

BALANCE SHEET AS AT 31ST MARCH 2017

(All amounts are stated in Indian Rupees, unless stated otherwise)

	Particulars	Note No.	31-Mar-17	31-Mar-16
I.	EQUITY AND LIABILITIES			
	1 Shareholders' funds			
	(a) Share Capital	3	1,51,01,000	1,51,01,000
	(b) Reserves and Surplus	4	75,10,20,549	51,51,72,468
	2 Non Current Liabilities			
	(a) Long-term borrowings	5	50,00,00,000	50,00,00,000
	(b) Deferred tax liabilities (Net)	6	9,82,00,000	8,38,83,196
	(c) Long-term provisions	7	25,15,000	32,51,000
	3 Current liabilities			
	(a) Short-term borrowings	8	13,99,59,409	18,52,54,182
	(b) Trade Payables	9		
	Due to Micro and Small Enterprises		-	-
	Due to Others		69,20,89,018	36,94,47,637
	(c) Other current liabilities	10	13,16,36,860	9,69,43,462
	(d) Short-term provisions	11	4,74,17,795	5,80,30,755
	TOTAL		2,37,79,39,631	1,82,70,83,700
II.	ASSETS			
	1 Non-current assets			
	(a) Fixed Assets			
	Tangible Assets	12	91,65,92,285	84,20,37,046
	(b) Long-term loans and advances	13	3,89,18,576	2,29,23,235
	2 Current assets			
	(a) Inventories	14	73,56,65,878	52,43,03,441
	(b) Trade receivables	15	65,04,31,328	38,36,21,120
	(c) Cash and Bank balances	16	12,44,760	13,82,315
	(d) Short-term loans and advances	17	3,39,37,520	5,17,98,173
	(e) Other Current Assets	18	11,49,284	10,18,371
	TOTAL		2,37,79,39,631	1,82,70,83,700

Significant Accounting Policies and Notes to Accounts

1 to 34

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No.103523W/W100048

For and on behalf of the Board of Directors

S.SUNDARARAMAN
Partner
Membership No.028423

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

Place: Bangalore
Date: May 05, 2017

Place: Bangalore
Date: May 05, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(All amounts are stated in Indian Rupees, unless stated otherwise)

Particulars	Note No.	31-Mar-17	31-Mar-16
I Income			
1 Revenue from Operation (Gross)		7,60,24,75,442	6,14,87,07,038
Less: Excise Duty		(84,44,50,712)	(68,30,61,939)
Revenue from Operation (Net)	19	6,75,80,24,730	5,46,56,45,099
2 Other income	20	60,58,792	59,85,039
Total Revenue		6,76,40,83,522	5,47,16,30,138
II Expenses:			
(a) Cost of materials consumed	21	5,59,95,99,439	4,32,75,36,391
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(16,59,47,438)	3,98,42,060
(c) Employee benefits expenses	23	11,73,36,859	9,77,82,513
(d) Finance costs	24	11,91,52,066	9,37,80,131
(e) Depreciation and amortization expense	12	4,39,41,141	4,20,11,607
(f) Other expenses	25	67,79,03,935	58,23,10,826
Total expenses		6,39,19,86,002	5,18,32,63,528
III. Profit before tax		37,20,97,520	28,83,66,610
IV. Tax expense:			
Current tax		11,82,20,000	9,09,00,000
Income Tax for earlier years		37,12,635	11,65,610
Deferred tax		1,43,16,804	71,95,965
V. Profit after tax		23,58,48,081	18,91,05,035
VI. Earnings per equity share (Face Value of Rs. 10/share)			
Basic & Diluted (Not Annualized)	27	156.18	125.23

Significant Accounting Policies and Notes to Accounts 1 to 34

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No.103523W/W100048

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

S.SUNDARARAMAN
Partner
Membership No.028423

Place: Bangalore
Date: May 05, 2017

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(All amounts are stated in Indian Rupees, unless stated otherwise)

Particulars	31 March 2017	31 March 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	37,20,97,520	28,83,66,610
Adjustments:		
<u>Add:</u>		
Depreciation on Fixed Assets	4,39,41,141	4,20,11,607
Interest Paid	11,43,67,879	8,52,55,889
Loss on sale of fixed assets	8,45,680	
	53,12,52,220	41,56,34,106
Change in Assets and Liabilities		
(Increase)/Decrease in Inventory	(21,13,62,437)	9,26,88,877
(Increase)/Decrease in Trade Receivables	(26,68,10,208)	(18,14,35,486)
(Increase)/Decrease in Other Assets	17,34,398	(2,90,66,853)
Increase/(Decrease) in Trade Payables	32,26,41,381	11,99,34,966
Increase/(Decrease) in Other liabilities	3,86,03,023	33,85,726
CASH GENERATED FROM OPERATIONS	41,60,58,378	42,11,41,336
Income tax Paid	(13,71,91,221)	(7,18,01,822)
NET CASH FLOW FROM OPERATING ACTIVITIES	27,88,67,157	34,93,39,514
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(12,02,47,060)	(10,15,74,190)
Sale of Fixed Assets	9,05,000	4,21,536
NET CASH FLOW USED IN INVESTING ACTIVITIES	(11,93,42,060)	(10,11,52,654)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) working capital loan	(4,52,94,773)	(16,41,49,929)
Interest Paid	(11,43,67,879)	(8,52,55,889)
NET CASH FLOW USED IN FINANCING ACTIVITIES	(15,96,62,652)	(24,94,05,818)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,37,556)	(12,18,959)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	13,62,583	25,81,541
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (Note : 16)	12,25,027	13,62,583

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No.103523W/W100048

For and on behalf of the Board of Directors

S.SUNDARARAMAN
Partner
Membership No.028423

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

Place: Bangalore
Date: May 05, 2017

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Date: May 05, 2017

1 GENERAL INFORMATION

Taurus Value Steel & Pipes Private Limited, an ISO 9001 company, is a wholly owned subsidiary of Shankara Building Products Limited (Formerly Shankara Infrastructure Materials Ltd). It is engaged in the manufacture of MS Pipes, GI Pipes & Precision tubes at its manufacturing unit at Hyderabad.

2 SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF ACCOUNTING

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards ('AS') prescribed in Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 2013. These financial statements are prepared and presented in Indian Rupees and rounded-off to the nearest rupee.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets & liabilities.

B USE OF ESTIMATES

The preparation of financial statements in conformity with Generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, employees retirement benefit plan, provision for income and other taxes, useful life of fixed assets etc. Actual results could differ from the estimates made. Any revision to accounting estimates is recognized prospectively in current and future periods.

C TANGIBLE FIXED ASSETS & DEPRECIATION

Tangible fixed assets are depreciated over their useful lives. The useful life of an asset is the period over which an asset is expected to be available for use by the Company. The useful lives of tangible assets as specified in Part C of Schedule II to the Companies Act 2013 has been adopted. If the management's estimate of the useful life of a tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule/ useful life, depreciation is provided based on the management's estimate of the useful life/remaining useful life. In such cases, the difference is appropriately disclosed. Depreciation in respect of additions to Fixed Assets has been charged on pro rata basis.

Depreciation on fixed assets is provided on Straight Line Method and Individual assets costing less than Rs.5000/- each are depreciated fully during the year of purchase.

D IMPAIRMENT OF ASSET

The carrying amounts of assets are reviewed to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital after impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

E LEASES

Where the company is lessor

The Company has leased out certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

Where the company is lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

F REVENUE RECOGNITION

a) Sales revenues are accounted on delivery of goods. Delivery is reckoned on the handing over of the goods to the transporter, who as custom of trade acts as agent of customer.

b) Other Income is recognized on accrual basis with due consideration for significant uncertainty if any in the realization of such income.

G INVENTORIES

a) Closing Stock of Inventories are valued at lower of cost which comprises purchase price, freight, other attributable cost less rebates and discounts determined on FIFO basis or net realizable value. Cost includes inward freight and applicable taxes not eligible for credit.

b) All items of Stock which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

H INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investment. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long term investments are carried at cost, less provision for diminution (other than temporary) in value.

I EMPLOYEE BENEFITS

a) The liability for gratuity, considered as defined benefit is determined on the basis of actuarial valuation at the end of the year using projected unit credit method. Actuarial gains and losses which comprise experience adjustments and effect of change in actuarial assumptions are recognized in the statement of profit and loss.

b) In respect of defined contribution plan the company makes the stipulated contributions in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

c) Liabilities in respect of compensated absences are provided for in the year in which such benefit accrues net of encashments made.

J INCOME TAX

a) Taxes on Income for the current year is determined on the basis of taxable income and after considering the various deductions available under the Income Tax Act, 1961

b) Deferred Tax Asset/Liability resulting from timing differences between the book profits and Income for tax purpose is accounted for at the appropriate tax rate. Deferred tax asset are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of the respective carrying amount at each balance sheet date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

K THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

Foreign currency transactions are recorded at the rate prevalent on the date of transactions. Monetary Assets and liabilities denominated in foreign currency are stated at closing rates at the year end and the resultant differences are recognized in the statement of Profit and Loss.

L PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

M EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

N BORROWING COSTS

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as part of the asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the statement of profit and loss.

O GOVERNMENT GRANTS AND SUBSIDIES:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attached conditions will be complied with. Grants related to specific fixed assets are presented in the Balance Sheet by showing such grant as deduction from the fixed asset concerned. Grants received with reference to total investment in an undertaking are credited to capital reserve.

(All amounts are stated in Indian Rupees, unless stated otherwise)

3 - Share Capital

Particulars	As at 31 Mar 2017		As at 31 Mar 2016	
	Number	Amount	Number	Amount
Authorised Equity shares of Rs.10/- each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued, Subscribed & Paid up Equity shares of Rs.10/- each, fully paid	15,10,100	1,51,01,000	15,10,100	1,51,01,000
Total	15,10,100	1,51,01,000	15,10,100	1,51,01,000

3a. Reconciliation of number of shares

Particulars	As at 31 Mar 2017		As at 31 Mar 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning and end of the period	15,10,100	1,51,01,000	15,10,100	1,51,01,000

3b. Rights, Preference and restrictions attached to shares

The company has one class of equity shares having par value of Rs.10 each. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

3c. Details of shares held by its holding company or ultimate holding company, including shares held by the associates of the holding company and ultimate holding company

Name of Shareholder	Nature of relationship	As at 31 Mar 2017		As at 31 Mar 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shankara Building Products Ltd (Formerly Shankara Infrastructure Materials Ltd)	Holding company	15,10,100	100%	15,10,100	100%

3d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31 Mar 2017		As at 31 Mar 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shankara Building Products Ltd (Formerly Shankara Infrastructure Materials Ltd)	15,10,100	100%	15,10,100	100%

3e. Information regarding issue of shares in the last five years:

Particulars	Year ended (Aggregate No. of Shares)				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	15,00,000	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil

(All amounts are stated in Indian Rupees, unless stated otherwise)

4 - Reserves and Surplus

Particulars	31-Mar-17	31-Mar-16
a. Capital Reserves		
As per last Balance Sheet	4,48,653	4,48,653
b. Securities Premium Account		
As per last Balance Sheet	13,50,00,000	13,50,00,000
c. Surplus in the Statement of Profit or Loss		
Opening balance	37,97,23,815	19,06,18,780
(+) Net Profit for the current period	23,58,48,081	18,91,05,035
Closing Balance	61,55,71,896	37,97,23,815
Total	75,10,20,549	51,51,72,468

5 - Long-term borrowings

Particulars	31-Mar-17	31-Mar-16
Unsecured		
Loans from related party *	50,00,00,000	50,00,00,000
*Terms of Repayment - The Interest free loan is repayable in 3 equal annual instalments commencing at the end of 5 years from the execution of business transfer agreement as amended, i.e., 30th August 2018.		
Total	50,00,00,000	50,00,00,000

(All amounts are stated in Indian Rupees, unless stated otherwise)

6 - Deferred tax liabilities (Net)

Particulars	31-Mar-17	31-Mar-16
Liability:		
Depreciation	9,91,00,000	8,51,00,054
Asset:		
Disallowance u/s 43B	(9,00,000)	(12,16,858)
Net Deferred Tax Liability	9,82,00,000	8,38,83,196

Deferred tax assets and liabilities have been offset as they relate to the same governing taxation law.

7 - Long-term provisions

Particulars	31-Mar-17	31-Mar-16
Provision for employee benefits		
Provision for Gratuity (Funded) (Refer note 23a)	25,15,000	32,51,000
Total	25,15,000	32,51,000

8 -Short term Borrowings

Particulars	31-Mar-17	31-Mar-16
a) Secured		
Working Capital Loan repayable on demand from Banks with interest of 9.80% to 11.60% p.a [First pari passu floating charge on the existing and future current assets and fixed assets belonging to the company and the loan is also guaranteed by Managing director & by the Corporate Guarantee of the Holding Company]	13,99,59,409	18,52,54,182
Total	13,99,59,409	18,52,54,182

9 -Trade Payables

Particulars	31-Mar-17	31-Mar-16
Due to Micro and Small Enterprises*	-	-
Due to Others	69,20,89,018	36,94,47,637
Total**	69,20,89,018	36,94,47,637

*The Company has sought confirmation from parties of their status under the Micro, Small & Medium enterprise development Act, 2006 (MSMED). Based on the details available and confirmations received from the parties classification under the said Act has been made and disclosure have been made accordingly.

**Balances in parties' accounts are subject to reconciliation/confirmation and adjustment consequent to such reconciliation if any. In the opinion of the management any such adjustment would be not material.

10 - Other current liabilities

Particulars	31-Mar-17	31-Mar-16
Employee Benefits payable	80,47,817	75,18,803
Statutory Dues Payable	7,97,99,304	5,58,87,318
Advances received from customers	1,14,14,985	64,75,991
Other expenses payable	3,23,74,754	2,70,61,350
Total	13,16,36,860	9,69,43,462

11 - Short-term provisions

Particulars	31-Mar-17	31-Mar-16
Provision for employee benefits		
(a) Provision for Gratuity (Net) (Refer note 23a)	-	1,62,000
(b) Provision for compensated absences	1,26,558	1,03,119
Provision for Income Tax (Net)	4,72,91,237	5,77,65,636
Total	4,74,17,795	5,80,30,755

TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS Contd.,

(All amounts are stated in Indian Rupees, unless stated otherwise)

12 - Tangible Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 Apr 2016	Additions	Disposals	Balance as at 31 March 2017	Balance upto 1 Apr 2016	Depreciation for the period	On disposals	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 Mar 2016
Freehold Land	9,74,42,421	1,40,69,969	-	11,15,12,390	-	-	-	-	11,15,12,390	9,74,42,421
Buildings	39,98,76,056	4,09,35,509	-	44,08,11,565	2,61,54,593	1,24,51,397	-	3,86,05,990	40,22,05,575	37,37,21,463
Plant and Equipment	41,57,94,059	5,77,51,991	21,54,648	47,13,91,402	5,72,92,887	2,88,61,027	4,03,968	8,57,49,946	38,56,41,456	35,85,01,172
Furniture and Fixtures	78,30,430	36,18,826	-	1,14,49,256	14,96,717	4,92,140	-	19,88,857	94,60,399	63,33,713
Vehicles	52,26,566	32,95,386	-	85,21,952	8,65,997	9,81,680	-	18,47,677	66,74,275	43,60,569
Office equipment	20,95,126	3,51,092	-	24,46,218	8,19,457	9,39,440	-	17,58,897	6,87,321	12,75,669
Computers	12,19,581	2,24,287	-	14,43,868	8,17,542	2,15,457	-	10,32,999	4,10,869	4,02,039
Total	92,94,84,239	12,02,47,060	21,54,648	1,04,75,76,651	8,74,47,193	4,39,41,141	4,03,968	13,09,84,366	91,65,92,285	84,20,37,046
Previous Year	82,83,91,145	10,15,74,190	4,81,095	92,94,84,238	4,54,95,146	4,20,11,607	59,559	8,74,47,193	84,20,37,045	

(All amounts are stated in Indian Rupees, unless stated otherwise)

13 - Long-term loans and advances

Particulars	31-Mar-17	31-Mar-16
Unsecured, considered good		
Security Deposits	2,22,25,015	1,84,08,029
Dealers Deposit	6,14,606	6,14,606
Capital Advances	1,60,78,955	39,00,600
Total	3,89,18,576	2,29,23,235

14 - Inventories -(Stated at lower of Cost and Net realisable Value)

Particulars	31-Mar-17	31-Mar-16
Raw Materials	27,79,46,624	23,72,18,290
Finished goods *	42,48,82,747	25,89,35,309
Stores and spares	3,28,36,507	2,81,49,842
Total	73,56,65,878	52,43,03,441

* Includes Stock in transit Rs. 3,34,08,640 (P.Y.Rs.4,01,12,463)

15 - Trade receivables

Particulars	31-Mar-17	31-Mar-16
Trade receivables outstanding for a period not exceeding six months from the date they are due for payment		
Unsecured, considered good	64,67,11,624	38,32,61,908
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	37,19,704	3,59,212
Total*	65,04,31,328	38,36,21,120

*Balances in parties' accounts are subject to reconciliation on confirmation and any adjustment consequent to such reconciliation. In the opinion of the management any such adjustment would be not material.

16 - Cash and Bank balances

Particulars	31-Mar-17	31-Mar-16
Cash and Cash equivalents		
Cash on Hand	9,98,838	11,80,078
Bank Balances In Current Account	2,26,190	1,82,505
Other bank balances		
Margin Money	19,732	19,732
Total	12,44,760	13,82,315

TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS Contd.,

(All amounts are stated in Indian Rupees, unless stated otherwise)

17 - Short-term loans and advances

Particulars	31-Mar-17	31-Mar-16
Unsecured considered good, unless otherwise stated:		
Other Loans and Advances		
Advances for purchases	55,73,529	3,85,12,434
Staff Advance	16,57,144	12,17,732
Prepaid Expenses	10,36,521	7,90,414
Balance with Government authorities	2,56,70,326	1,12,77,593
Total	3,39,37,520	5,17,98,173

18 - Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Unsecured, considered good:		
Interest accrued on others	7,52,100	6,34,438
Rent receivable	3,97,184	3,83,933
Total	11,49,284	10,18,371

(All amounts are stated in Indian Rupees, unless stated otherwise)

19 - Revenue from Operations (Net)

Particulars	31-Mar-17	31-Mar-16
Sale of manufactured goods - Steel tubes & Pipes	6,63,83,83,975	5,36,27,84,948
Other Operating Revenues		
(i) Sale of scrap	11,72,21,941	10,17,10,559
(ii) Conversion Charges	24,18,814	11,49,592
Total	6,75,80,24,730	5,46,56,45,099

20 - Other income

Particulars	31-Mar-17	31-Mar-16
Rent received (Net)*	44,74,020	44,08,800
Profit on sale of fixed Asset	-	59,559
Miscellaneous income	12,394	2,58,511
Interest Received	15,72,378	12,58,169
Total	60,58,792	59,85,039

* Where the Company is the lessor, the Company has given building on operating leases. These lease arrangements are for a period of 11 months and includes only cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

21 - Cost of materials consumed

Particulars	31-Mar-17	31-Mar-16
Opening stock of raw materials	23,72,18,290	27,80,24,448
Add: Purchase of Raw materials	5,64,03,27,773	4,28,67,30,233
	5,87,75,46,063	4,56,47,54,681
Less: Closing Stock	(27,79,46,624)	(23,72,18,290)
Total	5,59,95,99,439	4,32,75,36,391

Value Of Imported And Indigenous Materials Consumed

Particulars	31-Mar-17	31-Mar-16
Indigenous	5,59,95,99,439	4,32,75,36,391
Imported	-	-
Total	5,59,95,99,439	4,32,75,36,391

TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS Contd.,

(All amounts are stated in Indian Rupees, unless stated otherwise)

22 - Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	31-Mar-17	31-Mar-16
Closing stock of Finished goods	42,48,82,747	25,89,35,309
Opening stock of Finished goods	25,89,35,309	29,87,77,369
Net (Increase)/Decrease	(16,59,47,438)	3,98,42,060

23 - Employee benefits expenses

Particulars	31-Mar-17	31-Mar-16
Salaries and Wages	10,39,52,945	8,66,09,694
Bonus to Staff & Exgratia	39,75,304	34,95,141
Compensated absences	2,99,401	2,15,962
Provision for Gratuity	25,15,000	18,07,760
Staff Welfare Expenses	28,38,583	26,40,158
Contribution for:		
Employee state insurance	4,15,425	2,00,391
Provident fund	33,40,201	28,13,407
Total	11,73,36,859	9,77,82,513

(All amounts are stated in Indian Rupees, unless stated otherwise)

23 a DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 (REVISED)-EMPLOYEE BENEFITS

Gratuity - Funded

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service.

The Disclosure relating to defined benefit plan under AS-15 are:

Particulars	31-Mar-17	31-Mar-16
I. Table Showing Change in present Value Obligation :		
Liability at the beginning of the year	34,13,000	16,05,240
Interest Cost	2,59,000	1,25,000
Current Service Cost	11,26,000	7,53,760
Benefit Paid	-	-
Past Service Cost (Vested Benefit)	2,74,000	10,89,000
Actuarial (gain)/loss on obligations	8,53,000	(1,60,000)
Liability at the end of the year	59,25,000	34,13,000
II. Change in Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	72,000	-
Contributions	34,13,000	-
Benefit Paid	-	-
Actuarial gain/(loss) on Plan Assets	(75,000)	-
Fair Value of Plan Assets at the end of the year	34,10,000	-
Total Actuarial Gain/(Loss) To Be Recognised	(9,28,000)	1,60,000
III. Actual Return on Plan Assets :		
Expected Return on Plan Assets	72,000	-
Actuarial gain/(loss) on Plan Assets	(75,000)	-
Actual Return on Plan Assets	(3,000)	-
IV. Amount Recognised in the Balance Sheet :		
Present value of benefit obligation as at the end of the year	59,25,000	34,13,000
Fair Value of Plan Assets at the end of the year	34,10,000	-
(Liability)/ Asset Recognised in the Balance Sheet	(25,15,000)	(34,13,000)
V. Expenses Recognised in the Income Statement :		
Current Service Cost	11,26,000	7,53,760
Interest Cost	2,59,000	1,25,000
Expected Return on Plan Assets	(72,000)	-
Past Service Cost (Vested Benefit) Recognised	2,74,000	10,89,000
Actuarial (Gain) or Loss	9,28,000	(1,60,000)
Expense Recognised in P & L	25,15,000	18,07,760
VI. Balance Sheet Reconciliation		
Opening Net Liability	34,13,000	16,05,240
Expense as above	25,15,000	18,07,760
Employer's Contribution	(34,13,000)	-
Amount Recognised in Balance Sheet	25,15,000	34,13,000
VII. Category of Assets as a percentage of total plan assets		
Insurance company	100%	Not applicable
VIII. Assumptions :		
Discount Rate	7.00%	7.60%
Rate of Return on Plan Assets	7.60%	Not applicable
Salary Escalation	7.00%	7.00%
Attrition Rate	10.00%	10.00%

Experience adjustment

Particulars	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-2014*
Defined Benefit Obligation	59,25,000	34,13,000	16,05,240	4,36,240
Fair Value of Plan Assets	34,10,000	-	-	-
Assets - Surplus/(Deficit)	(25,15,000)	(34,13,000)	(16,05,240)	(4,36,240)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	5,74,000	(2,17,000)	77,000	2,000
Experience Adjustment on Plan Assets: Gain/(Loss)	NA **	NA	NA	NA

* Experience adjustment prior to 2015 is taken from the previous actuary's report

** Assets being introduced for the first time

The disclosure of present value of defined benefit obligation, the fair value of plan are furnished for financial years commencing from the year in which Accounting Standard - 15 was adopted for compliance by the company. The non-disclosure of such information for periods prior to that date has no financial impact.

23b Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as an expense for the period is as under:

Particulars	31-Mar-17	31-Mar-16
Employer's Contribution to Provident Fund (includes pension fund)	33,40,201	28,13,407
Employer's Contribution to Employee State Insurance	4,15,425	2,00,391
Total	37,55,626	30,13,798

(All amounts are stated in Indian Rupees, unless stated otherwise)

24 - Finance costs

Particulars	31-Mar-17	31-Mar-16
Interest Expense	9,90,99,653	7,39,01,858
Other borrowing costs	1,52,68,226	1,13,54,031
Interest on Income Tax	47,84,187	85,24,242
Total	11,91,52,066	9,37,80,131

25 - Other expenses

Particulars	31-Mar-17	31-Mar-16
Power & Fuel	8,16,06,553	7,10,01,977
Consumption of Stores & Spares	34,64,22,302	30,01,29,746
Rent (Refer note below)	1,14,06,386	68,04,640
Repairs-Others	1,15,09,673	1,12,16,551
Insurance Charges	11,84,572	15,71,004
Rates & Taxes	2,19,43,525	6,92,519
Travelling Expenses	11,54,871	9,38,627
Payment to Auditors		
As Auditor		
Audit fee	4,00,000	3,00,000
Tax Audit fee	1,00,000	75,000
Other Services	10,725	-
Reimbursement of Expenses	1,09,970	75,000
Professional fees	24,60,876	31,16,679
Printing & Stationery	10,52,193	5,85,236
Communication Expenses	10,93,027	7,54,124
Advertisement & Publicity Expenses	10,48,825	5,06,046
Coolie Charges	41,25,371	5,74,495
Freight Charges	16,95,92,617	17,42,15,108
Commission Expenses	38,14,338	5,24,434
Bad Debts written off	4,265	2,294
Loss on sale of fixed assets	8,45,680	-
Miscellaneous Expenses	1,80,18,166	92,27,346
Total	67,79,03,935	58,23,10,826

25a Leasing Arrangements

Operating Lease:

Where the Company is the lessee

The significant leasing arrangements entered into by the company include the following:

Building taken on operating lease with lease term between 11 and 24 months for office premises and residential accommodation for employees and which are renewable on a periodic basis by mutual consent of both parties.

All the operating leases are cancellable by the Lessee for any reason by giving notice of between 1 and 3 months.

There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Lease payments recognized under rent expenses in Schedule 25 is as follows:

Particulars	31-Mar-17	31-Mar-16
Minimum lease payment made on operating lease	1,14,06,386	68,04,640

26 The Company has neither any foreign currency earnings nor any foreign currency expenditure during the current period and previous year.

(All amounts are stated in Indian Rupees, unless stated otherwise)

27 Earning per share

Particulars	Ref.	31-Mar-17	31-Mar-16
Profit after tax for the period of operation	A	23,58,48,081	18,91,05,035
Weighted average number of shares outstanding Basic & Diluted	B A/B	15,10,100 156.18	15,10,100 125.23
Face value per share (Rs.)		10	10

28 MISCELLANEOUS NOTES

CASH & CASH EQUIVALENTS

Particulars	31-Mar-17	31-Mar-16
Cash on Hand	9,98,838	11,80,078
With Banks:		
In current account	2,26,190	1,82,505
Total	12,25,028	13,62,583

The above mentioned cash and cash equivalents does not contain any amount that are not available for use by the company.

29 DISCLOSURE ON SPECIFIED BANK NOTES

The Details of Specified Bank Notes & Other Denomination Notes for the period from Nov 08, 2016 to December 30, 2016, as required by the MCA Notification No : GSR 308(E) dt 31.03.2017, are given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016			
Add : Permitted receipts			
Less : Permitted payments			
Less : Amount deposited in Banks			
Closing cash in hand as on 30.12.2016			

30 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31-Mar-17	31-Mar-16
(i) Contingent Liabilities		
Corporate Guarantee given for Holding Company	55,00,00,000	55,00,00,000
Letter of Credit from Bank to suppliers	67,37,85,654	36,90,63,022
	1,22,37,85,654	91,90,63,022
(ii) Commitments		
Estimated value of capital commitments towards buildings (Net of advance)	-	20,52,200
Estimated value of capital commitments towards purchase of machinery. (Net of advance)	7,87,13,058	2,23,71,020
	7,87,13,058	2,44,23,220
Total	1,30,24,98,712	94,34,86,242

(All amounts are stated in Indian Rupees, unless stated otherwise)

31 RELATED PARTY DISCLOSURES:

Information given in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures:

a List of Related Parties with whom transactions have taken place during the year:

- (i) **Holding Company:**
Shankara Building Products Ltd (Formerly Shankara Infrastructure Materials Ltd.,)
- (ii) **Fellow subsidiary companies:**
(a) Vishal Precision Steel Tubes and Strips Pvt Ltd
(b) Century wells Roofing India Pvt Ltd
- (iii) **Key Managerial Personnel:**
Mr. Sukumar Srinivas (Managing Director)
Mr. R.S.V.Sivaprasad (Whole time Director)

b Disclosure of Aggregate Transactions & Balances with related parties:

Sl.No.	Particulars	31-Mar-17		31-Mar-16	
		Transactions during the period	Amount (payable)/ receivable	Transactions during the period	Amount (payable)/ receivable
1	Purchase of Goods				
	Vishal Precision Steel Tubes and Strips Private Ltd	5,92,56,451		4,54,57,636	
	Shankara Building Products Ltd	18,96,17,423		5,71,82,819	
	Century wells Roofing India Private Ltd	2,54,26,462		64,15,213	
2	Sales of Goods				
	Vishal Precision Steel Tubes and Strips Private Ltd	-		1,91,23,633	
	Shankara Building Products Ltd	4,40,53,30,513		3,86,37,45,650	
3	Sales of Fixed Assets				
	Vishal Precision Steel Tubes and Strips Private Ltd	9,10,625		4,81,095	
4	Loan payable				
	Shankara Building Products Ltd	-	(50,00,00,000)	-	(50,00,00,000)
5	Trade Receivables				
	Shankara Building Products Ltd	-	32,00,04,980	-	14,07,00,462
6	Rent received				
	Shankara Building Products Ltd	26,74,020		26,08,800	
	Century wells Roofing India Private Ltd	18,00,000		18,00,000	
7	Rent Receivable				
	Shankara Building Products Ltd	2,39,684		-	2,27,183
	Century wells Roofing India Private Ltd	1,57,500		-	1,56,750
8	Rent Paid				
	Shankara Building Products Ltd	23,83,000		15,00,000	
9	Rent Payable				
	Shankara Building Products Ltd		(2,39,218)		(2 12 493)
10	Guarantees received from Holding Company				
	Shankara Building Products Ltd		1,03,00,00,000		83,00,00,000
11	Guarantees given to Holding company				
	Shankara Building Products Ltd		(55,00,00,000)		(55,00,00,000)

Note: The information is based on the name of parties as identified and certified by the management which has been relied upon by the auditors.

(All amounts are stated in Indian Rupees, unless stated otherwise)

32 Details of Consumption and Purchases

Details of Raw Materials/ Packing materials consumed

Particulars	31-Mar-17	31-Mar-16
Materials		
Coils	5,59,95,99,439	4,32,75,36,391
Total	5,59,95,99,439	4,32,75,36,391

33 CIF Value of imports Nil (PY - Nil)

34 Previous year figures have been regrouped wherever considered necessary.

As per our report of even date attached
For Haribhakti & Co LLP
Chartered Accountants
Firm Reg.No.103523W/W100048

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

S.SUNDARARAMAN
Partner
Membership No.028423

Place: Bangalore
Date: May 05, 2017

Place : Bangalore
Date : May 05, 2017