Bank Guarantees Rs 15,000/- (Previous Year Rs. 15,000/-)
 - (d) Estimated outstanding obligation of custom duty in respect of Bond executed by the company in favour of customer authorities in respect of goods lying in custom bonded warehouse Rs. Nil (Previous Year Rs. Nil)
 - (e) Bill discounted with banks under LC received (foreign) Rs. Nil (Previous Year Rs. Nil).



10. Details of Foreign Exchange Transactions:

	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
A FOB Value of Export	39309514	59859669
B CIF Value of Imports:		
Direct Import of Traded Goods (paid in Foreign Currency Terms)	371300686	207005916
C Expenditure in Foreign Currency	271636	687738
D Earning in Foreign Currency	Nil	Nil
E Remittance in Foreign Currency	Nil	Nil

11. OPERATING LEASE:

Assets taken on operating lease:

	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
1 Lease Payment Factory Building (Including Plant & Machinery) charged to Profit & Loss Account	-	-
2 Lease rent of Office charged to profit & Loss A/c	144720	127465
3 Warehouse Charges charged to profit & Loss A/c	27643	16099

12. Disclosure of related parties and related party transactions:

Name of Related Parties and description of relation:

- | | |
|--|--|
| a) Holding Company | Nil |
| b) Fellow Subsidiaries | Nil |
| c) Associate Companies | Nil |
| d) Joint Ventures | Nil |
| e) Key Management Personnel | |
| Director | Mr. Santosh N Nambiar |
| Director | Mr. Sanjay P Mangal |
| f) Enterprise over which Key Management Personnel exercise significant influence | M/s Shanker Global Pvt Ltd
M/s Hindprakash Overseas Pvt Ltd
M/s Hindprakash Tradelink Pvt Ltd
M/s Hindprakash Corporation Pvt Ltd
M/s Laxmi Alutrade Pvt Ltd
M/s Spectrum Tubes Pvt Ltd |
| g) Relative of the Key Management Personnel | Omprakash Mangal, Dimple S Mangal, Priyata S Mangal, Radhika S Mangal, Veedant S Mangal, OPSP Mangal HUF, Omprakash Sanjayprakash HUF, Sanjayprakash HUF |



Related Party Transactions (2016 – 17):-

Particulars	Enterprise over which KMP exercise Significant Influence	Key Management Personnel & Relatives	Total Amount in Rupees
Lease Rent Paid	165,480	-	165,480
Dividend Paid	3	215,534	215,537
Salary	-	4,920,238	4,920,238
Gurantee Given by related Party to the Company's Bank	-	300,000,000	300,000,000

Material Related Party Transactions (2016 – 17):-

Particulars	Current Year
Lease Rent Paid	
Hindprakash Tradelink Pvt Ltd	165,480
Dividend Paid	
Sanjay P Mangal	41,992
Veedant S Mangal	42,000
Dimple S Mangal	42,000
Omprakash T Mangal	42,000
Salary Paid	
Sanjay P Mangal	3,298,264
Dimple S Mangal	1,621,974
Gurantee Given by related Party to the Company's Bank	
Sanjay P Mangal	150,000,000
Santosh Nambiar	150,000,000

Related Party Transactions (2015 – 16):-

Particulars	Enterprise over which KMP exercise Significant Influence	Key Management Personnel & Relatives	Total Amount in Rupees
Lease Rent Paid	144,925	-	144,925
Dividend Paid	4	431,068	431,072
Salary	-	4,582,445	4,582,445
Gurantee Given by related Party to the Company's Bank	-	300,000,000	300,000,000

Material Related Party Transactions (2015 – 16):-

Particulars	Current Year
Lease Rent Paid	
Hindprakash Tradelink Pvt Ltd	144,925
Dividend Paid	
Sanjay P Mangal	83,984
Veedant S Mangal	84,000
Dimple S Mangal	84,000
Omprakash T Mangal	84,000



Salary Paid	
Sanjay P Mangal	3,058,570
Dimple S Mangal	1,523,875
Gurantee Given by related Party to the Company's Bank	
Sanjay P Mangal	150,000,000
Santosh Nambiar	150,000,000

13 (a). Earning per Equity Share:

	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
a) Profit available for equity share holders		
- Basic	21093917	19205234
- Diluted	21093917	19205234
b) Weighted average number of equity shares		
- Basic	2155460	2155460
- Diluted	2155460	2155460
c) Earning per Share in rupees (Face value of Rs 10/-each)		
- Basic	9.79	8.91
- Diluted	9.79	8.91

13 (b). Dividend on Equity Share

Particulars	2016-17	2015-16
Dividend on equity shares declared and paid during the year:		
Final dividend of Rs 0.10 per share for FY 2015-16 (2014-15: Rs 0.20 per share)	2,15,546	4,31,092
Dividend Distribution Tax on Final Dividend	43,887	87,760
Proposed dividend on equity shares (not recognized as liability for FY 2016-17)		
Final dividend of Rs 0.05 per share for FY 2016-17 (2015-16: Rs 0.10 per share)	1,07,780	2,15,546
Dividend Distribution Tax on Final Dividend	21,941	43,887

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognized as liability as at the Balance Sheet date (for FY 2016-17).

14. The Company is engaged in the business of manufacturing and trading of Dyes & Intermediates etc. which is a single segment as defined by "Accounting Standard 17 – Segment Reporting". In the opinion of the management there does not exist separate reportable geographical segment.

15. Employee Benefits:



a) Amount recognized as an expense in the Profit & Loss Accounts.

	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
1. Compensated Leave Absences (Privilege Leave)	1,16,610	2,62,647
2. Provident & Other Fund (Defined Contribution Plan)	4,91,373	4,51,382

b) Disclosure in respect of Gratuity, a defined benefit scheme (based on Projected Unit credit Method)

Sr. No.	Particulars	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
(i)	<u>Amount Recognized in Balance Sheet:</u>		
	Present value of unfunded obligation	3224860	2325199
	Net Liability	3224860	2325199
(ii)	<u>Amount Recognized in Statement of Profit & Loss:</u>		
	Current Service Cost	933565	623671
	Total Amount included in Statement of Profit & Loss	933565	623671
(iii)	<u>Changes in present value of defined benefit obligation, representing reconciliation of opening and closing balances :</u>		
	Opening Defined Benefit Obligation	2325199	1721598
	Add: Service Cost	933565	623671
	Less: Settlement of Gratuity	(-)33904	(-)20070
	Closing Defined Benefit Obligation	3224860	2325199
(iv)	<u>Changes in the fair value of plan assets representing reconciliation of the opening and closing balances:</u>		
	Opening fair value of plan assets	-	-
	Contribution by employer	-	-
	Closing fair value of plan assets	-	-
(v)	<u>Principal assumptions:</u>		
	Discount Rate	6.694%	7.463%
	Annual increase in salary cost	8.330%	8.330%
	(The estimates of future salary increase, considered in valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market)		
(vi)	Defined Benefit Obligation	3224860	2325199
	Plan assets	-	-
	Surplus/(deficit)	(-)3224860	(-)2325199
(vii)	<u>Movement in net liability recognized in Balance Sheet</u>		
	Net Opening liability	2325199	1721598
	P & L Charge	933565	623671
	Contribution paid	(-)33904	(-)20070
	Net Closing liability	3224860	2325199

16. The Figures have been rounded off to the nearest rupees.



17. Specified Bank notes (SBNs) held and transacted during the period 08/11/2016 to 30/12/2016:

Amount INR

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08/11/2016	1,60,000	3,152	1,63,152
Add: Permitted Receipts	-	2,90,000	2,90,000
Less: Permitted Payments	-	2,00,116	2,00,116
Less: Deposited in Banks	1,60,000	-	1,60,000
Closing Cash in Hand as on 30/12/2016	Nil	93,036	93,036

18. The previous year's figures have been reworked, regrouped, rearranged and reclassified whenever necessary. Accordingly, amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amount and other disclosures relating to the current year.

For and On behalf of the Board

DATE : 22/08/2017
PLACE : AHMEDABAD

(S P MANGAL)
DIRECTOR
DIN: 02825484

(S N NAMBIAR)
DIRECTOR
DIN: 00144542

