

DEWAS METAL SECTIONS LTD.,

BALANCE SHEET AS AT 31st March, 2017

Amount (in Rs.)

Particulars	Note No.	As at 31st Mar-2017	As at 31st Mar-2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	38,845,200	38,845,200
(b) Reserves and Surplus	2	217,449,628	203,168,825
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	131,781,703	127,318,191
(b) Other long term liabilities		938,913	938,913
(c) Deferred tax liabilities (Net)	4	36,665,680	32,457,979
(3) Current Liabilities			
(a) Short-Term Borrowings	5	222,791,297	238,995,111
(b) Trade Payables	6	120,639,940	75,198,815
(c) Other Current Liabilities	7	110,291,684	58,235,337
(d) Short-Term Provisions	8	6,694,661	9,471,458
Total		886,098,707	784,629,829
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	9	318,228,655	265,554,252
(ii) Intangible Assets	9	3,848,245	4,706,968
(iii) Capital work-in-progress		21,525,667	34,286,835
(b) Long term loans and advances	10	3,542,747	11,521,757
(c) Other Non - Current Assets	11	2,300,213	2,542,256
(2) Current assets			
(a) Inventories	12	242,408,240	213,934,277
(b) Trade Receivables	13	174,249,762	162,818,444
(c) Cash and Bank Balance	14	15,753,477	20,635,736
(d) Short-term loans and advances	15	104,195,963	68,250,139
(e) Other Current Assets	16	45,735	379,164
TOTAL		886,098,705	784,629,828

Significant accounting policies & notes on Financial Statements [I & II (1 to 39)]

As Per our report of even date annexed
For P.D.NAGAR & CO.
Chartered Accountants

For & On Behalf of the Board

(CA P.D. Nagar)
Proprietor
Mem No. 008627
FRN: 001231C

(Whole Time
Director)
Anjan shah
DIN00696395

(Director)
Aradhya Baheti
DIN-660745

Place : Indrore
Date : 26.6.2017

DEWAS METAL SECTIONS LTD.,

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March, 2017

Amount (in Rs.)

Particulars	Note No	As at 31st Mar-2017	As at 31st Mar-2016
I. Revenue from Operations (Gross)	17	1,361,976,696	1,333,682,712
Less: Excise Duty		(129,232,683)	(140,079,493)
Revenue from Operations (Net)		1,232,744,012	1,193,603,218
II. Other Operational Income	18	9,902,594	5,651,172
IV. Total Revenue		1,242,646,607	1,199,254,390
V. Expenses:			
Cost of Materials Consumed	19	1,000,857,432	932,512,952
Changes in inventories of finished goods, work-in-progress and Scrap	20	(26,814,854)	13,927,973
Direct Manufacturing Expenses	21	51,094,050	31,895,262
Employee Benefit Expense	22	51,738,852	48,883,779
Finance Costs	23	54,662,328	53,998,588
Depreciation		26,785,983	24,374,505
Other Expenses	24	61,014,603	50,273,007
Total Expenses		1,219,338,394	1,155,866,067
VI Profit before tax		23,308,213	43,388,323
VII. Tax expense:			
(1) Current tax		(4,753,000)	(9,065,000)
(2) Deferred tax (Net)		(4,207,701)	(5,088,494)
(3) Tax for earlier year		(326,709)	39,948
VIII. Profit available for appropriation		14,020,803	29,274,777
Appropriated for :			
Deposit Repayment Reserve		(255,000)	-
Balance carried forward to Balance sheet		13,765,803	29,274,777
IX. Earning per equity share:	35	4	8
Basic & Diluted			

Significant accounting policies & notes on Financial Statements [I & II (1 to 39)]

As Per our report of even date annexed

For & On Behalf of the Board

For P.D.NAGAR & CO.

Chartered Accountants

FRN: 001231C

(CA P.D. Nagar)

(Whole Time Director)

(Director)

Proprietor

Anjan shah

Aradhya Baheti

Mem No. 008627

DIN00696395

DIN-660745

Place : Indrore

Date : 26.6.2017

(I) SIGNIFICANT ACCOUNTING POLICES.

CORPORATE INFORMATIONS:

Dewas Metal section Ltd. having its registered office at GRAM-AMONA, A.B.ROAD, DEWAS (CIN-L02710MP1979PLC001501) is a limited company in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in manufacturing & selling Metal sections and components.

Significant Accounting Polices

1.1 Basis of Preparation of Financial Statements.

The Financial statement are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('India GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI), The Companies Accounting Standard Rules, 2006 and relevant provisions of Companies Act, 2013 ("The Act") to the extent applicable.

1.2 Use of Estimates

The preparations of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed assets and depreciation

The company has adopted Cost Model as prescribed in Accounting standard -10 (Revised) "Property Plant & Equipment".

Recognition

The Cost of an item of property, Plant& equipment is recognized as an asset if , and only if :

- (a) it is probable that future economic benefits associated with the item will flow to the enterprises ; and
- (b) the cost of the item can be measured reliably.

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Pre-operative expenses including trial run expenses (net of revenue) are capitalized. The cost of fixed assets comprises the purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to the working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to put to use.

Capital Work-in-progress includes the cost of fixed assets

Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the manners Provided in Schedule II of the Companies Act, 2013. Depreciation is charged on fixed assets from the day when such assets were put to use.

Further, Govt. Grant received related to depreciable assets are reduced from depreciation over the period of useful life of qualifying assets on systematic and rational basis. Leasehold land is amortized over the period of lease.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Amortisation of Intangible assets is done over a period of 10 years in respect of followings:

- (i) Design Software
- (ii) Licence Fees Paid to Microsoft
- (iii) ERP Software

1.4 Impairment of Assets.

The company assessed at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.5 Inventory.

- a. Inventories are valued as under:

Finished Goods	:	At estimated cost
Stock in Process	:	At estimated cost
Raw Material	:	At weighted average cost
Packing Material	:	At cost

Consumables : At cost

Spares (Ancillary Raw
Material, Stores & Spares
& Machinery
Maintenance)

Loose Tools : At cost

Scrap : At realizable value

- b. The cost of inventories comprises all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities.) Conversion cost and other costs incurred in bringing the inventories to their present location and condition.
- c. The cost formulas used are Weighted Average Cost in case of Raw Material and first-in-first-out (FIFO) in case of ancillary Raw Material (Consumable Spares.)
- d. The excise duty payable on the finished goods is accounted for in the valuation of the finished goods. This is in accordance with Accounting Standard (AS) 2 Valuation of inventories issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules 2006 and also the guidance Note on accounting treatment for Excise Duty issued by the (ICAI) inventory of finished goods.

1.6 Revenue Recognition.

- a. Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers which is generally on dispatch of goods. Sales are stated exclusive of value added tax.
- b. Interest income is recognized on the time proportion basis.
- c. Export incentives receivable are accrued when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.
- d. The company is entitled to Industrial Incentive in the form of remission of VAT and CST against deposit of such taxes under Industrial Policy, 2004 of M.P.Govt. from second year of operation. Determination of subsidy (incentive) is to be made in the assessment order for relevant year and thereafter subsidy is granted by Industrial Department. Such determination depends upon circumstances prevailing at the time of assessment. Therefore, income by way of subsidy receivable under the policy is recognized on cash basis.

1.7 EMPLOYEE BENEFITS.

- a. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences etc... are recognized in the period in which the employee renders the related services.

- b. Post - Employment Benefits.

- i. Defined Contribution plans: The employee State Insurance Scheme and Contributory Provident Fund administered by provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.
- ii. Defined Benefit Plans: The Company has taken Group Gratuity and cash Accumulations Policy issued by the ICICI Prudential. The present value of the obligation under such defined benefits plans is determined based on actuarial valuation as advised by ICICI Prudential using the protected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are as advised by ICICI Prudential.
- iii. Actuarial gains and losses are recognized immediately in the profit & loss accounts.

1.8 FOREIGN CURRENCY TRANSACTIONS.

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end are translated at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account.

1.9 Borrowing Costs.

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of the asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules 2006.

1.10 TAXATION

Tax expenses for the current year comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognized, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.11 Earning per Share

Basic and Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

1.12 PROVISIONS FOR CONTINGENCIES.

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources

when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonable estimated.

Contingent assets are not recognized in the financial statements.

DEWAS METAL SECTIONS LTD.,

(II) NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st Mar-2017	As at 31st Mar-2016
1. Share Capital		
AUTHORISED SHARE CAPITAL		
4500000 (P.Y 4500000) Equity shares of Rs.10/- each	45,000,000	45,000,000
	<u>45,000,000</u>	<u>45,000,000</u>
ISSUED SUBSCRIBED AND PAID-UP		
26,00,000 Equity Shares of Rs.10/- each	38,864,000	38,864,000
(including 210000 Equity Shares of Rs.10/- each issued as fully paid bonus shares & 13,00,000 Right Equity shares of Rs.10/- each		
Less : Calls in Arrears 4700 shares (P.Y.5800 shares)	(18,800)	(18,800)
	<u>38,845,200</u>	<u>38,845,200</u>

(a) Reconciliation of Number of Shares

Shares outstanding at the commencement of the year	3,886,400	3,886,400
Right Equity share capital issued	0	0
Shares outstanding at the close of the year	3,886,400	3,886,400

(b) List of shareholders holding more than 5%

Name of the Share Holder :-	As at 31st Mar-2017		As at 31st Mar-2016	
	No. of Shares & % of Holding		No. of Shares & % of Holding	
(i) Aradhya Investment Pvt. Ltd	864492	22.24%	864492	22.24%
(ii) Aradhya Baheti	801300	20.62%	801300	20.62%
(iii) Pooja Resources P. Ltd	329700	8.48%	329700	8.48%
(iv) Anjan Shah	242100	6.23%	242100	6.23%
(v) Laxmikant Shah	204900	5.28%	204900	5.28%

DEWAS METAL SECTIONS LTD.,

Particulars	As at 31st Mar-2017	As at 31st Mar-2016
2. Reserves and Surplus		
(a) Share Premium	25,163,400	25,163,400
(b) General Reserve	30,000,000	30,000,000
(C) Capital Subsidy		
Add:- Received during the year	260,000	0
(d) Deposit Repayment Reserve Account		
Opening balance	720,000	720,000
Add:- Transferred From Profit & Loss A/c	255,000	0
	<u>975,000</u>	<u>720,000</u>
(e) Surplus in statement of Profit & Loss		
Opening Balance	147,285,425	118,010,648
Add:- Profit for the year	13,765,803	29,274,777
	<u>161,051,228</u>	<u>147,285,425</u>
	<u>217,449,628</u>	<u>203,168,825</u>

3. Long-Term Borrowings

(a) Term Loans From Banks :

(I) State Bank of India - Commercial Branch Indore	62,954,295	72,714,236
(II) Car Loan From ICICI Bank	190,408	451,828

(b) Unsecured Loan		
Inter Corporate Deposits	22,412,000	20,912,000
From Directors	5,200,000	6,000,000
From Others	41,025,000	27,240,127
Total	131,781,703	127,318,191
4. Other Long term Liabilities		
Tooling Deposits from Customers	938,913	938,913
	938,913	938,913

Nature of Security & terms of repayment for Long Term Secured Borrowings

Nature of Security	Terms of Repayment
(a) Term Loan amounting Rs. 590 lacs (March 31, 2017 :Rs.15.61 Lacs) is Secured by first charge on Plant & Machinery and Misc. Fixed Assets of the company	Repayable in 20 quarterly Instalments starting from June , 2013, last instalment due on May , 2018, Rate of Interest SBLR+4.50% as at the year end. (previous year PLR+3.75%)
(b) Term Loan amounting Rs. 4.17 lacs (March 31, 2017 :NIL lacs) against the hypothecation of Motor Vehicle.	Repayable in 60 monthly Instalments starting from Jan , 2012, last instalment due on Dec , 2016, Rate of Interest 12.01%.as at the year end. (previous year 12.01%)
(c) Term Loan amounting to Rs.450 Lacs (March 31,2017 : 196.22 lacs) against Mortgage of Company's entire fixed assets and Hypothication of entire Plant and Machinery.)	Repayable in 21 quarterly Instalments starting from Jan, 2014, last instalment due on Jan.2019, Rate of Interest SBLR+4.50% as at the year end. (previous year-PLR+3.85%)
(d) Term Loan amounting Rs.626 lacs (March 31, 2017 :Rs.490.68 lacs) is Secured by first charge on Plant & Machinery and Misc. Fixed Assets of the company.	Repayable in 20 quarterly Instalments starting from Jun, 2015, last instalment due on Mar.2020, Rate of Interest SBLR+4.50% as at the year end. (previous year-PLR+3.75%)
(e) Term Loan amounting Rs.9.65 lacs (March 31, 2017 Rs. 4.51 Lacs) against the hypothecation of Motor Vehicle.	Repayable in 48 monthly Instalments starting from Dec.,2014,last instalment due on Nov.2018, Rate of Interest 11.25%.as at the year end. (previous year 11.25%)
(f) Term Loan amounting Rs.200 lacs (March 31, 2017 :Rs. 159.97 lacs) is Secured by first charge on Plant & Machinery and Misc. Fixed Assets of the company.	Repayable in 28 quarterly Instalments starting from Sep, 2016, last instalment due on Mar.2023, Rate of Interest SBLR+4.50% as at the year end. (previous year- Nil)
(f) Term Loan amounting Rs.430 lacs (March 31, 2017 :Rs. 123.67 lacs) is Secured by first charge on Plant & Machinery and Misc. Fixed Assets of the company proposed to be created from the present term loan.	Repayable in 32 quarterly Instalments starting from Jun, 2017, last instalment due on Mar.2025, Rate of Interest SBLR+4.50% as at the year end. (previous year- Nil)

Instalments falling due in respect of all the above loans upto 31.03.2018 have been grouped under "Current maturities of long term debt" (Refer Note 8)

* Rate of Interest is without considering rebate & penal rate

DEWAS METAL SECTIONS LTD.,

Particulars	As at 31st Mar-2017	As at 31st Mar-2016
4. Deferred Tax Liabilities (Net)		
A. Deferred Tax Liabilities	32,457,979	27,369,485
Add:- On account of Depreciation	4,225,195	5,606,686
Less:- On account of Provisions	(17,494)	(518,192)
Net Deferred Tax Liabilities	36,665,680	32,457,979

5. Short-term borrowings

(a) From Bank

Secured Loans

Working Capital Loan

	209,653,297	227,957,111
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(b) Unsecured Loan

Inter Corporate Deposits

	6,638,000	5,038,000
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From Others

	6,500,000	6,000,000
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	222,791,297	238,995,111
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(Working Capital Loan from SBI-Commercial Branch, Indore is secured by first charge over the company's stock of raw materials, Finished Goods, Stock in Process, Stores and Spares, packing Materials including goods in transit, book debts and at their factory premises at Village Amona, District -Dewas (MP) and at such other places as approved by the banks from time to time were secured by personal guarantee of three persons including 2 Directors)

6. Trade payables

Due to Micro, Small & Medium Enterprises & Others

	120,639,940	75,198,815
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	120,639,940	75,198,815
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7. Other Current Liabilities

(a) Current maturity of Long Term Debts

(I) State Bank of Indore, Commercial Banch indore	35,661,508	30,971,541
(II)Car Loan(Against hypothication of Car)		
From		
(i) ICICI Bank	0	74,923
(ii)HDFC Bank	261,420	235,472
(b) Sundry Creditors for Capital Goods	2,057,319	147,523
(c) Sundry Creditors for expenses	8,259,491	14,232,685
(d) Advance from customer	53,241,981	4,596,075
(e) Interest Accrued and due on borrowings	1,154,037	410,033
(f) Unclaimed Dividend	416,100	416,100
(g) Statutory Liabilities	9,239,827	7,150,985
	110,291,684	58,235,337

8. Short-Term Provisions

(a) Provision for Employee Benefits		1,793,264	1,778,753
(b) Others Outstanding Laibilities		4,901,397	7,692,705
(c) Income Tax	4753000		
Less:-			
Deducted from Contra	(4753000)	0	0
		6,694,661	9,471,458

FIXED ASSETS :Overall	Gross Block			Depreciation					Net Block		
	As on 01.04.16	Additions	Sale	As on 31.03.17	As on 01.04.16	for the year	Debit ed	on Deduct ion	As at 31.03.17	31.03 .17	31.03 .16
(i) Tengible Assets										0	
Free Hold Land	9,086,393	-	-	9,086,393	-	-	-	-	-	9,086,393	9,086,393
Factory Building	66,504,526	25,835,764	-	92,340,290	21,634,837	2,793,356	-	-	24,428,193	67,912,097	44,869,689
											-
Road & Site Devlopment	1,043,729	3,515,522		4,559,251	991,543	791,864	-	-	1,783,407	2,775,844	52,186
											-
Plant & Machinery	330,374,311	45,496,271	5,544,000	370,326,582	134,415,604	18,070,420	-	1,696,484	150,789,54	219,537,04	195,958,70

									0	2	7
											-
Electrical Instalation	11,268,428	6,886,353	-	18,154,781	6,588,049	1,559,489	-		8,147,538	10,007,243	4,680,379
											-
Furniture and Fixture	11,962,658	337,040	-	12,299,698	5,608,278	1,290,309	-	-	6,898,587	5,401,111	6,354,380
											-
Light Commercial Vehicle	6,876,099	-	-	6,876,099	3,058,809	997,284	-	-	4,056,093	2,820,006	3,817,290
											-
Computer	4,299,198	342,288	-	4,641,486	4,080,432	152,029	-	-	4,232,461	409,025	218,766
											-
Office Equipments	2,584,436	63,575	30,900	2,617,111	2,067,974	272,509	-	3,266	2,337,217	279,894	516,462
											-
(ii) Intangible Assets											-
0	2,844,759	-	-	2,844,759	1,327,674	522,686	-	-	1,850,360	994,399	1,517,085
											-
0	1,621,485	-	-	1,621,485	81,074	162,149	-	-	243,223	1,378,262	1,540,411
											-
0	1,738,880	-	-	1,738,880	89,408	173,888	-	-	263,296	1,475,584	1,649,472
											-
Total	450,204,902	82,476,813	5,574,900	527,106,815	179,943,682	26,785,983	-	1,699,750	205,029,915	322,076,900	270,261,220
(iii)Capital work in Progress											-
Plant & Machinery**	12,374,275	42,006,148	45,496,271	8,884,152	-	-	-	-	-	8,884,152	12,374,275
Computer	-	-	-	-	-	-	-	-	-	-	-
Electric Installation	3,977,344	3,542,850	6,886,353	633,842	-	-	-	-	-	633,842	3,977,344
Building	16,922,275	20,282,090	25,835,764	11,368,601	-	-	-	-	-	11,368,601	16,922,275

Road & Site Development	962,259	796,143	1,758,402		-	-	-	-	-	-	962,259
Furniture & Fixtures	50,682	-	50,682	-	-	-	-	-	-	-	50,682
Spares for Capital goods*	-	639,073	-	639,073	-	-	-	-	-	639,073	-
Total	34,286,835	67,266,304	80,027,471	21,525,667	-	-	-	-	-	21,525,667	34,286,835
Grand total	484,491,737	149,743,116	85,602,371	548,632,482	179,943,682	26,785,983	-	1,699,750	205,029,915	343,602,567	304,548,055
Previous year's Total	448,154,493	109,695,803	73,358,558	484,491,737	156,290,760	24,374,506	-	721,586	179,943,680	304,548,057	291,863,733

*Note:- (i) It represents spares ,which were classified as capital spares as per Accounting Standard 10 Property Plant & Equipment , are ready to use however each asset has different remaining useful life it is not certain that for which asset same would be used and considering the same depreciation has not been considered on the same.

** (ii) It Includes expenditures incurred before commencement of commercial production capitalised as per note no. 32

DEWAS METAL SECTIONS LTD.,

Particulars	As at 31st Mar-2017	As at 31st Mar-2016
10. Long-Term Loans and Advances		
(a)Capital Advance	1,158,635	7,892,355
(b)Security Deposits	2,384,112	3,629,402
	3,542,747	11,521,757
11. Other Non Current Asset		
Pre-operative expenses	2,300,213	2,542,256
	2,300,213	2,542,256
12. Inventories		
(a) Raw materials	136,038,533	134,197,382
(b) Raw materials-Others	153,693	335,337
(c) Packing Materials	4,912,406	6,056,037
(d) Stock-in-progress	21,183,552	17,481,740
(e) Finished Goods	75,081,582	51,376,385

(f) Tools	1,164,353	830,428
(g) Stores and spares	1,383,610	822,886
(h) Machinery Maintenance	2,252,947	1,972,005
(i) Fuel	0	32,358
(j) Scrap	237,564	829,719
	242,408,240	213,934,277
13. Trade Receivables (Unsecured)		
(a) Considered good		
- Outstanding For a Period Exceeding 6 Months	26,805,425	10,046,299
- Others	145,566,021	148,599,481
(b) Considered Doubtful	1,878,317	4,172,664
	174,249,762	162,818,444
14. Cash and Bank Balance		
(a) Cash & Cash Equivalents		
Balances with Banks	1,519,027	6,957,975
Cash on Hand	434,238	85,493
	1,953,265	7,043,468
(b) Other Bank Balances		
In ICICI (Interim Dividend Account)	416,100	416,100
In Fixed Deposit Account		
- As Margin Money against LC & BG	7,759,561	7,484,633
- As Margin Against Unsecured Loan	5,624,551	5,691,535
	13,800,212	13,592,268
Total	15,753,477	20,635,736

DEWAS METAL SECTIONS LTD.,

Particulars	As at 31st Mar-2017	As at 31st Mar-2016
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15. Short-term loans and advances

(Unsecured & Considered good)

(i) Advances recoverable in cash or in kind or for value to be received	44,637,791	20,848,091
(ii) Income tax refundable	0	1,053,653
(iii) Income tax refundable	0	1,269,829
(iv) Income tax refundable due for F.Y. 14-15	369,252	329,302
(v) Advance Tax	5,241,100	
Less: -		

Provision for tax (deducted per contra)	<u>(4,753,000)</u>	488,100	3,534,185
(vi) Balance with Central Excise Authorities		58,700,821	41,215,079
Total		104,195,963	68,250,139
16. Other Current Assets			
Interest Accrued but not due on Fixed Deposits		45,735	379,164
		45,735	379,164
17. Revenue from Operations			
A. Sale of Products & Scrap			
Sale of Manufactured goods		1,326,523,345	1,304,812,148
Export sales		9,699,156	8,282,626
Scrap Sales		26,264,615	23,948,904
Total		1,362,487,116	1,337,043,678
Less:- Sales Return		3,384,634	6,495,178
Total A		1,359,102,482	1,330,548,500
B. Other Operating revenues			
Job Work		613,802	1,431,082
Misc. receipt		2,260,412	1,703,129
Total B		2,874,214	3,134,211
Total (A+B)		1,361,976,696	1,333,682,712
18. Other Income			
Interest Income		7,780,918	5101912
Interest on Income tax refund		569,273	0
Credit balance forfeited		67,806	96367
Foreign Exchange Fluctuation		302,644	19472
Discount on Early Payment		36,239	44922
Profit on Sale of Fixed Assets		20,525	42296
Design & Developmen Charges		450,000	271,000
Packing Charge Received		0	75,202
Excees Provision for Earlier Years writen back		675,190	0
		9,902,594	5,651,172

DEWAS METAL SECTIONS LTD.,

Particulars	As at 31st Mar-2017	As at 31st Mar-2016
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19. Cost of Materials Consumed :

Opening Stock	140,645,417	37,470,049
Purchases	1,012,836,241	1,061,177,034
	<hr/>	<hr/>
	1,153,481,658	1,098,647,083
Add:-		
(i) Entry Tax	498,440	393,095
(ii) Freight & Cartage	9,089,452	4,100,071
	<hr/>	<hr/>
	1,163,069,550	1,103,140,249
Less:- Sale of Raw Material	21,107,486	(30,038,540)
Less:- Closing Stock	141,104,632	(140,588,756)
	<hr/>	<hr/>
Total	1,000,857,432	932,512,952

20. Change in Inventory

Opening Stock

Finished Goods	51,376,385	74,305,716
Work-in-Progress	17,481,740	8,778,002
Scrap	829,719	532,099
	<hr/>	<hr/>
	69,687,844	83,615,817

Closing Stock

Finished Goods	75,081,582	51,376,385
Work-in-Progress	21,183,552	17,481,740
Scrap	237,564	829,719
	<hr/>	<hr/>
	96,502,698	69,687,844
	<hr/>	<hr/>
Increase in Inventory	(26,814,854)	13,927,973

21. Direct Manufacturing Expenses

Power & Fuel	11,193,082	9,365,295
Slitting charges	1,097,446	257,787
Job Work Charges	18,441,842	10,058,138
Consumables Store & Spares	7,123,907	5,870,753
Tools written off	813,949	486,698
Factory Rent	2,880,000	2,680,000
Repairs to		
- Building	658,058	565,048
- Machinery	6,771,871	4,985,815
Increase/Decrease in excise duty on closing stock of finished goods	2,113,894	(2,374,272)

	51,094,050	31,895,262
22. Employee benefits expense		
Salary & wages	32,941,502	32,316,370
Contribution to P.F., E.S.I. & other funds	3,085,611	2,581,765
Staff & Labour Welfare	12,050,447	10,902,762
Leave Encashment	298,182	214,031
Attendance & Production Incentive	332,524	523,531
Bonus	1,531,695	1,478,785
Gratuity	1,284,091	765,898
Ex-Gratia	178,800	70,637
Service charges	36,000	30,000
	51,738,852	48,883,779

DEWAS METAL SECTIONS LTD.,

Particulars	As at 31st Mar-2017	As at 31st Mar-2016
23. Finance cost		
Interest expenses	50,917,873	49,791,351
Interest on delayed Payment Of tds	4,450	9,054
Other borrowing costs	3,740,006	4,198,184
Total	54,662,328	53,998,588

24. Other Expenses

(a) Administrative Expenses :

Postage & Telegram	179,193	144,780
Telephone & Trunckcall	630,893	431,683
Stationary & Printing	503,961	405,033
Travelling Expenses	4,094,324	2,872,038
Charity & Donation	901,300	771,839
Statutory & Tax Audit	132,000	132,000
Other Audit Fees	97,000	280,000
Vehicle Maintenance	1,259,302	756,769
Office Building & other repairs	563,091	377,236
Security charges	2,281,074	1,526,612
Legal & Professional charges	2,124,173	2,066,434
ISO expenses	244,459	233,521
Insurance Charges	391,188	413,843
Garden Expenses	306,431	228,417
Rates & Taxes	683,588	1,003,419
Penalty & Fine under various act	25,206	157,500

Misc. Exp.	2,058,798	1,451,628
Inauguration Exp.	837,224	0
Preliminary Exp. Written off	575,053	0
Swach Bharat Cess	199,774	74,058
Krishi Kalyan Cess	167,682	0
Carry forward writen off	74,624	231,148
Advances to suppliers of capital goods written off	0	300,400
Loss on sale of assets	3,645	
	18,333,983	13,858,358
(A)		
<u>(b) Selling & Distribution Expenses :</u>		
Freight Outwards	25,061,354	20,513,356
Export Expenses	0	785,281
Advertising & Sales Promotion	276,832	434,597
Bad Debts	0	1,015,342
Brokerage & Commission	8,689,617	9,134,942
Discount Rebate and Claim	15,868	0
Transit Insurance on Finished goods	99,130	100,105
Service tax on GTA	1,298,692	1,174,314
Liquidated Damages	4,242,421	291,483
Tender Fees	136,883	95,733
	39,820,796	33,545,153
(B)		
<u>(c)Director's Remuneration & Benefits :</u>		
Remuneration - Whole time director	2,460,000	2,445,000
Contribution to PF	284,449	284,449
Other Benefits	85,375	118,047
Directors Meeting Fees	30,000	22,000
	2,859,824	2,869,496
(C)		
TOTAL	(A+B+C) 61,014,603	50,273,007

25. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonable necessary.
26. No provision has been made in accounts, in respect of doubtful debts amounting to Rs. 18,78,317/- (Previous year Rs. 41,72,664/-)
27. The estimated amount of contract remaining to be executed on capital account and not provided for Nil (previous year Rs.1,24,50,000/-)

28. **Contingent Liabilities:**

- A) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF BANK GUARANTEES GIVEN BY BANK AT RS. 823.33 LACS (PREVIOUS YEAR RS. 639.91/-LACS) TO THE CUSTOMERS FROM WHOM THE COMPANY RECEIVED THE ADVANCES AGAINST SUPPLIES TO BE MADE AS WELL AS ALREADY MADE.
- b) The following statutory demands have been raised by the various departments against the company after assessment for the respective years. The company has filed appeals before the appropriate authorities against such assessment orders. No provision is made in the accounts for these demands.

Particulars		Valuation as at 31/03/2016		Financial Year ending 31/03/2017	
S.N.	Statute	Accounting Year	Forum where Pending	Amount (Rs.)	
1.	Entry Tax Act	Entry Tax A.Y.2008-09	M.P. Commercial Tax appellate Board, Bhopal.	2,88,290/-	
2.	Central Sales Tax	CST-A.Y. 2011-12	M.P. Commercial Tax appellate Board, Bhopal.	3,17,122/-	
3.	Central Sales Tax	CST-A.Y. 2013-14	Dy. Comm. (Appeal) Commercial Tax	88,114/-	
4.	Service Tax	Service tax 2007-08 To Dec.2014.	Commissioner (Appeals), Central Ex. & Customs.	3,80,722/-	
Total				Rs.10,74,248/-	

29. Amount Outstanding from Debtors, due to Creditors & Loans and advances are subject to confirmations & reconciliation.

30. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT , 2006:- UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT., 2006 WHICH CAME INTO FORCE FROM 2ND OCTOBER '2006, CERTAIN DISCLOSURES ARE REQUIRED TO BE MADE RELATING TO MICRO , SMALL AND MEDIUM ENTERPRISES . THE COMPANY IS IN THE PROCESS OF COMPILING RELATIVE INFORMATION FROM IT'S SUPPLIERS ABOUT THEIR COVERAGE UNDER THE SAID ACT SINCE THE RELEVANT INFORMATION IS NOT READILY AVAILABLE , NO DISCLOSURES HAVE BEEN MADE IN THE ACCOUNTS IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT THE LIABILITY IS NOT EXPECTED TO BE MATERIAL.

THE DISCLOSURE REQUIRED AS PER ACCOUNTING STANDARD (AS) 15 "EMPLOYEES BENEFIT " ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (ICAI) AND NOTIFIED UNDER THE COMPANIES ACCOUNTING STANDARDS RULES , 2006 AND BASED ON THE REPORT GENERATED BY THE SBI LIFE INSURANCE IS AS UNDER:

6.1 Change in the present value of Obligation

Defined Benefit Obligation at the beginning	6231143	6971205
Current Service Cost	346049	390311
Interest Cost	470021	530742
Prior Service cost - Vested benefit	0	0
Prior Service cost - Non Vested benefit	0	0
Curtailments	0	0
Benefit paid directly by the Company	0	0
Benefits paid from Fund	-442248	-420316
Net transfer in/(out) (including the effect of any business combinations / divestitures)		
Actuarial Loss / (Gain) on Obligation	366240	941979
Defined Benefit Obligation at the end	6971205	8413921

6.2 Change in the Fair Value of Plan Assets

Particulars	Valuation as at 31/03/2016	Financial Year ending 31/03/2017
Fair Value of Plan Assets at the beginning	6205873	7272304
Adjustment to Opening Balance	-	-
Expected Return on Plan Assets	514688	533303
Employer Contributions	1047267	1752892
Employee's Contributions	0	0
Benefits Paid	-442248	-420316
Net transfer in/(out) (including effect of any business combinations / divestitures)	-98276	45638
Actuarial Gain / (Loss) on the Plan Assets	7227304	9138821
Fair Value of Plan Assets at the end	7227304	9138821

6.3 Fair value of Plan Assets

Particulars	Valuation as at31/03/2016	Financial Year ending31/03/2017
Fair value of Plant assets at the beginning	6205873	7227304
Adjustment to opening balance	0	0
Actual return on Plan Assets	612964	578941
Employer contributions	1047267	1752892
Employees contributions	0	0
Benefit Paid	-442248	-420316
Net transfer in/(out)(including the effect of any business combinations/divestures)	0	0
Fair Value Of plan assets at the beginning	7272304	9138821
Excess of actual Over Estimated return on Plan Assets	-98276	-45638

6.4 Expenses Recognised in the Profit & Loss Account

Particulars	Valuation as at31/03/2016	Financial Year ending31/03/2017
Current Service cost	346049	390311

Interest cost on obligation	470021	530742
Past service cost	0	0
Expected return on Plan Assets	514688	533303
Amortisation of prior service cost	0	0
Net Acturial (Gain)/Loss recognized	464516	896341
Transfer In /(Out)	0	0
Curtailment (Gain)/Loss recognized	0	0
Settlement (Gain) Loss recognized	0	0
Expenses Recognised in the Profit & Loss Account	765898	1284091

6.5 Amount for the current Period

Particulars	Valuation as at31/03/2016	Financial Year ending31/03/2017
Acturial loss/(Gain) for the Current period-Obligation	366240	941979
Acturial loss/(Gain) for the Current period-Plan Assets	38276	-45638
Total Acturial loss/(Gain) for the Current period	464516	896341
Acturial Loss/(Gain) recognized in the current period.	464516	896341

6.6 Movement in the Liability recognized in the balance sheet

Particulars	Valuation as at31/03/2016	Financial Year ending31/03/2017
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Present value of obligation at the beginning	6231143	6971205
Expenses recognized in P&L statement	765898	1284091
Benefit paid	-44248	-420316
Actual return on Plan Assets	612964	578941
Acquisition Adjustment	0	0
Present value of obligation as at the end	6971205	8413921

6.7 Bifurcation of Present Value of obligation at the current period as per revised schedule VI of the companies Act 1956

Particulars	31/03/2016	31/03/2017
Current Liability(Short term)	711750	362922
Non current Liability (Long term)	6259455	8049998
Present value of obligation as at the end	6971205	8413921

32. The amount of borrowing cost capitalized during the year Rs. 24,85,083 /- (previous year Rs. 23, 53,385)
Other Cost capitalized during the year as under:-

(i)Interest on Unsecured Loan (ii) Processing fees on Term loan (iii) consultant's fee for term loan (iv) travelling charges,(v) freight and (vi) Job works etc. amounting to Rs.24,85,083/-,-3,91,300/-2,15,000/- ,74,890/-,-17,000/-,-7,41,515/- Respectively.

33. Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountant of India, the company's primary segment is Sections & Components. As the Company's business activity falls within single primary business segment, the disclosure requirements of AS-17 in this regard are not applicable.

34. Related party disclosure, as required by AS-18

The names of related parties with relationship and transactions with them are disclosed as under:

A. RELATIONSHIP:

I. KEY MANAGEMENT PERSONNEL

NATURE OF RELATIONSHIP

a. Shri L K Shah	Chief Executive Officer
b. Shri Anjan Shah	Whole Time Director
c. Shri Aradhya Baheti	Director
d. Shri Ram Airen	Director
e. Shri K. K. Nagar	Director

ii. Associates Entities:

Other parties where Key Management personnel and their relative have significant influence:

- a. M/s Dee Tee Industries Ltd.
- b. M/s Dewas Techno Products Pvt.Ltd.
- c. M/s Decostyle Technics Pvt. Ltd.
- d. M/s Aaradhya Investment & Finanace Pvt. Ltd.
- e. M/s Pooja Resources Pvt. Ltd.
- f. M/s Samarth Enterprises

iv. **Relatives of Key Management Personnel:**

- a Mr. Manohar Baheti

B MS. POOJA BANKA

- b. The following transactions were carried out with the related parties referred in above in the ordinary course of business.

Particulars	Key Management Person	Relative	Associate Entities
Remuneration	Rs. 51,33,324/- (P.Y. Rs. 46,15,715/-)	Nil	Nil
Interest on Unsecured Loan	Rs. 22,25,263/- (P.Y. Rs. 21,05,646/-)	Rs. 41,999/- (P.Y. Rs. 81,380/-)	Rs. 4,63,528 /- (P.Y. Rs. 1,51,857/-)
Professional fee	Nil	Rs. 3,60,000/ (P.Y. Rs. 2,40,000)	Nil
Sales (Including sale of Assets)	Nil	Nil -	Rs. 3,78,99,439/ (P.Y. Rs. 1,82,27,548/-)
Purchase(Including Purchase of Assets)	Nil	Nil	Rs. 56,53,814/- (P.Y. Rs. 90,90,337/)
Job Work payment	Nil -	Nil	Rs. 3,08,301-(P.Y. Rs. 4,04,549/)
Interest receipt	Nil	Nil	Rs. 9,32,896/- (P.Y. Rs. 1,68,421/-)
Directors Meeting fees	Rs. 30,000/- (P.Y. Rs. 42,000/-)	Nil -	Nil
Reimbursement of expenses	Nil	Nil	Rs, 89,314/- (P.Y. Rs. 3,14,077/-)

35. Earnings per Share

THE COMPANY'S SHARE CAPITAL CONSISTS OF EQUITY SHARE. THE BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:-

Particulars	Year Ended 31.03.16	Year Ended 31.03.15
Number of Shares at the Commencement	38,86,400	38,86,400
Shares issued during the year	NIL	NIL
No. of shares at the end of the Year	38,86,400	38,86,400
Profit After Taxes	1,55,90,564/-	2,92,74,777/-
Basic & Diluted Earnings per share	Rs.4/-	Rs.8/-
Nominal Value per Share	Rs.10/-	Rs.10/-

37. DEFERRED TAX LIABILITIES:

Deferred Tax Assets/Liabilities for the year have been created in accordance with the Accounting Standard 22 "According of taxes on income issued by the institute of Chartered Accountants.

38. Expenditure & Earnings in Foreign Currency:-

Expenditure	Current Year Amt.	Previous Year Amt.
1. On Travelling Expenses		
(i) Director	1,43,880/-	1,92,265/-
(ii) Others	99,643/-	Nil/-
2. Earnings in foreign currency (realized) on Export of Goods/services on FOB Basis	90,34,169/-	83,02,139/-

39. Previous year's figures have been regrouped, rearranged, wherever considered necessary; so as to make them comparable.

As per our report of even date

For and on Behalf of Board

Chartered Accountants

Firm Reg.No.-001231C

Sd/-
(CA P D Nagar)

Sd/-

Sd/-

Proprietor
(M.N. 008627)

Whole Time Director

Director

Anjan Shah

Aradhya Bhaheti

DIN-660745

DIN-00696395

Date: 26/06/2016

Place : Indore

DEWAS METAL SECTIONS LIMITED ,DEWAS
Gram Amona, A.B. Road, Dewas, Madhya Pradesh
(CIN L02710MP1979PLC001501)

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

SR.N O	PARTICULARS	Year ended 31.03.2017	Year ended 31.03.2016
A	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net profit before tax and extraordinary items	23,308,213	43,388,324
	Adjustment for :		
	Depreciation	26,785,983	24,374,506
	Finance Cost	54,662,328	53,998,588
	Loss/(Profit) on sale of assets (Net)	(16,880)	(42,296)
	Right issue exp w/o		-
	Operating Profit before Working Capital Changes	104,739,644	121,719,122
	Adjustment for :		
	Trade & Other Receivables	(11,097,889)	29,302,659
	Inventories	(28,473,963)	(89,565,721)
	Trade & Other Payables	94,720,675	31,756,656
	Working Capital Limits & other short term borrowings	(16,203,814)	33,186,042
	Cash Generated From Operations	143,684,653	126,398,758
	Finance Cost	(54,662,328)	(53,998,588)
	Direct Taxes for current and earlier years	(5,567,809)	(12,559,237)
	Cash Flow Before Extraordinary Items	83,454,516	59,840,932
	Net Cash Flow From Operating Activities-		
	TOTAL -A	83,454,516	59,840,932

B	Cash Flow From Investing Activities		
	Purchases of Fixed Assets (Net Of Capital subsidy)	(69,454,344)	(39,036,336)
	Proceed From Loan & Advances	(27,478,715)	(21,970,393)
	Proceed from sale of Fixed Assets	3,892,028	2,019,802
	(TOTAL- (A+B))	(9,586,515)	854,005
C	Cash Flow From Financing Activities		
	Proceed From Long Term Borrowings	4,463,512	7,228,867
	Other Non current Assets	240,743	-
	(TOTAL-(A+B+C))	(4,882,260)	8,082,872
	Net Increase in cash and cash equivalent	(4,882,260)	8,082,872
	Cash and cash equivalent as at (Opening Balance)	20,635,736	12,552,864
	Cash and cash equivalent as at (Closing Balance)	15,753,476	20,635,736

For P.D.NAGAR & CO.

By Order of the Board

Chartered Accountants

FRN: 001231C

(CA P.D. Nagar)

Anjan
Shah

Aradhya
Baheti

Proprietor

Whole Time Director
DIN00696
395

Director
DIN0069639
5

Mem No. 008627

Place:Indore

Date: 26/06/2017