

Vishal Precision Steel Tubes & Strips Private Limited
Balance Sheet as at 31st March 2017

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

Particulars		Note No.	31 March 2017	31 March 2016
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	3	3,50,00,000	3,50,00,000
	(b) Reserves and Surplus	4	37,54,27,471	26,34,00,476
2	Non-current liabilities			
	(a) Long-term borrowings	5	1,35,21,671	5,26,40,334
	(b) Deferred tax liabilities (Net)	6	3,08,70,576	1,83,98,728
	(c) Other Long term liabilities	7	-	-
	(d) Long-term provisions	8	38,39,964	22,03,476
3	Current liabilities			
	(a) Short-term borrowings	9	28,94,14,752	38,70,85,412
	(b) Trade Payables			
	Due to Micro, Small & Medium Enterprises	10	-	-
	Due to Others	10	40,59,75,449	13,18,70,172
	(c) Other current liabilities	11	7,78,65,677	9,65,71,198
	(d) Short-term provisions	12	2,00,23,736	1,27,79,365
			1,25,19,39,296	99,99,49,162
II.	ASSETS			
	Non-current assets			
1	(a) Fixed Assets			
	Tangible Assets	13	48,55,07,413	38,42,90,840
	(b) Long-term loans and advances	14	1,40,27,318	2,46,14,049
	(c) Other non-current assets	15	-	-
2	Current assets			
	(a) Inventories	16	33,16,36,332	26,24,02,677
	(b) Trade receivables	17	35,04,78,232	28,24,61,647
	(c) Cash and Bank balances	18	1,40,21,586	1,00,72,368
	(d) Short-term loans and advances	19	5,61,77,667	3,60,16,835
	(e) Other Current Assets	20	90,746	90,746
			1,25,19,39,296	99,99,49,162
	Contingent liabilities & Commitments	21		
	Summary of Significant Accounting Policies followed by the company	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our report of even date attached

For Vijay & Raj
Chartered Accountants

SUKUMAR SRINIVAS
Director

C.RAVIKUMAR
Director

T.R.VARADARAJAN
Proprietor
Membership No.18748

Place: Bangalore
Date: 4th May 2017

Vishal Precision Steel Tubes & Strips Private Limited
Statement of Profit and Loss account for the year ended 31st March 2017

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

Particulars		Note No.	31 March 2017	31 March 2016
I Income				
1	Revenue from Operation (Gross)	23	4,61,55,12,823	3,61,64,57,328
	Less: Excise Duty		51,28,34,758	40,18,28,591
	Revenue from Operation (Net)		4,10,26,78,065	3,21,46,28,737
2	Other income	23	3,60,549	9,70,752
	Total Revenue		4,10,30,38,613	3,21,55,99,490
II Expenses:				
a)	Cost of materials consumed	24	3,60,03,13,076	2,76,31,48,071
b)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(3,02,93,926)	5,44,81,150
c)	Employee benefits expense	26	10,28,17,616	7,52,08,132
d)	Finance costs	27	7,61,08,788	6,39,90,863
e)	Depreciation and amortization expense		2,66,08,075	1,73,68,655
f)	Other expenses	28	17,17,86,141	12,76,70,322
	Total expenses		3,94,73,39,770	3,10,18,67,192
III.	Profit before tax		15,56,98,843	11,37,32,297
IV.	Tax expense:			
	Current tax		3,12,00,000	2,81,50,000
	Income Tax for earlier years		-	1,26,953
	Deferred tax		1,24,71,848	1,05,79,352
V.	Profit after tax (III-IV)		11,20,26,995	7,48,75,992
VI.	Earnings per equity share:			
	Basic	30	320. 08	213. 93
	Diluted		320. 08	213. 93

Summary of Significant Accounting Policies followed by the company

2

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our report of even date attached
For Vijay & Raj
Chartered Accountants

SUKUMAR SRINIVAS
Director

C.RAVIKUMAR
Director

T.R.VARADARAJAN
Proprietor
Membership No.18748

Place: Bangalore
Date: 4th May 2017

Vishal Precision Steel Tubes & Strips Private Limited
Cash Flow Statement for the year ended on 31st March 2017

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

Particulars	31 March 2017		31 March 2016	
Net Profit before taxation		15,56,98,843		11,37,32,296
<u>Add Back:</u>				
Depreciation on Fixed Assets	2,66,08,075		1,73,68,655	
Loss on sale of Fixed Assets	-		-	
Bad Debts Written off Net	(16,197)		-	
Interest Paid	7,61,08,788	10,27,00,666	6,39,90,863	8,13,59,518
		25,83,99,509		19,50,91,814
<u>Deduct:</u>				
Profit on sale of Fixed Assets	49,777		-	
Interest Received	3,00,536	3,50,313	8,72,768	8,72,768
CASH GENERATED BEFORE WORKING CAPITAL CHANGES		25,80,49,197		19,42,19,046
(Increase) in Inventory	(6,92,33,654)		(2,34,40,089)	
(Increase) in Trade and other receivables	(7,75,74,493)		(17,30,11,220)	
Increase/ (Decrease) in Trade and other payables	29,03,70,674		11,28,77,605	
		14,35,62,527		(8,35,73,704)
CASH GENERATED/ (USED) IN OPERATIONS		40,16,11,724		11,06,45,342
Income tax Paid		(2,39,55,629)		(1,48,97,588)
NET CASH USED IN OPERATING ACTIVITIES		37,76,56,095		9,57,47,754
Purchase of Fixed Assets	(12,78,44,871)		(15,20,89,831)	
Sale Proceeds from Fixed Assets	70,000		-	
Interest Received	3,00,536		8,72,768	
NET CASH FLOW USED IN INVESTING ACTIVITIES		(12,74,74,335)		(15,12,17,063)
(Repayment of) Proceeds from Working Capital Loan	(16,91,30,390)		(2,04,19,183)	
Procces from Unsecured Loan	(9,93,364)		14,96,23,416	
Interest Paid	(7,61,08,788)		(6,39,90,863)	
NET CASH FLOW FROM FINANCING ACTIVITIES		(24,62,32,542)		6,52,13,370
NET INCREASE IN CASH AND CASH EQUIVALENTS		39,49,218		97,44,062
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,00,72,368		3,28,306
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,40,21,586		1,00,72,368

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

For and on behalf of the Board

As per our report of even date attached
For Vijay & Raj
Chartered Accountants

SUKUMAR SRINIVAS
Director

C.RAVIKUMAR
Director

T.R.VARADARAJAN
Proprietor
Membership No.18748

Place: Bangalore
Date: 4th May 2017

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Vishal Precision Steel Tubes and Strips Pvt.Ltd, an ISO 9001-2000 Company,are Manufacturers of CRCA Strips, ERW Precesion steel tubes and Bright Rods.

2 SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with the Generally Accepted Accounting Principle in India 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 rounded off to the nearest rupee.

B USE OF ESTIMATES

The preparation of financial statements in conformity with the Indian GAPP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C FIXED ASSETS

Tangible Assets

Fixed Assets are carried out cost less accumulated depreciation and impairment losses, if any. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

D DEPRECIATION, AMORTISATION AND DEPLETION

Tangible Assets

Depreciation has been provided on the straight line method as per the rates prescribed in Schedule II to the Companies Act, 2013. Assets costing less than Rs.5000/- each are fully depreciated in the year of capitalization.

E IMPAIRMENT

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired.

F INVENTORIES

Inventories are valued at the lower of cost (on FIFO basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable excise duty.

G REVENUE RECOGNITION

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax.

H EXCISE DUTY AND SERVICE TAX

Excise duty/Service tax is accounted on the basis of both payments made in respect of goods cleared/services provided and provisions made for goods lying in bonded warehouses if any.

J EMPLOYEE BENEFITS

Short Term Employee Benefits

The undisputed amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render services. These benefits include performance incentive and compensated absences.

Note 2 Significant accounting policies (contd.)

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the company pays Specified contribution to a separate entity. The company makes specified monthly contribution towards Provident Fund, Superannuation Fund and Pension Scheme. The company's Contribution is recognized as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefit is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employee's services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss Statement.

K INCOME TAXES

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between the taxable income and accounting for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

J PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the company has a present obligation as a result and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

K SERVICE TAX INPUT CREDIT

Service Tax input credit is accounted for in the books in which underlying service is received.

3 SHARE CAPITAL

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

Particulars	31 March 2017		31 March 2016	
	Number	Amount (Rs)	Number	Amount (Rs)
Authorised Equity shares of Rs.100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000
Issued Equity shares of Rs.100/- each, fully paid	3,50,000	3,50,00,000	3,50,000	3,50,00,000
Subscribed & Paid up Equity shares of Rs.100/- each, fully paid	3,50,000	3,50,00,000	3,50,000	3,50,00,000
Total	3,50,000	3,50,00,000	3,50,000	3,50,00,000

3a. Reconciliation of number of shares

Particulars	Equity Shares 31 March 2017		Equity Shares 31 March 2016	
	Number	Rs	Number	Rs
	Shares outstanding at the beginning of the year	3,50,000	3,50,00,000	3,50,000
Shares Issued during the year	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	3,50,000	3,50,00,000	3,50,000	3,50,00,000

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

Name of Shareholder	31 March 2017		31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s.Shankara Infrastructure Materials ltd	3,49,600	99.89%	3,49,600	99.89%
	3,49,600	99.89%	3,49,600	99.89%

3c. Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2017):

Particulars	Year (Aggregate No. of Shares)				
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Equity Shares :					
Fully paid up pursuant to contract's) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil

4 RESERVES & SURPLUS

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

Particulars	31 March 2017	31 March 2016
a.General Reserve		
Opening Balance	15,00,000	15,00,000
Closing Balance	15,00,000	15,00,000
b.Surplus in the Statement of Profit or Loss		
Opening balance	26,19,00,476	18,70,24,484
(+) Net Profit for the current year	11,20,26,995	7,48,75,992
Closing Balance	37,39,27,471	26,19,00,476
Total	37,54,27,471	26,34,00,476

5 LONG TERM BORROWINGS

Particulars	31 March 2017	31 March 2016
Secured		
Term Loan from Banks	1,35,21,671	5,26,40,334
[First pari passu floating charge on the existing and future current assets and Fixed assets belonging to the company and Corporate guarantee of Holding Company]		
Total	1,35,21,671	5,26,40,334

6 DEFERRED TAXATION

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

The break up of deferred tax assets and deferred tax liabilities are as given below:

Particulars	31 March 2017	31 March 2016
Opening balance	(1,83,98,728)	(78,19,376)
Deferred Tax Liability:		
On account of depreciation	(1,30,12,920)	(1,01,42,838)
Deferred Tax Asset:		
On account of disallowance under Section 43B	5,41,072	(4,36,514)
Net Deferred Tax Liability	(3,08,70,576)	(1,83,98,728)

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

7 OTHER LONG TERM LIABILITIES

Particulars	31 March 2017	31 March 2016
Security Deposit:		
EMD from Customer	-	-
Total	-	-

8 LONG TERM PROVISIONS

Particulars	31 March 2017	31 March 2016
(a) Provision for employee benefits		
Provision for Gratuity (Employee covered by the Gratuity fund) (Refer note 27a)	20,80,000	6,99,000
Provision for compensated absences	17,59,964	15,04,476
Total	38,39,964	22,03,476

9 SHORT TERM BORROWINGS

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

Particulars	31 March 2017	31 March 2016
a) Secured		
Loan repayable on demand from Banks:		
Working Capital Loan with interest of 12 to 13% p.a	14,07,84,700	23,74,61,996
[First pari passu floating charge on the existing and future current assets & Fixed assets belonging to the company and guaranteed by Managing director]		
b) Unsecured		
Short term loans & Advances received from Finance with interest of 12.5% p.a	14,86,30,052	14,96,23,416
Total	28,94,14,752	38,70,85,412

10 TRADE PAYABLES

Particulars	31 March 2017	31 March 2016
Trade payables:		
Due to Micro, Small & Medium Enterprises*	-	-
Due to Others	40,59,75,449	13,18,70,172
Total**	40,59,75,449	13,18,70,172

*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 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.

Vishal Precision Steel Tubes & Strips Private Limited
Notes to the financial Statement contd.

11 OTHER CURRENT LIABILITIES

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

Particulars	31 March 2017	31 March 2016
Current Maturities of Long Term Borrowings (Refer Note 5)	3,91,17,569	7,24,52,000
Interest accrued but not due on borrowings	22,12,150	5,979
Employee Benefits payable	71,75,238	59,42,053
Statutory dues	1,49,66,913	70,53,273
Advances received from customers	8,97,361	8,88,502
Other expenses payable	1,34,96,446	1,02,29,392
Total	7,78,65,677	9,65,71,198

12 SHORT TERM PROVISIONS

Particulars	31 March 2017	31 March 2016
Provision for Income Tax (Net)	2,00,23,736	1,27,79,365
Total	2,00,23,736	1,27,79,365

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

FIXED ASSETS:

13 TANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2016	Additions	Disposals	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	On disposals	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)	Amount in (Rs)
Own Assets										
Freehold Land	18,49,932	-	-	18,49,932	-	-	-	-	18,49,932	18,49,932
Buildings	15,48,91,612	2,00,15,771	-	17,49,07,383	1,83,28,435	49,46,359	-	2,32,74,794	15,16,32,589	13,65,63,177
Borewell	19,02,818	-	-	19,02,818	4,65,655	1,05,622	-	5,71,277	13,31,541	14,37,163
Plant and Machinery	31,52,50,355	10,73,65,299	-	42,26,15,654	7,72,94,148	2,05,27,137	-	9,78,21,285	32,47,94,370	23,79,56,208
Steel Mill Rolls	74,69,199	-	-	74,69,199	74,69,199	-	-	74,69,199	(0)	(0)
Tools, Jigs & Fixtures	34,52,599	-	-	34,52,599	17,35,304	1,70,511	-	19,05,815	15,46,784	17,17,295
Office equipment	11,71,790	21,100	-	11,92,890	10,08,879	42,316	-	10,51,195	1,41,695	1,62,911
Computers	16,90,727	2,85,921	-	19,76,648	15,67,015	1,57,891	-	17,24,906	2,51,743	1,23,713
Furniture and Fixtures	67,89,211	1,56,780	-	69,45,991	26,17,176	5,46,592	-	31,63,768	37,82,224	41,72,036
Vehicles	13,96,611	-	3,78,636	10,17,975	10,88,206	1,11,647	3,58,413	8,41,440	1,76,535	3,08,405
Total	49,58,64,855	12,78,44,871	3,78,636	62,33,31,090	11,15,74,015	2,66,08,075	3,58,413	13,78,23,677	48,55,07,413	38,42,90,840
Previous Year	34,37,75,024	15,20,89,831	-	49,58,64,855	9,42,05,360	1,73,68,655	-	11,15,74,015	38,42,90,840	

14 LONG TERM LOANS AND ADVANCES

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

Particulars	31 March 2017	31 March 2016
Unsecured, considered good		
Capital advances	27,21,243	1,76,75,884
Security Deposits	1,12,94,175	69,26,265
Advance Income Tax	-	-
Dealers Deposit	11,900	11,900
Total	1,40,27,318	2,46,14,049

15 OTHER NON CURRENT ASSETS

Particulars	31 March 2017	31 March 2016
Long-term trade receivables		
Unsecured considered good	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-
Total	-	-

16 INVENTORIES

Particulars	31 March 2017	31 March 2016
Raw Materials (lower of cost determined on FIFO basis or net realizable value)	20,59,29,211	17,66,80,055
Finished goods (lower of cost determined on FIFO basis or net realizable value)	8,27,24,594	5,24,30,668
Stores and spares (lower of cost determined on FIFO basis or net realizable value)	4,29,82,527	3,32,91,954
Total	33,16,36,332	26,24,02,677

Vishal Precision Steel Tubes & Strips Private Limited
Notes to the financial Statement contd.

17 TRADE RECEIVABLES

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

Particulars	31 March 2017	31 March 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good *	34,69,18,712	27,90,67,309
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	35,59,520	33,94,337
Total	35,04,78,231	28,24,61,646

*Note: Trade Receivables included debts due from companies in which any Director is a Director or Member-M/s Shankara Building Products Ltd of Rs.25,78,35,728/- (P.Y. Rs.16,34,69,894/-)

[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.]

18 CASH & BANK BALANCES

Particulars	31 March 2017	31 March 2016
Cash and Cash equivalents		
Cash on hand	85,627	1,54,871
Bank Balances In Current Account	97,381	65,463
Other bank balances		
Fixed Deposit	1,38,38,578	98,52,034
Total	1,40,21,586	1,00,72,368

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	SDNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	7,84,500	12,455	7,96,955
Add : Permitted receipts	-	7,12,567	7,12,567
Less : Permitted payments	16,000	5,98,571	6,14,571
Less : Amount deposited in Banks	7,68,500	-	7,68,500
Closing cash in hand as on 30.12.2016	-	1,26,451	1,26,451

19 SHORT TERM LOANS & ADVANCES

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

Particulars	31 March 2017	31 March 2016
Unsecured considered good, unless otherwise stated:		
Other Loans and Advances		
Advances for purchases	3,74,31,865	1,52,50,144
Staff Advance	11,27,718	7,22,506
Prepaid Expenses	36,97,199	10,27,771
Balance with Government authorities	1,39,20,885	1,90,16,414
Total	5,61,77,667	3,60,16,834

20 OTHER CURRENT ASSETS

Particulars	31 March 2017	31 March 2016
Unsecured, considered good:		
Interest Receivable	90,746	90,746
Total	90,746	90,746

21 CONTINGENT LIABILITIES AND COMMITMENTS

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

Particulars	31 March 2017	31 March 2016
(i) Contingent Liabilities		
Corporate Guarantee given for Holding Company	55,00,00,000	55,00,00,000
	55,00,00,000	55,00,00,000
(ii) Commitments		
Estimated value of capital commitments towards buildings (Net of advance)	-	-
Estimated value of capital commitments towards purchase of machinery. (Net of advance)	53,44,515	1,90,72,184
Estimated value of capital commitments towards purchase of investments.	-	-
	53,44,515	1,90,72,184
Total	55,53,44,515	56,90,72,184

22 REVENUE

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

Particulars	31 March 2017	31 March 2016
Steel Tube & Pipes and Strips	4,02,11,65,660	3,15,40,50,694
Other Operating Revenues - Sale of scrap	8,15,12,405	6,05,78,043
Total	4,10,26,78,065	3,21,46,28,737

23 OTHER INCOME

Particulars	31 March 2017	31 March 2016
Interest Income	3,00,536	8,72,768
Profit on sale of asset (Net)	49,777	-
Miscellaneous income	10,236	97,984
Total	3,60,549	9,70,752

24 COST OF RAW MATERIALS (STEEL COILS) CONSUMED

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

Particulars	31 March 2017	31 March 2016
Opening stock of raw materials	17,66,80,055	10,40,57,179
Add: Purchases Raw Materials	3,62,95,62,232	2,83,57,70,947
	3,80,62,42,287	2,93,98,28,126
Less: Closing Stock	20,59,29,211	17,66,80,055
Total	3,60,03,13,076	2,76,31,48,071

25a VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

Particulars	31 March 2017	31 March 2016
Indigenous	3,60,03,13,076	2,76,31,48,071
Imported	-	-
Total	3,60,03,13,076	2,76,31,48,071

25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	31 March 2017	31 March 2016
Closing stock of Finished goods	8,27,24,594	5,24,30,668
Opening stock of Finished goods	5,24,30,668	10,69,11,818
Total	(3,02,93,926)	5,44,81,150

26 EMPLOYEE BENEFITS EXPENSES

Particulars	31 March 2017	31 March 2016
Salaries and Wages	8,12,87,688	6,08,89,286
Bonus to Staff & Exgratia	57,86,059	41,35,707
Compensated absences (Refer note 27a)	6,24,706	2,72,361
Gratuity-Employees (Refer note 27a)	20,80,000	6,99,000
Staff Welfare Expenses	41,81,316	38,76,200
Staff Labour Stipend	53,17,687	25,93,102
Contribution for:		
Employee state insurance	9,49,049	6,76,989
Provident fund	25,91,111	20,65,487
Total	10,28,17,616	7,52,08,132

27a DISCLOSURE PURSUANT ACCOUNTING STANDERED 15 (REVISED)-EMPLOYEES BENIFITS

The Company has during the year 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 plans under A5-15:

Particulars	31 March 2017	31 March 2016
I. Table Showing Change in preset Value Obligation :		
Liability at the beginning of the year	81,43,107	71,50,107
Interest Cost	6,19,000	5,58,000
Current Service Cost	8,19,000	6,62,000
Benefit Paid	(3,64,000)	(3,48,000)
Past Service Cost (Vested Benefit)		-
Actuarial (gain)/loss on obligations	14,54,000	1,21,000
Liability at the end of the year	1,06,71,107	81,43,107
II. Change in Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	74,43,646	48,64,646
Expected Return on Plan Assets	5,70,000	4,55,000
Contributions	7,32,000	25,18,000
Benefit Paid	(3,64,000)	(3,48,000)
Actuarial gain/ (loss) on Plan Assets	2,42,000	(46,000)
Fair Value of Plan Assets at the end of the year	86,23,646	74,43,646
III. Actual Return on Plan Assets :		
Expected Return on Plan Assets		
Actuarial gain/ (loss) on Plan Assets	12,12,000	1,67,000
Actual Return on Plan Assets	12,12,000	1,67,000
IV. Amount Recognised in the Balance Sheet :		
Liability at the end of the year	1,06,71,107	81,43,107
Fair Value of Plan Assets at the end of the year	86,23,646	74,43,646
Difference	20,47,461	6,99,461
Amount Recognised in the Balance Sheet	20,47,461	6,99,461
V. Expenses Recognised in the Income Statement :		
Current Service Cost	8,19,000	6,62,000
Interest Cost	6,19,000	5,58,000
Expected Return on Plan Assets	(5,70,000)	(4,55,000)
Past Service Cost (Vested Benefit) Recognised	12,12,000	1,67,000
Actuarial (Gain) or Loss	-	-
Expense Recognised in P&L	20,80,000	9,32,000
VI. Balance Sheet Reconciliation		
Opening Net Liability	6,99,461	22,85,461
Expense as above	20,80,000	9,32,000
Employers Contribution	(7,32,000)	(25,18,000)
Amount Recognised in Balance Sheet	20,47,461	6,99,461
VII Category of Assets as a percentage of total plan assets		
Insurance company	100%	100%
VIII. Assumptions :		
Discount Rate	7.00%	7.60%
Rate of Return on Plan Assets	7.60%	7.80%
Salary Escalation	10.00%	10.00%
Attrition Rate		2.00%

Experience adjustment

	Mar-17	Mar-16	Mar-15	Mar 14*
Defined Benefit Obligation	1,06,71,107	81,43,107	71,50,000	49,64,000
Fair Value of Plan Assets	86,24,000	74,43,646	48,65,000	44,86,000
Surplus/(Deficit)	(20,47,107)	(6,99,461)	(22,85,000)	(4,78,000)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	10,51,000	15,000	1,61,000	7,32,000
Experience Adjustment on Plan Assets: Gain/(Loss)	2,28,000	(58,000)	(2,30,000)	(1,15,000)

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

The disclosure of present value of defined benefit obligation, the fair value of plan are furnished for financial years commencing for 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.

27b Defined Contribution Plans

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

Particulars	31 March 2017	31 March 2016
Employer's Contribution to Provident Fund (includes pension fund)	25,91,111	20,65,487
Employer's Contribution to Employee State Insurance	9,49,049	6,76,989
Total	35,40,160	27,42,476

27 FINANCE COSTS

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

Particulars	31 March 2017	31 March 2016
Interest Expense	4,48,77,431	4,64,77,763
Other borrowing costs	3,12,31,357	1,75,13,099
Total	7,61,08,788	6,39,90,863

28 OTHER EXPENSES

Particulars	31 March 2017	31 March 2016
Power & Fuel	4,28,72,896	3,26,48,698
Consumption of Stores & Spares	5,42,46,162	5,91,48,731
Rent (Refer note 29a)	39,52,060	19,98,396
Repairs-Others	16,91,126	17,57,925
Insurance Charges	6,13,483	5,05,216
Rates & Taxes	92,23,943	27,13,550
Travelling Expenses	25,04,963	23,95,324
Payment to Auditors		
As Auditor		
Audit fee	2,22,000	1,50,000
Tax Audit fee	70,000	50,000
For other matters	-	21,692
Reimbursement of Expenses	5,913	9,900
Professional fees	20,75,207	6,73,486
Printing & Stationery	7,52,376	3,62,348
Communication Expenses	3,77,994	2,99,574
Advertisement & Publicity Expenses	4,02,824	1,49,054
Freight Charges	4,57,71,968	2,01,24,636
Commission & Discount Charges	-	1,18,801
Miscellaneous Expenses	70,19,425	45,42,990
Total	17,17,86,141	12,76,70,322

29a 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 29 is as follows:

Particulars	31 March 2017	31 March 2016
Minimum lease payment made on operating lease	39,52,060	19,98,396

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

Vishal Precision Steel Tubes & Strips Private Limited
Notes to the financial Statement contd.

30 EARNING PER SHARE

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

Particulars	Ref.	31 March 2017	31 March 2016
a) Basic			
Profit after tax	A	11,20,26,995	7,48,75,992
Weighted average number of shares outstanding	B	3,50,000	3,50,000
Basic EPS (Rs.)	A/B	320.08	213.93
b) Diluted			
Profit after tax	A	11,20,26,995	7,48,75,992
Weighted average number of shares outstanding	B	3,50,000	3,50,000
Diluted EPS (Rs.)	A/B	320.08	213.93
Face value per share (Rs.)		100	100

31 RELATED PARTY DISCLOSURES:

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

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

Holding Company	Shankara Building Products Limited
Fellow subsidiary Companies	Centurywells Roofing India Private Limited Taurus Value Steel & Pipes Private Limited
Key managerial personnel	Mr. Sukumar Srinivas (Director) Mr. C.Ravikumar (Director) Mr.V.Devanathan (Director) Mr. K.G.Kashinath (Director)

B Aggregate Transactions with related parties disclosure:

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

Sl.No.	Particulars	31 March 2017		31 March 2016	
		Transactions during the year	Amount (payable) / receivable	Transactions during the year	Amount (payable) / receivable
1	Purchase of Goods				
	Shankara Building Products Limited	7,65,33,337		12,06,53,648	
	Taurus Value Steel & Pipes Private Limited	-		1,91,23,633	
	Centurywells Roofing india Private limited	-			
2	Sales of Goods				
	Shankara Building Products Limited	3,48,07,64,919		2,50,78,80,535	
	Taurus Value Steel & Pipes Private Limited	5,92,56,451		4,54,57,636	
3	Advances Given				
	Shankara Building Products Limited	-	-	-	-
4	Trade Receivable				
	Shankara Building Products Limited	25,78,35,728	25,78,35,728	16,34,69,894	16,34,69,894
5	Advances Received				
	Shankara Building Products Limited	-		-	
6	Rent Paid				
	Shankara Building Products Limited	1,20,000		1,20,000	
7	Rent Payable				
	Shankara Building Products Limited	11,500		-	
8	Purchase of Fixed Assets				
	Taurus Value Steel & Pipes Private Limited	9,10,625		4,81,095	
	Shankara Building Products Limited	22,76,764			
9	Guarantees & Collaterals:				
	Shankara Building Products Limited	77,68,00,000		61,75,00,000	
10	Guarantees given to Holding Company				
	Shankara Building Products Limited	(5,50,00,000)			

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

32 CIF Value of imports Nil (PY - Nil)

For Vishal Precision Steel Tubes & Strips Private limited

As per our report of even date attached
For Vijay & Raj
Chartered Accountants

SUKUMAR SRINIVAS
Director

C.RAVIKUMAR
Director

T.R.VARADARAJAN
Proprietor
Membership No.18748

Place: Bangalore
Date: 4th May 2017