

**INDEPENDENT AUDITOR'S REPORT**

To the members of Kranii Industries Limited

**Report on the standalone financial statements**

I have audited the accompanying standalone financial statements of Kranti Industries Limited ('the Company'), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's responsibility for the standalone financial statements**

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

My responsibility is to express an opinion on these standalone financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I have conducted the audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I should comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the



accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

### Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on other legal and regulatory requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central government of India in terms of sub-section (11) of section 143 of the Act, I give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2 As required by section 143 (3) of the Act, I report that:

(a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;

(b) in my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;

(c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) in my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in Annexure B;

and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note to accounts in the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, and
- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For Rajasatyen and Associates**  
**Firm Registration No. 115851W**  
**Chartered Accountants**



**Rajasatyen Pardeshi**  
**Proprietor**  
**Membership. No. 100147**  
**Place :Pune.**  
**Tuesday, July 5, 2016**



**Annexure 'A' to the Independent Auditor's Report**

(Referred to in paragraph (1) under 'Report on other legal and regulatory requirements' of my report of even date)

- 1 (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.  
  
(b) I was informed that the Company has formulated a program me of physical verification of all the fixed assets over a period of two years which, in my opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, the physical verification of the fixed assets has been carried out by management during the year and no material discrepancies were noticed on such verification.  
  
(c) The title deeds of immovable properties are held in the name of the Company.
- 2 (a) The management of the Company has carried out physical verification of inventory at reasonable intervals. In my opinion the frequency of the verification is reasonable.  
  
(b) In my opinion and according to information and explanations given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
  
(c) In my opinion, the Company is maintaining proper records of inventory so far as applicable. According to the information and explanations given to me, no material discrepancies were noticed on physical verification as compared to the books and records.
3. (a) The Company has granted unsecured loan to its subsidiary of Rs. 17,000,000/-. The maximum amount outstanding and the year-end balance is Rs.17,000,000/-.  
  
(b)In my opinion and according to information and explanations given to me, rate of interest and the terms and conditions of these unsecured loans are not, prima facie, prejudicial to the interest of the company
4. In my opinion and according to the information and explanations given to me, in respect of loans, investments, guarantees and security the provisions of section 185 and 186 of the Act have been complied with.
5. (a)The company has accepted deposits in the form of unsecured loans from various parties and has complied with the provisions of Section 73 to 76 and any other relevant provisions of the Companies Act, 2013.  
  
(b) In my opinion and according to information and explanations given to me, rate of interest and the terms and conditions of these unsecured loans are not, prima facie, prejudicial to the interest of the company.



(c) The company is regular in payment of the interest on the aforesaid deposits. There are no stipulations as to repayment of principal

6. (a) According to the information and explanations given to me and the records of the Company examined by me, in my opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to me, there were no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other statutory dues outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to me and the records of the Company examined by me, the particulars of income-tax, sales-tax, service tax, duty of custom, duty of excise or value added tax as at March 31, 2016 which have not been deposited on account of a dispute pending are as under:

Name of Statue	Nature of the disputed dues	Amount	Period to which amount relates	Forum where disputes
Tax Deducted at Source	Interest on Outstanding Dues	4760.00	2012-13	Income Tax – TDS Department.

- 4 According to the records of the Company examined by me and the information and explanations given to me, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, and government or debenture holders as at the balance sheet date.
- 5 The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In my opinion and according to the information and explanations given to me, the term loans were applied for the purpose for which they were taken.
- 6 During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, I have neither come across any instances of material fraud by the Company nor on the Company by its officers or employees, noticed or reported during the year, nor have I been informed of such case by management.
7. According to the records of the Company examined by me and the information and explanations given to me, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- 8 According to the records of the Company examined by me and the information and explanations given to me, all transactions with related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 9 According to the records of the Company examined by me and the information and explanations given to me, the Company has not entered into any non-cash transactions with directors or persons connected with them.



10 According to the information and explanations given to me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

11 Paragraphs 3(vi), 3(xii), and 3(xiv) of the Order are not applicable to the Company

**For Rajasatyen and Associates**  
**Firm Registration No. 115851W**  
**Chartered Accountants**



**Rajasatyen Pardeshi**  
**Proprietor**  
**Membership. No. 100147**  
**Place :Pune.**  
**Tuesday, July 5, 2016**



**Annexure 'B' to the Independent Auditor's Report**

**Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of my report of even date)**

Report on the internal financial controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act')

I have audited the internal financial controls over financial reporting of Kranti Industries Limited ('the Company') as of March 31, 2016 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I have conducted my audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain Financial Statements - Independent Auditor's Report reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

### **Meaning of internal financial controls over financial reporting**

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

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

### **Inherent limitations of internal financial controls over financial reporting**

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

### **Opinion**

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI

**For Rajasatyen and Associates**  
**Firm Registration No. 115851W**  
**Chartered Accountants**



**Rajasatyen Pardeshi**  
**Proprietor**  
**Membership. No. 100147**  
**Place :Pune.**  
**Tuesday, July 5, 2016**



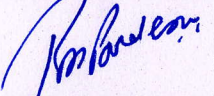


**Balance Sheet as at 31st March, 2016**

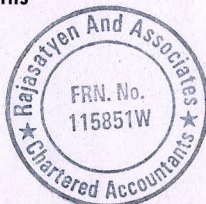
Particulars	Note No.	Rupees	As at	As at
			31st March, 2016	31st March, 2015
			Rupees	Rupees
<b>EQUITY AND LIABILITIES :</b>				
<b>Shareholders' funds</b>				
Share Capital	1	70,500,000.00		47,000,000.00
Reserves and Surplus	2	57,196,738.02		83,607,945.20
			127,696,738.02	130,607,945.20
<b>Non-Current Liabilities</b>				
Long Term Borrowings	3	133,080,598.36		152,253,147.49
Deferred tax Liabilities	4	13,308,958.91		12,934,861.19
Long Term Provisions	5	499,941.00	146,889,498.27	1,341,346.00
<b>Current Liabilities</b>				
Short Term Borrowings	6	54,510,030.99		48,249,315.54
Current Maturities of Long Term Borrowings	7	30,428,541.43		24,218,820.97
Trade Payables	8	19,144,193.00		21,097,919.00
Other Current Liabilities	9	2,310,546.06		4,550,088.02
Short Term Provisions	10	5,842,729.00	112,236,040.48	13,786,270.90
<b>Total</b>			<b>386,822,276.77</b>	<b>409,039,714.32</b>
<b>ASSETS :</b>				
<b>Non - Current Assets</b>				
<b>Fixed assets</b>				
Tangible Assets	11	226,345,772.65		239,238,001.68
Intangible Assets		19,642.44		3,523.25
Capital Work-in-progress		69,585.67		0.00
			226,435,000.75	239,241,524.93
Investments	12		28,514,113.00	28,514,113.00
Long Term Loans and Advances	13		39,143,049.60	26,814,150.00
Other Non-Current Assets	14		913,655.00	913,655.00
<b>Current Assets</b>				
Current Investments				
Inventories	15	34,202,805.72		19,174,401.90
Trade Receivables	16	45,877,703.46		81,793,066.10
Cash and Bank Balances	17	857,060.41		3,103,432.02
Short Term Loans and Advances	18	3,699,798.69		5,613,155.36
Other Current Assets	19	7,179,090.14		3,872,216.00
			91,816,458.42	113,556,271.38
<b>Total</b>			<b>386,822,276.77</b>	<b>409,039,714.31</b>
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	28			

Other Notes referred above are an integral part of Financial Statements.  
As per our report of even date.

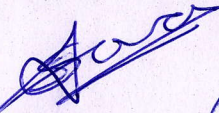
For Rajasatyen and Associates  
Firm Registration No. 115851W  
Chartered Accountants

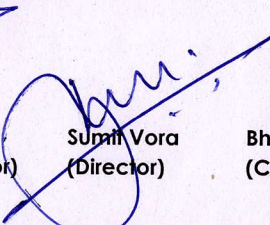
  
Rajasatyen Pardeshi  
M. No. 100147  
Proprietor

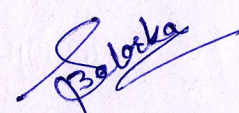
Pune, 5th July, 2016

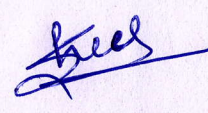


For and on behalf of Board of Directors  
Kranti Industries Limited

  
Sachin Vora  
(Managing Director)

  
Sumit Vora  
(Director)

  
Bhavesh Selarka  
(Company Secretary)

  
SHEELA DHAWALE  
(Chief Financial Officer)

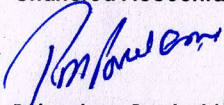
Pune, 5th July, 2016

**Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No.	Rupees	For the year 2015-16	For the year 2014-15
<b>INCOME :</b>				
Revenue from Operations	20		241,413,285.38	322,075,097.68
Other Operating Income			13,952,433.64	22,279,918.93
Other Income	21		3,490,972.72	10,045,816.12
<b>Total Revenue</b>			<b>258,856,691.74</b>	<b>354,400,832.73</b>
<b>EXPENSES :</b>				
Manufacturing and Operating Expenses				
Cost of Material and Components consumed	22	118,623,793.81		191,068,453.76
Changes in Inventories of Finished Goods, WIP and Stock-in-trade	23	(2,145,535.10)		(1,012,803.90)
Other Manufacturing & Operating Expenses	24	46,557,966.48		51,026,741.21
			163,036,225.19	241,082,391.07
Employee benefits expenses	25		36,989,101.75	33,209,453.72
Sales, administration and Other Expenses	26		8,516,056.06	8,671,343.44
Finance Cost	27		21,947,987.81	32,364,334.93
Depreciation and amortisation expenses	11		30,831,567.39	36,138,214.80
<b>Total Expenses</b>			<b>261,320,938.20</b>	<b>351,465,737.96</b>
<b>PROFIT BEFORE TAX</b>			<b>(2,464,246.46)</b>	<b>2,935,094.77</b>
Tax Expenses				
Current tax			0.00	1,378,000.00
Deferred tax			374,097.72	(463,709.19)
Current tax expenses relating to prior years			72,863.00	0.00
<b>PROFIT AFTER TAX CARRIED TO BALANCE SHEET</b>			<b>(2,911,207.19)</b>	<b>2,020,803.95</b>
Earning per Share - In Rs.			0.00	0.50
(Face Value per Equity Share - Rs.10/-)				
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	28			

Other Notes referred above are an integral part of Financial Statements.  
As per our report of even date.

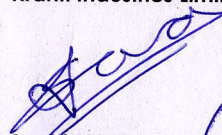
For Rajasatyen and Associates  
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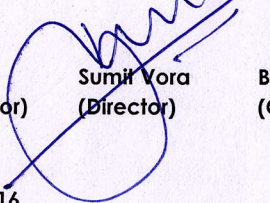
  
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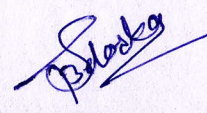



Pune, 5th July, 2016

For and on behalf of Board of Directors  
Kranti Industries Limited

  
Sachin Vora  
(Managing Director)

  
Sumit Vora  
(Director)

  
Bhavesh Selarka  
(Company Secretary)

  
SHEELA DHAWALE  
(Chief Financial Officer)

Pune, 5th July, 2016

## Cash Flow Statement for the year ended 31st March, 2016

Particulars	2015-16	2014-15
	Rupees	Rupees
<b>1. Cash Flow From Operating Activities:</b>		
Net Profit before tax and extraordinary item	(2,464,246)	2,935,095
<i>Adjustments for:</i>		
Depreciation and amortization expense	30,831,567	36,138,215
Interest & Other Charges	21,947,988	32,364,335
(Profit)/Loss on sale of Fixed Assets	(944,572)	(6,364,716)
(Profit)/Loss on sale of Shares	-	-
Dividend Received	(80,000)	(96,000)
Interest Received/ Other Non Operative Receipts	(1,624,996)	(698,284)
<b>Operating Profit before Working Capital Changes</b>	<b>47,665,741</b>	<b>64,278,644</b>
<i>Adjustments for:</i>		
Inventories	(15,028,404)	(3,496,803)
Trade Receivables	35,915,363	(41,472,643)
Short Term Loans & Advances	1,913,357	7,553,084
Other Current Assets	(3,306,874)	(3,065,429)
Trade Payables	(1,953,726)	16,241,798
Other Current Liabilities	(2,239,542)	47,549
Short term Provision	(7,943,542)	4,823,612
<b>Cash Generated from Operation</b>	<b>55,022,373</b>	<b>44,909,812</b>
Taxes Paid	(72,863)	(1,378,000)
<b>Net Cash from Operating Activities</b>	<b>54,949,510</b>	<b>43,531,812</b>
<b>2. Cash Flow From Investing Activities:</b>		
Fixed Assets Purchased (Net)	(19,248,108)	(12,603,562)
Additions to Capital Work In Progress	(69,586)	-
Sale of Fixed Assets	2,237,222	31,351,582
Dividend Received	80,000	96,000
Interest Received/ Other Non Operative Receipts	1,624,996	698,284
<i>Adjustments for:</i>		
Long Term Loans & Advances	(12,328,900)	(19,236,557)
Non Current Investments	-	-
Other Non Current Assets	-	307,511
Long term Provision	(841,405)	107,308
<b>Net Cash from Investing Activities</b>	<b>(28,545,780)</b>	<b>720,566</b>
<b>3. Cash Flow From Financing Activities:</b>		
Proceeds from issue of shares	23,500,000	21,000,000
Proceeds/(Repayment) of Short term borrowings	12,470,436	(12,294,836)
Proceeds/(Repayment) of Long term borrowings	(19,172,549)	(28,499,357)
Payment of Interim Dividend and tax on it	(23,500,000)	-
Interest & Other Charges paid	(21,947,988)	(32,364,335)
<b>Net Cash from Financing Activities</b>	<b>(28,650,101)</b>	<b>(52,158,528)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2,246,372)</b>	<b>(7,906,150)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>3,103,432</b>	<b>11,009,582</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>857,060</b>	<b>3,103,432</b>
	(2,246,372)	(7,906,150)
<b>Note:</b>		
<b>1. Components of Cash &amp; Cash Equivalents :</b>		
<b>Particulars</b>		
Cash on Hand	128,860	87,536
Balances with Scheduled Banks		
In Current Accounts	73,027	515,896
In Deposit Accounts	655,174	2,500,000
<b>Total Cash &amp; Cash Equivalents</b>	<b>857,060</b>	<b>3,103,432</b>

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements.

3. Figures in Brackets represents outflow.

4. The previous year's figures have been regrouped wherever necessary to make them comparable with current year's figures

For Rajasatyen and Associates  
Firm Registration No. 115851W  
Chartered Accountants

Rajasatyen Pardeshi  
M. No. 100147  
Proprietor

Pune, 5th July, 2016



For and on behalf of Board of Directors  
Kranti Industries Limited

Sachin Vora  
(Managing Director)

Sumit Vora  
(Director)

Bhavesh Selarka  
(Company Secretary)

Pune, 5th July, 2016

SHEELA DHAWALE  
(Chief Financial Officer)

## Notes on Financial Statements for the period ended 31st March, 2016

## NOTE I - SHARE CAPITAL

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Authorised Share Capital :</b>		
10,000,000 Equity shares of Rs.10/- each.	100,000,000.00	100,000,000.00
<b>Issued, subscribed and Paid up :</b>		
7,050,000 Equity shares of Rs.10/- each fully paid up	70,500,000.00	47,000,000.00
<b>Total Rs.</b>	<b>70,500,000.00</b>	<b>47,000,000.00</b>

(Of the above shares, 289013 shares of Rs.100/- were allotted as fully paid-up bonus shares by way of capitalisation of general reserves and during the year 2350000 shares of Rs. 10/- were allotted as fully paid-up bonus shares by way of capitalisation of Securities Premium account and accrued Profits.)

## 1.1. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	31st March, 2016		31st March, 2015	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	4,700,000	47,000,000.00	4,000,000	40,000,000
Add : Issued during the year	2,350,000	23,500,000.00	700,000	7,000,000
Outstanding at the end of the year	7,050,000	70,500,000.00	4,700,000	47,000,000.00

Of the above Issued, subscribed and paid-up share capital 89013 equity shares and 200000 equity shares were allotted as Bonus Shares in the accounting year 2008-2009 and 2010-2011 respectively, by capitalisation of General Reserve.

The aggregate of equity shares allotted as fully paidup by way of Bonus Shares in the immediately preceding five years are 200000 shares of Rs.100/- each and 2350000 shares of Rs.10/- each.  
(Previous period of five years ended March 31,2015: 400000 shares)

## 1.2. The company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share.

## 1.3. Details of Shareholders holding more than 5% shares in the company

Name of the Shareholder	31st March, 2016		31st March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Mrs. Basanti K. Vora	750,030	10.64	500,000	7.09
Mrs. Indubala S. Vora	1,686,700	23.92	1,124,470	15.95
Mr. Sachin S. Vora	1,590,000	22.55	1,060,000	15.04
Mrs. Sapana Gaadiya	375,000	5.32	250,000	3.55
Mr. Sumeet S. Vora	1,530,000	21.70	1,020,000	14.47
	5,931,730		3,954,470	



**Notes on Financial Statements for the period ended 31st March, 2016**

**NOTE 2 : RESERVES AND SURPLUS**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Capital Reserve</b>		
Special Capital Incentive	913,655.00	913,655.00
<b>General Reserve</b>		
	3,000,000.00	3,000,000.00
<b>Securities Premium</b>		
On Issue of Shares	14,000,000.00	14,000,000.00
Less :- Bonus Issue	(14,000,000.00)	0.00
	0.00	14,000,000.00
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last Financial statements	65,694,290.20	63,673,486.25
Add : Profit/ (Loss) for the period	(2,911,207.19)	2,020,803.95
Balance available for appropriation	62,783,083.02	65,694,290.20
Less : Appropriation		
Bonus Issue	9,500,000.00	0.00
	53,283,083.02	65,694,290.20
<b>Total Rs.</b>	<b>57,196,738.02</b>	<b>83,607,945.20</b>

**Special Capital Incentive**

The Company's manufacturing facility at Pirangut, Pune, which has been granted and was eligible for Package Scheme of Incentives - Industrial Promotional Subsidy. The company has been granted Eligibility certificate from Western Maharashtra Development Corporation, Pune in this regard.

Further in terms of Accounting Standard (AS 12) " Accounting for Government Grants" prescribed by Companies ( Accounting Standard) Amendment Rules, 2006, eligible incentive is considered to be in the nature of Promoters Contribution

Subsidy receivable as at 31 March 2016 is Rs.913,655/- (P.Y. Rs.913,655/-)

**Securities Premium**

During the year 2350000 Equity share of RS.10/- each were issued as Bonus shares for which the Share Premium was used.



## Notes on Financial Statements for the period ended 31st March, 2016

## NOTE 3 : LONG TERM BORROWINGS

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>SECURED</b>		
(i) Term Loans from Bank - Secured		
HDFC : TERM LOAN A/C NO. 81214831	22,211,232.68	28,452,780.18
HDFC : TERM LOAN A/C NO. 81214829	9,528,825.08	11,661,942.25
HDFC : TERM LOAN A/C NO. 81211087	9,021,480.30	14,170,389.97
HDFC : TERM LOAN A/C NO. 81204804	10,113,805.62	16,618,403.55
HDFC : TERM LOAN A/C NO. 81214825	10,914,235.95	17,516,360.67
HDFC : TERM LOAN A/C NO. 81260322	8,810,881.62	10,682,695.88
HDFC : TERM LOAN A/C NO. 81600701	10,715,137.11	0.00
Subtotal - Secured Loans	81,315,598.36	99,102,572.49
<b>UNSECURED</b>		
Loans and Advances from related parties	51,765,000.00	53,150,575.00
Subtotal - Unsecured Loans	51,765,000.00	53,150,575.00
<b>Total Rs.</b>	<b>133,080,598.36</b>	<b>152,253,147.49</b>

- 3.1. a) Term Loan Account (No. 81214831) - Rs.35,000,000/- loan was availed and Plant and Machinery loan of Cosmos Bank was repaid. This loan is secured by way of first mortgage /charge on the immovable property situated at Gat No. 267/B/1, Pirangut, Pune 412108
- b) Term Loan Account (No. 81214829) - Rs.14,000,000/- loan was availed and Plant and Machinery loan of Cosmos Bank was repaid. This loan is secured by way of first mortgage /charge on the immovable property situated at Gat No. 267/B/1, Pirangut, Pune 412108
- c) Term Loan Account (No. 81211087) - Rs.20,000,000/- loan was availed and Plant and Machinery loan of Cosmos Bank was repaid. This loan is secured by way of first mortgage /charge on the immovable property situated at Gat No. 267/B/1, Pirangut, Pune 412108
- d) Term Loan Account (No. 81204804) - Rs.24,000,000/- loan was availed and Plant and Machinery loan of Cosmos Bank was repaid. This loan is secured by way of first mortgage /charge on the immovable property situated at Gat No. 267/B/1, Pirangut, Pune 412108
- e) Term Loan Account (No. 81214825) - Rs.25,000,000/- loan was availed and Plant and Machinery loan of Cosmos Bank was repaid. This loan is secured by way of first mortgage /charge on the immovable property situated at Gat No. 267/B/1, Pirangut, Pune 412108
- f) Term Loan Account (No. 81260322) - Rs.12,713,000/- loan was availed and Plant and Machinery loan of Cosmos Bank was repaid. This loan is secured by way of first mortgage /charge on the immovable property situated at Gat No. 267/B/1, Pirangut, Pune 412108
- g) Term Loan Account (No. 81600701) - Rs.14,554,959/- loan was availed and Plant and Machinery loan of Cosmos Bank was repaid. This loan is secured by way of first mortgage /charge on the immovable property situated at Gat No. 267/B/1, Pirangut, Pune 412108



**Notes on Financial Statements for the period ended 31st March, 2016**

**NOTE 4 : DEFERRED TAX LIABILITY**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	13,308,958.91	12,934,861.19
<b>Total</b>	<b>13,308,958.91</b>	<b>12,934,861.19</b>

As required by Accounting Standard (AS22), Taxes on Income prescribed by Companies (Accounting Standards) Amendment rules, 2006, the company has recognised deferred taxes, which result from timing differences between book profits and tax profits for the period.

**NOTE 5 : LONG TERM PROVISIONS**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	499,941.00	1,341,346.00
<b>Total Rs.</b>	<b>499,941.00</b>	<b>1,341,346.00</b>

**NOTE 6 : SHORT TERM BORROWINGS**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>SECURED</b>		
(i) <b>Working Capital loan from Bank</b>		
HDFC Bank Limited - Cash Credit	39,439,032.21	48,249,315.54
(ii) <b>BILLS DISCOUNTING FACILITY</b>		
HDFC Bank Limited - Bill Discounting	15,070,998.78	0.00
<b>Total Rs.</b>	<b>54,510,030.99</b>	<b>48,249,315.54</b>

Working capital loan is secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, outstanding monies, receivables, claims, bills, materials in transit, etc.

**NOTE 7 : CURRENT MATURITIES OF LONG TERM BORROWINGS**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Secured Term Loans from Banks</b>		
HDFC : TERM LOAN A/C NO. 81214831	5,943,574.64	4,962,430.20
HDFC : TERM LOAN A/C NO. 81214829	2,081,454.34	1,786,555.59
HDFC : TERM LOAN A/C NO. 81211087	5,082,451.80	4,454,518.87
HDFC : TERM LOAN A/C NO. 81204804	6,425,987.70	5,640,422.00
HDFC : TERM LOAN A/C NO. 81214825	6,519,632.59	5,718,394.95
HDFC : TERM LOAN A/C NO. 81260322	1,873,912.71	1,656,499.35
HDFC : TERM LOAN A/C NO. 81600701	2,501,527.65	0.00
<b>Total Rs.</b>	<b>30,428,541.43</b>	<b>24,218,820.97</b>



## Notes on Financial Statements for the period ended 31st March, 2016

## NOTE 8 : TRADE PAYABLES

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>SUNDRY CREDITORS</b>		
Micro, Small and Medium Enterprises	0.00	0.00
Others	19,144,193.00	21,097,919.00
<b>Total Rs.</b>	<b>19,144,193.00</b>	<b>21,097,919.00</b>

The details of amounts outstanding to Micros, Small and Medium Enterprises based on available information with the company is as under :

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
Principal amount due and remaining unpaid	0.00	0.00
Interest due on above and the unpaid interest	0.00	0.00
Interest paid	0.00	0.00
Payment made beyond the appointed day during the year	0.00	0.00
Interest due and payable for the period of delay	0.00	0.00
Interest accrued and remaining unpaid	0.00	0.00
Amount of further interest remaining due and payable in succeeding years	0.00	0.00
<b>Total Rs.</b>	<b>0.00</b>	<b>0.00</b>

## NOTE 9 : OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
Interest accrued on Deposits	778,604.33	945,464.02
Deposits/ Retention Money Payable	27,000.00	27,000.00
Due to Customers - Capital Goods	0.00	2,420,500.00
Advance received from Customers	947,817.73	600,000.00
Sales Tax Loan under Package Scheme of Incentives of Government of Maharashtra	557,124.00	557,124.00
<b>Total Rs.</b>	<b>2,310,546.06</b>	<b>4,550,088.02</b>

## NOTE 10 : SHORT TERM PROVISIONS

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Provisions :</b>		
Current Tax	3,908,548.00	7,552,520.00
MVAT and CST Payable	0.00	2,064,776.90
Profession Tax	24,600.00	23,825.00
Provident Fund	257,587.00	263,254.00
Salary and Wages	0.00	2,161,651.00
Other Payables	1,651,994.00	1,720,244.00
<b>Total Rs.</b>	<b>5,842,729.00</b>	<b>13,786,270.90</b>





**KRANTI INDUSTRIES LIMITED**

GAT NO. 267/B/1, PIRANGUT, TAL - MULSHI, PUNE - 412108


 Notes forming part of the Accounts for the year ended 31st March, 2016  
 NOTE 11 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April 2015	Additions during the period	Deductions during the period	As at 31st March, 2016	As at 1st April 2015	For the Year	Adjustments during the period	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>TANGIBLE ASSETS</b>										
Freehold Land										
Land - 1	26,83,030.00			26,83,030.00	0.00			0.00	26,83,030.00	26,83,030.00
Land - 2	122,64,937.00			122,64,937.00	0.00			0.00	122,64,937.00	122,64,937.00
<b>Buildings</b>										
Factory Premises	167,34,524.37	0.00	0.00	167,34,524.37	106,79,334.65	3,83,534.17	0.00	110,62,868.82	56,71,655.55	60,55,189.72
Factory Premises	434,33,434.86	2,50,662.00	0.00	436,84,096.86	120,65,560.45	21,85,150.68	0.00	142,50,711.13	294,33,385.73	313,67,874.41
Training Centre	0.00			0.00	0.00			0.00	0.00	0.00
Guest House	61,22,700.00	0.00	0.00	61,22,700.00	13,79,224.65	2,67,993.05	0.00	16,47,217.71	44,75,482.29	47,43,475.35
<b>Plant &amp; Machinery</b>	#####	165,64,117.00	26,91,824.50	4533,94,788.13	2685,41,998.97	243,63,559.86	16,25,220.59	2912,80,338.24	1621,14,449.88	1709,80,496.65
Electrical Installations -1	13,52,709.67	0.00	0.00	13,52,709.67	12,11,043.84	26,198.08	0.00	12,37,241.92	1,15,467.75	1,41,665.83
Electrical Installations -2	34,89,655.07	40,670.00	0.00	35,30,325.07	17,99,097.10	4,18,117.53	0.00	22,17,214.62	13,13,110.45	16,90,557.97
Furniture and Fittings	84,91,541.84	0.00	0.00	84,91,541.84	30,08,834.01	14,46,108.69	0.00	44,54,942.71	40,36,599.13	54,82,707.83
Furniture and Fittings -M	0.00			0.00	0.00			0.00	0.00	0.00
Vehicles - Others	79,97,530.00	0.00	17,68,508.00	62,29,022.00	50,31,654.84	9,13,385.14	15,42,461.91	44,02,578.07	18,26,443.93	29,65,875.16
Office Equipments	11,74,855.79	79,300.00	0.00	12,54,155.79	7,90,738.65	2,09,389.59	2,26,046.09	10,00,128.25	2,54,027.54	3,84,117.14
Computers	8,18,473.18	0.00	0.00	8,18,473.18	3,40,398.55	2,94,993.93	0.00	6,35,392.48	1,83,080.70	4,78,074.63
Tools and Fixtures	0.00	22,96,358.55		22,96,358.55	0.00	3,22,255.86		3,22,255.86	19,74,102.69	0.00
<b>Total Tangible Assets</b>	#####	192,31,107.55	44,60,332.50	5588,56,662.46	3048,47,885.72	308,30,686.58	33,93,728.59	3325,10,889.81	2263,45,772.65	2392,38,001.68
Previous Year	#####	126,03,562.28	523,42,126.53	5440,85,887.40	2966,92,815.68	361,37,040.39	#####	3048,47,885.72	2392,38,001.68	2871,31,635.97
<b>INTANGIBLE ASSETS</b>										
Trade Mark	12,500.00	17,000.00		29,500.00	8,976.75	880.81		9,857.56	19,642.44	3,523.25
<b>Total Intangible Assets</b>	12,500.00	17,000.00	0.00	29,500.00	8,976.75	880.81	0.00	9,857.56	19,642.44	3,523.25
Previous Year	12,500.00	0.00	0.00	12,500.00	7,802.33	1,174.42	0.00	8,976.75	3,523.25	4,697.67
<b>Capital Work-in-Progress</b>	0.00	69,585.67	0.00	69,585.67	0.00	0.00		0.00	69,585.67	0.00
<b>Grand Total</b>	#####	193,17,693.22	44,60,332.50	5589,55,748.12	3048,56,862.47	308,31,567.39	33,93,728.59	3325,20,747.37	2264,35,000.75	2392,41,524.93

**Notes on Financial Statements for the period ended 31st March, 2016**
**NOTE 12 : INVESTMENTS**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>NON-CURRENT INVESTMENTS</b>		
Unquoted Shares - Cos-mos Co-operative Bank Limited	800,000.00	800,000.00
<b>Equity Shares of Associate Company - Unquoted fully paid up</b>		
Wonder Precision Private Limited	27,714,113.00	27,714,113.00
<b>TRADE INVESTMENTS</b>	0.00	0.00
<b>Total Rs.</b>	<b>28,514,113.00</b>	<b>28,514,113.00</b>

Above-mentioned are Long term investments and carried at cost.

**NOTE 13 : LONG TERM LOANS AND ADVANCES**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
Security Deposits		
Secured and considered good	0.00	0.00
Unsecured and considered good	1,477,235.00	1,356,222.00
Loans and advances to related parties Wonder Precision Pvt Ltd	17,000,000.00	10,000,000.00
Advance against Lease	8,406,910.00	8,406,910.00
Product Development	7,321,402.00	0.00
Balance with Income Tax Authorities	4,937,502.60	7,051,018.00
<b>Total Rs.</b>	<b>39,143,049.60</b>	<b>26,814,150.00</b>

**NOTE 14 : OTHER NON-CURRENT ASSETS**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
Others -		
Subsidy receivable	913,655.00	913,655.00
Other Bank Balances -		
Fixed Deposits with maturity of more than 12 months	0.00	0.00
Recurring Deposits with maturity of more than 12 months	0.00	0.00
<b>Total Rs.</b>	<b>913,655.00</b>	<b>913,655.00</b>

**NOTE 15 : INVENTORIES**

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Raw Materials, Components, Consumables	25,165,366.72	12,282,498.00
Work-in-progress, Stores and Spares	9,037,439.00	6,891,903.90
<b>Total Rs.</b>	<b>34,202,805.72</b>	<b>19,174,401.90</b>



## Notes on Financial Statements for the period ended 31st March, 2016

## NOTE 16 : TRADE RECEIVABLES

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Outstanding for a period exceeding six months from the date they are due for payment.</b>		
Secured and considered good	0.00	0.00
Unsecured and considered good	0.00	0.00
<b>Other Receivables</b>		
Secured and considered good	0.00	0.00
Unsecured and considered good	45,877,703.46	81,793,066.10
<b>Total Rs.</b>	<b>45,877,703.46</b>	<b>81,793,066.10</b>

## NOTE 17 : CASH AND BANK BALANCES

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Cash on Hand</b>	128,859.61	87,536.08
<b>Balance with Bank</b>		
Current accounts	73,026.60	515,895.94
Other Bank Balances -		
Deposits with maturity of less than 3 months	655,174.20	2,500,000.00
<b>Total Rs.</b>	<b>857,060.41</b>	<b>3,103,432.02</b>

## NOTE 18 : SHORT TERM LOANS AND ADVANCES

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
<b>Loans and advances to suppliers</b>		
Advance to Creditors	0.00	0.00
<b>Unsecured and considered good</b>		
Loans to Employees		
Unsecured and considered good	58,000.00	31,000.00
Balance with Collectorate and Central Excise and Customs	3,622,625.69	4,541,224.44
Service tax receivable	19,173.00	61,303.00
Loans and Advances to Related Parties- Wonder Precision Pvt Ltd	0.00	979,627.92
<b>Total Rs.</b>	<b>3,699,798.69</b>	<b>5,613,155.36</b>

## NOTE 19 : OTHER CURRENT ASSETS

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rupees	Rupees
Sales tax / MVAT Balance - Set off	3,799,731.70	363,531.00
Prepaid Expenses	3,379,358.44	3,508,685.00
<b>Total Rs.</b>	<b>7,179,090.14</b>	<b>3,872,216.00</b>



**Notes on Financial Statements for the period ended 31st March, 2016**
**NOTE 20 : REVENUE FROM OPERATIONS**

Particulars	For the year 2015-16	For the year 2014-15
	Rupees	Rupees
<b>Sales and Labour charges</b>	273,307,630.65	374,138,289.73
Less: Excise Duty	25,091,562.00	39,877,911.98
Less: VAT	6,802,783.27	12,185,280.07
	241,413,285.38	322,075,097.68
<b>Other Operational Income</b>		
Sale of Scrap	12,058,476.50	18,083,290.50
Cash Discount received	1,745,373.12	3,815,538.41
Transport Charges Recovered	137,826.02	381,090.02
Octroi Refund	10,758.00	0.00
<b>Total Rs.</b>	<b>255,365,719.02</b>	<b>344,355,016.61</b>

**NOTE 21 : OTHER INCOME**

Particulars	For the year 2015-16	For the year 2014-15
	Rupees	Rupees
<b>Interest</b>		
Interest on Deposits	1,598,149.00	674,346.00
Others		
Dividend	80,000.00	96,000.00
Difference in Foreign Exchange	26,846.73	23,937.93
Excise Duty Credit	0.00	2,886,816.00
Profit on Sale of Assets	944,571.99	6,364,716.19
Liability Written Back	841,405.00	0.00
<b>Total Rs.</b>	<b>3,490,972.72</b>	<b>10,045,816.12</b>

**NOTE 22 : COST OF MATERIALS CONSUMED**

Particulars	For the year 2015-16	For the year 2014-15
	Rupees	Rupees
Cost of goods Sold		
Opening Stock of Raw Material and Consumables	12,282,498.00	9,798,499.18
Add: Purchases during the year	130,688,139.53	192,873,726.58
	142,970,637.53	202,672,225.76
Less: Freight & Octroi	818,523.00	678,726.00
Less: Closing Stock of Raw Material and Consumables	25,165,366.72	12,282,498.00
Material Consumed	118,623,793.81	191,068,453.76
<b>Total Rs.</b>	<b>118,623,793.81</b>	<b>191,068,453.76</b>

**NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	For the year 2015-16	For the year 2014-15
	Rupees	Rupees
Opening Work-in-Progress	6,891,903.90	5,879,100.00
Less: Closing Work in Progress	9,007,407.00	6,891,903.90
<b>Total Rs.</b>	<b>(2,145,535.10)</b>	<b>(1,012,803.90)</b>



**Notes on Financial Statements for the period ended 31st March, 2016****NOTE 24 : OTHER MANUFACTURING AND OPERATING EXPENSES**

Particulars	For the year	For the year
	2015-16	2014-15
	Rupees	Rupees
Power and Fuel	15,177,264.00	15,743,482.00
Repairs to Machinery	10,238,176.51	14,959,284.69
Job work and labour charges	9,721,622.78	14,150,127.00
Lease Rental	7,712,630.50	2,363,363.00
Other manufacturing expenses		
- Packing Material	3,708,272.69	3,777,389.83
- MVAT and Excise Duty paid	0.00	33,094.69
<b>Total Rs.</b>	<b>46,557,966.48</b>	<b>51,026,741.21</b>

**NOTE 25 : EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year	For the year
	2015-16	2014-15
	Rupees	Rupees
Salaries and Wages	29,442,822.00	25,820,598.00
Bonus and Incentives	1,420,556.00	1,624,610.00
Gratuity paid	171,910.00	127,308.00
P.F. Contribution and etc.	1,652,716.00	1,385,733.00
Staff Welfare	239,417.75	203,264.72
<b>Directors Remuneration</b>	<b>4,061,680.00</b>	<b>4,047,940.00</b>
<b>Total Rs.</b>	<b>36,989,101.75</b>	<b>33,209,453.72</b>



## Notes on Financial Statements for the period ended 31st March, 2016

## NOTE 26 : SALES, ADMINISTRATION AND OTHER EXPENSES

Particulars	For the year	For the year
	2015-16	2014-15
	Rupees	Rupees
Advertisement	24,000.00	0.00
Audit Fees	430,800.00	197,640.00
Conveyance and Travelling	719,174.47	1,043,069.35
Guest House Expenses	42,625.00	58,026.00
Insurance	658,564.00	686,080.00
Interest paid on Govt. Dues	4,631.00	11,971.00
Legal and Professional Fees	411,085.00	762,624.00
Legal Expenses	1,111,395.00	884,082.00
Fixed Assets W/off and Loss on Sale of Assets	0.00	1,115,022.86
Office Expenses	1,171,984.75	1,122,835.00
Postage and Courier	9,413.00	16,469.00
Printing and Stationary	368,060.37	274,914.00
Profession Tax	2,500.00	2,500.00
Rates and Taxes	277,010.42	174,343.00
Repairs and Maintenance	602,029.12	685,962.50
Sales Promotion, entertainment and Ceremony expenditure	127,333.00	79,798.00
Security Charges	672,749.00	515,717.00
Housekeeping Expenses	1,076,100.00	391,000.00
Subscription and contribution	11,450.00	11,236.00
Sundry balances written off	2,104.58	13.00
Telephone Expenses	292,772.35	260,599.73
Water Charges	500,275.00	377,441.00
<b>Total Rs.</b>	<b>8,516,056.06</b>	<b>8,671,343.44</b>

## NOTE 27 : FINANCE COSTS

Particulars	For the year	For the year
	2015-16	2014-15
	Rupees	Rupees
Interest on Secured Loans		
Interest on Term Loan	13,192,469.64	16,148,844.48
Interest on Cash Credit, Bill Discounting	3,630,064.49	4,495,107.00
Interest on Unsecured Loans		
Interest on Deposits	4,966,019.00	8,107,310.00
Bank Charges	159,434.68	3,613,073.15
<b>Total Rs.</b>	<b>21,947,987.81</b>	<b>32,364,334.93</b>



Notes to Financial Statements for the year ended March 31, 2016

**NOTE NO. – 28**

**1. Corporate Information**

Kranti Industries Limited a premier engineering company established in the year 1995. It is a closely held Company engaged in the field of Engineering products and caters to the needs of the Automobile manufacturing companies like John Deere Equipments, Carraro, New Holland Fiat, Mahindra, etc.

**Significant Accounting Policies and Notes to the Accounts:**

**A. Significant Accounting Policies:**

i) **Basis of preparation of financial statements:**  
The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and to comply with all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013. The financial statements are prepared under historical cost convention on an accrual basis.

ii) **Use of estimates:**  
In preparation of the financial statements, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Significant judgements and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets..

iii) **Tangible Fixed assets:**  
Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. The manufacturing costs of internally generated assets comprise direct cost and attributable overheads.

Capital Work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

iv) **Depreciation of tangible fixed assets :**  
Depreciation is provided on written down value method (WDV), pro-rata to the period of use of assets and is based on management's estimate of useful life of the fixed asset or at rates specified by respective statutes, whichever is higher.



- v) **Intangible Assets :**  
Intangible assets acquired separately are measured on initial recognition cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.
- vi) **Impairment of Assets :**  
Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists..
- vii) **Investments :**  
Investments which are readily realizable and intended to be held or not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.  
The company holds long term investments which are carried at cost. in financial statements.
- viii) **Inventories :**  
Inventories of raw materials including stores, spares and consumables, packing materials, semi-finished goods , work-in-progress, finished goods are valued at the lower of cost and estimated net realisable value. Cost is determined on weighted average basis.  
  
The cost of work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and proportion of manufacturing overheads.
- ix) **Revenue recognition on contracts:**  
Revenue comprises of Sale and Service Income, Interest and dividend. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The company collects excise duty, service tax, value added taxes (VAT) as applicable on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Revenue is disclosed, net of trade discounts and excise duty.  
  
**Sales**  
Revenue from sale of goods is recognised in the statement of profit and loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the respective sales order, and the income can be measured reliably and is expected to be received.  
  
Due from customers, if any are measured at the selling price of the work performed. Prepayments from customers are recognized as liabilities.  
  
**Interest Income :**  
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.  
  
**Dividend :**  
Dividend income from investments is recognized when the right to receive payment is established.
- x) **Foreign currency transactions:**  
The reporting currency of the company is Indian rupee.  
  
Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date foreign currency monetary items are reported using the closing rate. Non-monetary items, carried at





historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on the settlement of monetary items or on reporting of monetary items at each balance sheet date at closing rate are :

1. Adjusted in the cost of the fixed assets to which the exchange differences relate, provided the assets are acquired from outside India.
2. Recognised as income or expenses in the period in which they arise, in case other than (1) above.

In respect of transaction covered by foreign exchange contracts , the difference between the contract rate and the spot rate on the date of the transaction is charged to the Statement of Profit and Loss over the period of the contract.

xi) **Borrowing cost:**

Borrowing cost include interest, commitment charges, amortization of ancillary costs, amortization of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

xii) **Taxes on income:**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax act 1961, and based on the expected outcome of assessments.

xiii) **Deferred Tax**

Deferred tax assets and liabilities are recognized subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent periods and are quantified using enacted / substantively enacted tax rates as at the balance sheet date.

The carrying amount of Deferred Tax Assets / liabilities are reviewed at each balance sheet date.

Deferred tax assets relating to an unabsorbed depreciation and business losses are recognized and carried forward to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

xiv) **Provisions, contingent liabilities and contingent Assets.**

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation.

Contingent liabilities as defined in Accounting Standard 29 are disclosed by way of notes to accounts. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

xv) **Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short term investments which are available on call or maturity of a year or less.



## xvi) Employee Benefits

## Retirement and Gratuity Benefits

Retirement benefits in the form of Provident Fund and superannuation schemes are defined contribution schemes and the contribution are charged to the statement of profit and loss for the period when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected credit method made at the end of each financial year.

Actuarial gains /losses are immediately taken to statement of profit and loss and are not deferred.

## xvii) Product Development

During the year the Company has developed various new clients and their product development took substantial time on various machines and considerable manpower was dedicated towards these developments. Many of the items required trial run till the approval of the product to the satisfaction of customer.

The expenses towards these developments are calculated taking into consideration actual efforts taken and have been concluded monetarily to the best of knowledge of the management. The benefit of these shall be spread over a period over a considerable period of time, hence all the expenditure relating to it have been capitalized. These shall be written off on the basis of actual benefit accrued in the years to come.

## Notes to Accounts:

## i) Contingent Liabilities:

As per the Information provided to us there is a contingent liability of Rs. 4760.00 towards Interest on Income tax deducted at Source as on the date.

## ii) Expenditure in Foreign Currency: The expenditure in Foreign Currency is Rs. 13,670,115.54 towards Import of machinery and material.

## iii) Related party disclosure :

## Fellow Subsidiary:

The company acquired Wonder Precision Private Limited, Pune. In case of which the transactions are as follows :

Nature of Transactions	Year ended 31/03/2016	Year ended 31/03/2015
Purchase of Material and Job-work charges	2,322,780.00	6,695,722.00
Sales	2,043,984.38	0.00
Advance Given	7,000,000.00	4,000,000.00

Transactions entered with other Related Parties in the ordinary course of business are :

Particulars	Nature of Payment			
	Interest	Salary	Deposits	Deposits
			Acceptance	Repayments
<b><u>Key Managerial Personnel</u></b>				
Sachin Vora	1,012,899.00	2190613.00	217,000.00	104,137.00
Sumit Vora	488,613.00	2190613.00	1,110,000.00	458,438.00
Indubala S. Vora	1,279,995.00	0.00	166,000.00	5,275,000.00
Sheela Dhawale	1,55,780.00	8,90,288.37	5,10,000.00	0.00

<b>Relatives of Key Managerial Personnel</b>	11,29,537.00	1239742.00	27,44,000.00	95,000.00
<b>Gross Transaction Value</b>	40,66,824.00	65,11,256	47,47,000.00	59,32,575

- a. Related party relationship is as identified by the Company and relied upon by the Auditors,
- b. No amounts have been written off/back and provided for in respect of related party during the year.

iv) Earnings Per Share (EPS) - The Earnings per share calculated as per AS-20 is shown below:

Earnings per Share	March 31, 2016 Rupees	March 31, 2015 Rupees
Profit/(Loss) Aattributable to Shareholders	(2,911,207.19)	2,020,803.95
No of Equity Shares	7,050,000	4,700,000
Basic and Diluted Earnings Per Share	Nil	0.50

v) Earnings in Foreign Currency: The Earning in Foreign Currency is NIL.

vi) The Company does not hold any derivative instrument.

vii) Managerial Remuneration paid during the period is as follows :

Particulars	March 31, 2016 Rupees	March 31, 2015 Rupees
Director's Remuneration,(Including Incentive and Bonus)	4,381,226.00	4,381,226.00
Interest on Loan	2,781,507.00	1,533,950.00
Total	7,162,733.00	5,915,176.00

viii) In accordance with Accounting Standard 22, 'Accounting for Taxes on Income', the Company has a net deferred tax liability, and it has been recognized properly in the accounts.

Particulars	March 31, 2016 Rupees	March 31, 2015 Rupees
Deferred Tax Asset	0.00	0.00
Less : Deferred Tax Liability		
Differential tax on Depreciation	13,308,958.92	12,934,861.19
Net Deffered Tax Asset / (-) Liability	(13,308,958.92)	(12,934,861.19)

ix) Payment to Auditors :

Particulars	March 31, 2016 Rupees	March 31, 2015 Rupees
As Auditor	100,000.00	100,000.00
As advisor, or in any other capacity,	0.00	0.00
Total	100,000.00	100,000.00

x) ADDITIONAL INFORMATION :

x) ADDITIONAL INFORMATION :

a. Consumption of Raw Material, Stores, etc.

	Particulars	Period ended	Period ended	Year ended	Year ended
		31/03/2016	31/03/2016	31/03/2015	31/03/2015
		Quantity	Value	Quantity	Value
			Rupees		Rupees
1	Opening Stock				
	Castings and Consumables		12,282,498.00		9,798,499.18
		22,026	12,282,498.00	22,215	9,798,499.18
2	Purchases				
	Castings & Other Items		130,688,139.53		192,873,726.58
		165738	130,688,139.53	231567	192,873,726.58
3	Consumption				
	Castings & Other Items		117,805,270.81		190,389,727.76
		167136	117,805,270.81	231756	190,389,727.76
4	Closing Stock				
	Castings and Consumables	20628	25,165,366.72	22026	12,282,498.00

The Consumption figures in value are balancing figures ascertained on the basis of Opening Stock plus Purchases Less Closing Stocks and therefore included adjustments for excess or shortages on physical count



b. Finished Goods :

The Quantitative details are in numbers and taken as certified by the Management.

<b>Quantitative Details From 01/04/2015 To 31/03/2016</b>	
<b>Material Description</b>	<b>Qty</b>
5165131 DIFF SUPPORT APL -	7034
5165133 BEARING CAP APL -	14068
5174801 DIFFERENTIAL CASE HOUSING -	2362
87370350 DIFFERENTIAL COVER RH NDL -	5206
87370426 DIFFERENTIAL CASE LH NDL -	5228
87554480 DIFFERENTIAL CASING RIGHT -	7880
87554481 DIFFERENTIAL CASING LEFT -	8341
R 124932 DROP BOX - CASE -	29
R 274353 / R 134990 CASE DIFFERENTIAL CASTING -	1174
R 135077 S CASTINGS -	30084
R 138248 S FORGINGS -	30084
R 139863 AA DIFFERENTIAL, HOUSING -	10293
84275476 TLB DIFF CASE LS -	338
84299348 TLB DIFF CARRIER CASTINGS -	2640
84319560 TLB BEARING CAP CASTINGS -	5280
84253805 TLB DIFF CASE NON LS -	3004
84358092 UTILITY DIFF CARRIER MEDIUM -	1468
84358093 UTILITY BEARING CAP -	18958
84358090 UTILITY DIFF CARRIER LIGHT -	8011
3130651 DIFFERENTIAL COVER -	954
3130661 DIFFERENTIAL CASE -	954
3143751 WHEEL HUB -	1628
84540883 HSG DIFFERENTIAL LH -	1073
84540882 HSG DIFFERENTIAL RH -	1066
84497934 DIFF SUPPORT -	955
84529608 BEARING CAP -	1910
84071443 DIFFERENTIAL CASE -	14
84071445 DIFFERENTIAL CASE -	28
84071444 DIFFERENTIAL CASE WITH M/C -	14
47724921 DIFFERENTIAL RH HOUSING CASTING -	70
47724919 DIFFERENTIAL LH HOUSING CASTING -	70
20005789 HOUSING OF IAD CASTING -	5
20005812 COVER MIDDLE DIFF CASTING -	5
20005811 AXLE DRIVE HSG 6X6 CASTING -	5
<b>Total :</b>	<b>170233</b>



c. Value of Imported and Indigenous raw material consumed :

Particulars	31/03/2016		31/03/2015	
	% of Total Consumption	Value Rupees	% of Total Consumption	Value Rupees
<b>Raw Material and Consumables</b>				
Imported	0%	0.00	0%	0.00
Indigenously procured	100%	117,805,270.81	100%	190,389,727.76
	100%	117,805,270.81	100%	190,389,727.76
<b>Spare Parts</b>				
Imported	12%	1,024,966.04	24%	3,304,657.31
Indigenously procured	88%	7,463,647.42	76%	10,288,352.84
<b>Total</b>	100%	8,488,613.46	100%	13,593,010.15

CIF value of imports:	31/03/2016	31/03/2015
	Rupees	Rupees
Raw materials - Consumables		
Capital Goods	12,645,149.50	0.00
Others (Spares)	1,024,966.04	3,304,657.31
	13,670,115.54	3,304,657.31
<b>Expenditure in Foreign exchange :</b>		
	31/03/2016	31/03/2015
	Rupees	Rupees
Foreign traveling	0.00	165,858.00
<b>Earnings in Foreign exchange :</b>		
	0.00	0.00
	0.00	165,858.00

- xi) All group company debtors and creditors balances have been obtained.
- xii) Previous Year's figures have been regrouped and rearranged wherever necessary.
- xiii) The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and, hence, disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid / payable as required under the said Act have not been given.

For Rajasatyen and Associates,  
Chartered Accountants

  
Rajasatyen Pardeshi  
(Proprietor)

Place: Pune

Date: 5th July 2016

For Kranti Industries Limited

  
Sachin Vora  
(Managing Director)

  
Sumit Vora  
(Whole time Director)

  
Bhavesh Selarka  
(Company Secretary)

  
Sheela Dhawale  
(Chief Financial Officer)

Place: Pune

Date: 5th July 2016

