INDEPENDENT AUDITORS'REPORT TO THE MEMBERS OF NEYCER INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NEYCER INDIA LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2018, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of 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 the standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies Indian Accounting (Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our duty is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone Ind AS financial statements.

Basis for Qualified Opinion

As stated in Note No.30, the Company has not recognised interest on loans from Banks aggregating to Rs.639 lakhs upto the earlier years and also interest on loans from a body corporate aggregating to Rs.504 lakhs upto 31st March 2018, as a result of which the accumulated is understated by the said amounts.

Opinion

In our opinion and to the best of our information, and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion Paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give an true and fair view in conformity with the accounting practices generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March 2018 and its Profit (financial performance including Other Comprehensive Income), the cash flows and the Changes in Equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2996, audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 27th July 2017 and 29th July 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited us.

Our opinion is not modified in respect of the above matter.

Report on Other legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order 2016. Issued by the Central Government in terms of section 143(11) of the Act, we 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, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.





- c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the Directors as on 31st March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 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 separate report in "Annexure B".
- 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 our opinion and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. [Please refer Note No.27(d) to 27(i).
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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Dated: 29th May 2018

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For S.N.S. ASSOCIATES CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO.006297S)

> (S. NAGÀRAJAN) Partner MEMBERSHIP No.020899



Annexure A to the Independent Auditors' Report To the Members of Neycer India Limited

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of the verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of immovable properties are held in the name of the Company.
- ii) Physical verification of inventories has been conducted by the Management at reasonable inte4rvals and material discrepancies were noticed on such verification.
- The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of the investments made by it.
- v) The Company has not accepted deposits from the public.
- We have broadly reviewed the cost records maintained by the Company in respect of products where the Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been deposited belatedly by the Company with appropriate authorities. According to the information and explanations given to us, the following undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, excise, service tax, cess and other statutory dues which were in arrears as on 31st March 2018 for a period of more than six months from the date they became payable:

Details	Amount
Excise Duty	1,13,72,430
Tamil Nadu Sales Tax Collection	4,30,469
Goods and Services Tax	32,16,037





(b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of	Amount Disputed	Amount Paid	Forum where the dispute is pending
Tamil Nadu General Sales tax Act	Dues Sales tax	93,20,618	NIL	Deputy Commercial tax Officer
TNGST Act	Sales tax	3,44,15,091	NIL	Appellate Assistant Commissioner (CT)
CST Act	CST	50,56,861	NIL.	Appellate Assistant Commissioner (CT)
TN VAT Act	VAT	57,93,862	NIL	Hon'ble High Court of Madras
ESI Act	ESI	6,47,330	1,61,890	ESI Labour Court
PF Act	PF	47,22,090	NIL	Employees Provident Fund Appellate Tribunal, Delhi

- viii) The Company has defaulted in the repayment of dues to banks or financial institutions. The Company does not have any outstanding debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- x) As per the records of the Company and according to the information and explanations given to us, no frauds on the company by its officers or employees have been noticed or reported during the year.
- xi) According to the information and explanations given to us, the Company has not paid/provided any remuneration to its managerial personnel since their appointment is without any remuneration.
- xii) The Company is not a nidhi company.

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- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.
- xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.



xvi) In our opinion, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

Chennai

Dated: 29th May 2018



For S.N.S. ASSOCIATES CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO.006297S)

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899



"Annexure B" to the Independent Auditor's Report To the Members of Neycer India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NEYCER INDIA LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system 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 procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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





Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and 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 our 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, 2018, 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 issued by the Institute of Chartered Accountants of India.

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Date: 29th May 2018

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For S.N.S. ASSOCIATES CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO.006297S)

> (S. NAGARĂJAN) Partner MEMBERSHIP No.020899

NEYCER INDIA LIMITED BALANCE SHEET AS AT 31ST MARCH 2018

ASSETS Non Current Assets	Note No.		Figures as at the end of the current reporting period 31-3-2018	Figures as at the end of the previous reporting period 31-3-2017	Figures as at the transition date 1-4-2016	
i) Propery, Plant and Equipmentii) Capital Work in Progressiii) Financial Assets		4	135,985,116	145,071,060	153,500,398 -	
a) Investments		5	150,000	150,000	150,000	
b) Other Financial Assets		6	2,099,812	3,852,987	3,727,200	
iv) Deferred Tax Assets			46,434,994	46,434,994	46,434,994	
Total Non current Assets	(A)	:	184,669,922	195,509,041	203,812,592	
Current Assets						
Inventories		7	74,089,579	72,257,662	78,136,010	
i) Financial Assets						
a) Trade Receivables		8	31,734,605	32,902,532	35,150,348	
b) Cash and cash equivalents		9	3,411,797	2,766,320	2,616,949	
ii) Otherr current assets		10	31,113,421	27,897,430	24,998,542	
Total current assets	(B)	=	140,349,402	135,823,944	140,901,849	
Total Assets	(A)+((B)	325,019,324	331,332,985	344,714,441	
EQUITY AND LIABILITIES Equity						
a) Equity Share Capital b) Other Equity		11	101,519,160	101,519,160	101,519,160	
Reserves and Surplus		12 -	167,127,202	146,649,620 -	130,455,337	
Total Equity	(c)		65,608,042		28,936,177	
LIABILITIES Non Current Liabilities						
i) Financial Liabilities						
 a) Borrowings b) Other non current liabilities 		13	48,294,542	49,345,018	64,195,677	
ii) Long Term Provisions		14	11,906,294	10,811,294	10,761,294	
Total Non Current Liabilities	(D)	15_	10,644,075 70,844,911	17,516,011	25,830,067	
, our non our one manners	(D)	-	70,844,911	77,672,323	100,787,038	
Current Liabilities i) Financial Liabilities						
a) Borrowings		16	37,151,236	54,095,569	62,078,247	
b) Trade Payables			44,538,435	36,835,235	35,015,057	
c) Other Financial Liabilities		17	182,655,125	164,889,573	142,138,064	
ii) Other current liabilities		18	33,014,870	21,671,876	19,834,292	
iii) Short Term Provisions	, ·	19	22,422,789	21,298,869	13,797,920	
Total Current Liabilities	(E)		319,782,455	298,791,122	272,863,580	
Total Equity ad Liabilities	C+D+E		325,019,324	331,332,985	344,714,441	

See accompanying notes to the financial statements Vide our Report of even date attached

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For S.N.S ASSOCIATES

Chartered Accountants Firm Reg No. 006297S

S. Nagarajan Partner

Membership No. 020899

Place: Chennai Date:

2s Mohan Prasad

For and on behalf of the Board

Whole Time Director

Chief Financial Officer

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

	Note No.	Figures for the current reporting period	Figures for the previous reporting period
		31-3-2018	31-3-2017
INCOME			
Revenue From Operations	20	181,312,122	194,967,023
Less: Excise Duty	-	4,273,708	17,996,931
0.3		177,038,414	176,970,092
Other Income	21	8,035,086	6,433,633
Total Revenue	- -	185,073,500	183,403,725
EXPENSES			
Cos t of raw materials and components consumed	22	19,045,420	17,249,685
Purchase of stock-in-trade		24,667,723	20,942,067
Changes in inventories of finished goods and work-			
in-progress	23 ~	576,664	5,814,576
Employee Benefit Expenses	24	51,487,415	51,895,338
Finance Cost	14	11,007,582	16,200,653
Depreciation and amortisation expenses	4	10,062,294	10,824,064
Other Expenses	26	95,608,383	82,338,132
		211,302,153	205,264,515
Profit before exception and extraordinay items and			
tax	-	26,228,653 -	21,860,790
Extraordinary items			
Profit before tax	-	26,228,653 -	21,860,790
Tax Expenses			
Current Tax			
Deferred Tax			
Profit after tax	•	26,228,653 -	21,860,790
Other Comprehensive Income			
Remeasurement of Defined Benefit Plans Tax effect on above	-	5,751,071 -	5,666,507 -
Total Other Comprehensive Income for the year	-	5,751,071 -	5,666,507
Total Comprehensive Income for the year		00 100 000	
comprising Profit and	-	20,477,582 -	16,194,283
Other Comprehensive income			
Earnings per Equity Share (Basic and Diluted)	-	2.58 -	2.15

See accompanying notes to the financial statements Vide our Report of even date attached

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For S.N.S ASSOCIATES **Chartered Accountants** Firm Reg No. 006297S

For and on behalf of the Board

S. Nagarajan Partner

S 1 Mohan harad A. Jayalalylar
Whole Time Director
Director

Membership No. 020899

Place: Chennai

P-Thronthaph Chief Financial Officer

Company Secretary

CASH FLOW STATEMENT

		rear ended					
4 0 1 0 m m 4 2 m m		31-3-2018	31-3-2017				
A. CASH FLOW FROM OPERATING ACTIVITIES							
Profit for the year before tax		- 26,228,653 -	21,860,790				
Adjustments for							
Depreciation		10,062,294	10,824,064				
Interest Expense		11,007,582	16,200,653				
Interest income		210,519	323,362				
Profit on sal of assets		•	2,499				
Operating profit before working capital changes		- 5,369,296	4,838,066				
Adjustments for changes in			,				
Other Non current financial assets		1,753,175 -	125,787				
Trade Receivables		1,167,927	2,247,816				
Inventories		- 1,831,917	5,878,348				
Other Current Assets		3,215,991 -	2,898,888				
Trade Payables		7,703,200	1,820,178				
Bank deposits under lien		- 601,607 -	159,379				
Remeasurement of defined bebefit obligations		5,751,071	5,666,507				
Other Financial Liabilities		17,765,552	22,751,509				
Other Current Liabilities		11,342,994	1,837,584				
Other Non-Current Liabilities		1,095,000	50,000				
Long Term Provisions		- 6,871,936 -	8,314,056				
Short term provisions		1,123,920	7,500,949				
Cash Generated from operations		29,812,092	41,092,847				
Income tax paid (net)		-	· ·· , - · - , - ·				
Net Cash generated from Operations	(A)	29,812,092	41,092,847				
B. CASH FROM INVESTING ACTIVITIES							
Purchase of Property, Plant and Equipment		- 976,350 -	2,394,726				
Proceeds from sale of Property, Plant and Equipme	ent		2,499				
Interest income		210,519	323,362				
Net cash (used in)/from Investing activities	(B)	- 765,831 -	2,068,865				
C. CASH FROM FINANCING ACTIVITIES							
Interest expense		- 11,007,582 -	16,200,653				
Repayment of Non Current Borrowings		- 1,050,476 -	14,850,659				
Proceeds from current borrowings		- 16,944,333 -					
		- 10,544,333 -	7,982,678				
Net cash (used in)/from Financing Activities	©	- 29,002,391 -	39,033,990				
Net increase/(decrease) in cash and cash equivalents	(A)+(B)+©	43,870 -	10,008				
Opening Cash and Cash Equivalents (excluding deposit	s under lien)	223,795	233,803				
Closing Cash and Cash Equivalents	•	267,665	223,795				

See accompanying notes to the financial statements Vide our Report of even date attached

For S.N.S ASSOCIATES **Chartered Accountants** For and on behalf of the Board

Year ended

Firm Reg No. 006297\$

S. Nagarajan

b. Hohan hand Whole Time Director

Director

Partner

Membership No. 020899

Chief Financial Officer

Company Secretary//

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Place: Chennai

Date:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1 Basis of preparation on Financial Statements

The Financial Statements upto the year ended 31st March 2017 were prepared under the Accounting Standards Rules 2006 (as amended) and other relevant provisions of the Companies Act, 2013 (Indian GAAP)

As per the Notification issued by the Ministry of Corporate Affairs, the adopiption of Ind AS has become mandatory for the Company with effect from the financial year commencing on 1st April 2017. Accordingly the Company has adopted Ind AS from 1st April 2017 (the Transition Date) and the Financial Statements for the year ended 31st March 2018 have been prepared in accordance with the principles laid down in Ind AS.

he Financial Statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Certain financial assets and liabilitties measured at fair values (please refer accointing policy regarding financial assets and financial liabilities)

2 First time adoption of IND AS

The Company has restated the Financial Statements as at 1st April 2016, being the Transition Date on the following basis:

- (i) The Property, Plant and Equipment have been valued at historical cost and the revaluation of certain assets carried out in earlier years have been reversed and the value of Property, Plant and Equipment considered at the historical cost as on the Transition Date.
- (ii) The accounting for employee benefits have been carried out in accordance with the provisions of Ind AS 19 and necessary adjustments have been made in the Financial Statements.

Exemptions availed under Ind AS 101

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- a) Property, Plant and Equipments The historical cost of the Property, Plant and Equipment as at the Transition Date is adopted as the deemed cost.
- b) Investments in other companies

 The Company has decided to carry its investments in other companies at deemed which is the previous GAAP carrying amount as on the date of transition to Ind AS.

Interest Free Sales tax Loan
The Company has elected to use the previous GAAP carrying amount of the
hai filterest Free Sakes Tax Kiabas the carrying amount of the Loan in the opening
Ind AS Balance Sheet.

c) Fair Value of Financial Assets and Liabilities
As per Ind AS Exemption, the Company has not fair valued the financial assets and liabilities retrospectively, and has measured the same prospectively.

3 Significant Accounting Policies

a) Use if Estnates

The preparation of the financial statements in confirmity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that affect the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at te date of the financial statements and the result of operations during the reporting period. Although these estimates are based on the managements'best knowledge of current events and actions, the actual results could differ from these estimates.

b) Property, Plant and Equipments

Property, Plant and Equipments are accounted for at the deemed cost which is is the historical cost as per the previous GAAP.

Depreciation is provided over the remaining useful life of the assets, as per Schedule II of the Companies Act, 2013 on Straight Line Basis in the case of Property, Plant and Equipment of PTFE Segment and written down value basis in respect of other assets.

c) Inventories

The Inventories of raw materials, stores and spares, Finished Goods and Work-inprogress are valued at lower of cost or realisable value. The cost in respect of Raw Materials and Stores and Spares are determined on the basis of weighted average cost.

d) Foreign Currency Transactions

Foreign exchange transactions are accounted for at the exchange rates prevailing on the date of the tranactions. Assets and liabilities in foreign currency are translated at the rate of exchange difference prevailing on the reporting date. Gains or losses, if any, arising therefrom are recognised in the Profit and Loss Account.

e) Revenue Recognition

Revenue from sale of goods is recogised when significant risks and rewards of the ownership of the goods is assed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the value of the consideration received or receivable, net of returns and discounts.

f) Research and Development

Research and Development expenses not resulting in tangible property/equipment are charged to Revenue.

g) Borrowing Costs

Interest and other cost in connection with borrowing of funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

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Long Term Investments are carried at cost.

i) Employee Benefits

- i) The Company is contributing to Provident Fund for the employees and te same is remitted to Regional Provident Fund Commissioner and charged to the Statement of Profit and Loss.
- ii) The Company has a group gratuity scheme duly recognised by the Commissioner of Income tax and the annual liability determined by the Life Insurance Corporation of India is remitted as premiium and charged to the Statement of Profit and Loss as actuarilly based determined on Projected Unit Credit Method as per Ind AS 19.
- iii) The liability in respect of leave wages is being accounted for on accrual basis based on actuarial valuation using Projected Unit Credit Method.

j) Impairment of Assets

As at the Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- i) the extent of recognition of impairment loss, if any, required or
- ii) the reversal, if any, required of impairment loss recognised in the previoous periods, Where the carrying amount of an asset exceeds its recoverable amount, such excess is recognised as impairment loss and charged in the Statement of Profit and Loss,

k) Provisions and contingent liabilities

- Provision is recognised in respect of present obligation requiring settlement by outflow of resoruces and of which reliable estimate of the amount of obligation could be made,
- ii) Contingent liability is not recognised and is disclosed unless the possibility of outflow of resources embodying economic benefit is remote. Present obligation arising from the past evets and the existence of which is subject to accurance or non occurance of an incertain future event is disclosed.





STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

A. EQUITY SHARE CAPITAL

Changes in Equity Share Capital during the year 2017-18 Changes in Equity Share Capital during the year 2016-17 Balance as at 31-3-2016 Balance as at 31-3-2018 Balance as at 31-3-2017

Rs.

101,519,160 101,519,160 101,519,160

B. OTHER EQUITY

- 21,860,790

5,666,507

4,189,999 1,476,508 1,476,508

2,500,000 25,361,450 - 178,807,937

32,468

74,400

Less: Remeasurment of defined

Balance as at 31-3-2017

benefit plans transferred to Other Comprehensive

Add: Profit for the year after

Salance as at 31-3-2018

Chennaj

benefit plans transferred to Other Comprehensive

Less: Restatement of defined

Add: Profit/OCI for the year

Income as at 1-4-2016

5,751,071

- 26,228,653

25,361,450 - 205,036,590

2,500,000

9,941,070



NOTES TO FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

Deletions Balance 2017-18 31-3-2018	527,255 12,026,489 272,155,610 1,392,580 11,356,849 2,416,577 2,552,790 484,406 325,535 3,365,974 71,621 - 306,675,686	
Additions 2017-18	675,092 36,868 155,976 108,414	CK For the Voor
GROSS BLOCK Balance 31-3-2017	527,255 12,026,489 271,480,518 1,355,712 11,356,849 2,260,601 2,444,376 484,406 325,535 3,365,974 71,621 305,699,336	DEPRECIATION BLOCK
Deletions 2016-17	8,860	Deletior
Additions 2016-17	670,750 863,938 714,743 145,295	For the vear
As at 1-4-2016	527,255 12,026,489 271,480,518 684,962 10,492,911 1,545,858 2,299,081 484,406 325,535 3,365,974 80,481 303,313,470	Asat
	Land Freehold Buildings Plant and Equipment Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Development Assets Buildings Plant and Equipment	

			*
	Deletions Balance 2017-18 31-3-2018	11,414,127 140,327,675	9,724,241
(P)	For the Year 2017-18	18,132 8,695,535	773,866
DELINE LINE DEUCK	Balance 31-3-2017	11,395,995 131,632,140 707.528	8,950,375
177	Deletions 2016-17		
	For the year 2016-17	110,007 8,690,741 145,811	1,060,890
	As at 1-4-2016	11,285,988 122,941,399 561,717	7,889,485

Fueniture and Fixtures

Plant and Equipment

Freehold Buildings

Land

1,779,363 2,320,905 466,269	325,534 3,364,091 71,620
78,826 297,110	809'6
1,700,537 2,023,795 466,269	325,534 3,354,483 71,620
	8,860
353,220 300,545 161,469	1,381
1,347,317 1,723,250 304,800	325,534 3,353,102 80,480
Office Equipment Computers Software Research and Development Assets	Buildings Plant and Equipment Electrical installation



NET BLOCK

10,824,064

149,813,072

31-3-2017

31-3-2018

Land	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Software	Research and Developm	Buildings
Freehold Buildings Plant and Equipment Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme Buildings	Buildings Plant and Equipment Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme Buildings	Plant and Equipment Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme Buildings	Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme	Vehicles Office Equipment Computers Software Research and Developme	Office Equipment Computers Software Research and Developme Buildings	Computers Software Research and Developme Buildings	Software Research and Developme Buildings	Research and Developme Buildings	Buildings	
Freehold Buildings Plant and Equipment Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme Buildings Plant and Equipment	Buildings Plant and Equipment Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme Buildings Plant and Equipment	Plant and Equipment Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme Buildings Plant and Equipment	Furniture and Fixtures Vehicles Office Equipment Computers Software Research and Developme Buildings Plant and Equipment	Vehicles Office Equipment Computers Software Research and Developme Buildings Plant and Equipment	Office Equipment Computers Software Research and Developme Buildings Plant and Equipment	Computers Software Research and Developme Buildings Plant and Equipment	Software Research and Developme Buildings Plant and Equipment	Research and Developme Buildings Plant and Equipment	Buildings Plant and Equipment	Plant and Equipment

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uildings
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urniture and Fixtures
ehicles
iffice Equipment
omputers
oftware
esearch and Development Assets
Buildings
Plant and Equipment
Electrical installation

5 527,255		139,	5 648,184	3 2,406,474			7 18,137	T	11,491	Τ.	145,071,060
527,255	612,362	131,827,935	495,835	1,632,608	637,214	231,885	18,137	T	1,883		135,985,116

NOTES TO FINANCIAL STATEMENTS 31-3-2018

5. NON CURRENT INVESTMENTS			
	31-3-2018	31-3-2017	1-4-2016
Investments in Equity Instruments (fully paid up)			
Non Trade - Unquoted			
In Others			
Investment in Neycer Employees Co-operative			
Society	150,000	150,000	150,000
	150,000	150,000	150,000
6. OTHER FINANANCIAL ASSETS			
Unsecured - Considered good			
Security Deposits	2 000 012	2 052 007	2 727 200
becarry beposits	2,099,812 2,099,812	3,852,987	3,727,200
		3,852,987	3,727,200
7. INVENTORIES			
Raw Materials	1,398,127	1,601,787	2,498,122
Work in progress	1,242,694	950,640	2,082,891
Finished Goods	54,587,017	54,148,746	57,904,565
Stock in trade	6,719,063	6,872,723	7,799,228
Stores and Spares	10,142,678	8,683,766	7,851,204
	74,089,579	72,257,662	78,136,010
8. TRADE RECEIVABLES			
Unsecured - Considered good	32,401,699	32,902,532	25 150 240
Unsecured - Considered doubtful	48,187,272	48,187,272	35,150,348 48,187,272
Less: Provision for doubtful debts			- 48,187,272
Loss on fair valuation	- 667,094	- 40,107,272	~ 40,107,272
Sobo on tail valuation	31,734,605	32,902,532	35,150,348
Of the above	01,701,000	32,702,332	33,130,346
Debts outstanding for a period exceeding six month	he		
from the date they became due	19,059,821	19,313,095	17,000,747
Other Debts	61,529,150	61,776,709	66,336,873
Receivables are after considering loss on fair	01,027,100	01,770,707	00,530,673
valuation amounting to	667,094	=	-
9. CASH AND CASH EQUIVALENTS			
Cash on hand	20.442	24.400	m
Balance with Banks	20,413	34,489	7,693
In Current Account	247 252	100.006	004440
in current account	247,252	189,306	226,110
In Deposits offered as security for credit facilities	3,144,132	2,542,525	2,383,146
S. ASSOC	3,411,797	2,766,320	2,616,949
		150	E

10. OTHER CURRENT ASSETS

Unsecured - Considered Good

Advance to suppliers	15,930,051	21,388,742	19,200,701
Other Advances	14,385,913	5,723,109	5,010,228
Advances to Related Parties -			. ,
Holding Company, Varun Ventures P Ltd.			
Earnest Money Deposits			
Tax Payments pending adjustment (net of provision	797,457	785,579	787,613
Other Advances - Considered doubtful	1,451,537	1,451,537	1,451,537
Less: Provision	- 1,451,537	- 1,451,537	- 1,451,537
0224	31,113,421	27,897,430	24,998,542





NOTES TO FINANCIAL STATEMENTS 31-3-2018

31.03.2017 01.04.2016	297,000,000 297,000,000	3,000,000	300,000,000 300,000,000	101,632,630 101,632,630	150000 150,000	101,782,630 101,782,630	101,519,160 101,519,160	101,519,160 101,519,160
31.03.2018	297,000,000	3,000,000	300,000,000	101,632,630	150,000	101,/82,630	101,519,160	101,519,160
11. EQUITY SHARE CAPITAL SHARE CAPITAL Authorised:	2,97,00,000 Equity Shares of Rs.10/- each 3,00,000 Cumulative Redeemable	Preference Shares of Rs.10/- each	Issued Share Capital	1,01,63,263 Equity Shares of Rs.10/- each 15,000 9.5% Cumulative Redeemable	Preference Shares of Rs.10/- each	Subscribed and Paid up Equity Share capital	1,01, 51,916 Equity Shares of Rs.10 each fully paid up	9.5% Cumulative Redeemahle Preference Character 26 Do 10/10

which had fallen due for redemption ON 15 June 1993 has been disclosed under Other Financial Liabilities (Note No.16.) Redeemable Preference Shares of Rs.10/- each aggregating to Rs.1,50,000/-

Reconciliation of equity shares outstanding at the beginning and at the end of the year

!	lo. of Shares	10,151,916	10,151,916
	No. 01 Shares No. of Shares	10,151,916	10,151,916
No of Charac	So or order	10,151,916	10,151,916
Particulars	Outstanding at the heginning of the year	Outstanding at the and of the cons	organization of the year

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

	70	01.04.2016	59.10% 13.10% 11.90%	
	Percentage of change hold	31.03.2017 59.10%	0.00% 13.10% 11.90% 9.39%	
	Perce	31.03.2018	0.00% 13.10% 11.90% 9.39%	
		01.04.2016	6,000,000 1,330,000 1,207,789 952,960	1,330,000
% signes	hares	31.03.2017 6,000,000	1,330,000 1,207,789 952,960	1,330,000
is more citall 3	No. of shares	31.03.2018 6,000,000	1,330,000 1,207,789 952,960	1,330,000
•	5.No Name of the shareholder	1 Varun Ventures Private Limited	2 Silven Ventures Private Limited 3 CDS Projects Limited 4 Sparta Holdings Limited 5 Sparta Holdings Limited Aggregate Number of Equity Shares allotted as fully paid up	AEBIFR dated 26-10-2018
			₹ <i>§</i> `	18 S.



12. OTHER EQUITY

Other Comprehensive	me - 130,455,337	1,476,508	5,666,507 - 16,194,283	4,189,999 - 146,649,620	5,751,071 5,751,071	- 26,228,653
Surplus Other Compr	Income 158,423,655	1,476,508 - 1	21,860,790 5	178,807,937 4	เก๋	26,228,653
General Su Reserve	25,361,450 -	•	•	25,361,450 -		•
Central Subsidy	2,500,000			2,500,000		
Capital Reserve	32,468			32,468		
Share Premium	74,400			74,400		
	Balance as at 1-4-2016 Less: Restatement of defined henefit plans francfamed	to Other Comprehensive Income Reversal of Revaluation Reserve	Add: Profit(Loss) for the year after tax	Less: Remeasurment of defined benefit plans transferred to Other Comprehensity	Income	Add: Profit for the year after tax



9,941,070 - 167,127,202

25,361,450 - 205,036,590

2,500,000

32,468

74,400

Balance as at 31-3-2018

NOTES TO FINANCIAL STATEMENTS

13. BORROWINGS	31-3-2018	'31-3-2017	01-4'-2016
From Banks	-		
Term Loan I	-	-	6,084,000
Term Loan II	-	-	7,299,000
Working Capital Term Loan		к	1,184,000
Car Loans From Banks			
HDFC Bank	294,542	1,345,018	1,628,677
From Others			
From a company	48,000,000	48,000,000	48,000,000
	48,294,542	49,345,018	64.195.677

The Term Loans from Banks are secured by a first charge on the fixed assets and movables of the Company present and future subject to prior charges created in company's bankers for securing working capital requirements.

Car Loans from Banks are secured by a charge on the cars purchased out of the said loans. The car loans repayable in equatedd monthly instalments whih is being repaid as per the terms and conditions and there are no defaults in respect of these loans.

The Borrowings from a Company is repayable after the completion of the repayment of the loans availed from Banks.

14. OTHER NON CURRENT LIABILITIES

	=				
Trade Deposits	11,862,000	10,767,000	10,717,000		
Deposits from contractors	44,294	44,294	44,294		
	11,906,294	10,811,294	10,761,294		
15. OTHER LONG TERM PROVISIONS					
Provision for gratuity	9,443,095	16,275,870	24,592,830		
Provision for leave salary	1,200,980	1,240,141	1,237,237		
	10,644,075	17,516,011	25,830,067		
16. BORROWINGS (i) From Banks					
Cash Credit - Secured	37,151,236	54,095,569	62,078,247		
Secured by hypothecation of all stock	s of raw materials,	stores	,		
and spares, work in progress, finished goods and book debts					
· · · · · · · · · · · · · · · · · · ·	and alwo by way of first charge on the fixed assets of the				
Company and guaranteed by the prev	ious Whole time D	irector			

17. OTHER FINANCIAL LIABILITIES

and Spartek Ceramics India Limited

Current Maturities of	of Long Term	Borrowings
-----------------------	--------------	------------

Term Loan	78,960,000	85,684,000	74,951,000
Car Loans	1,030,810	1,014,898	862,168
Interest free excise loan	15,000,000	15,000,000	15,000,000
Interest accrued but not due on loans	78,371,768	52,612,920	42,476,762
9.5% Cumulative Redeemable Preferer	150,000	150,000	150,000 /
(See Note below)		-	

37,151,236

Advance from customers

 9,142,547
 10,427,755
 8,698,134

 182,655,125
 164,889,573
 142,138,064

54,095,569

62,078,247

NET ALL STATE OF THE POST OF T

The 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each fell due for redemption on15.06.1993/ The Companny has not yet redeemed the said Redeemable Preference Shares and pending redemition these are shown as Curre:

18. OTHER CURRENT LIABILITIES

Other Payables			
Excise Duty	16,367,565	18,873,085	16,585,981
VAT payable	762,330	2,422,559	2,864,142
IGST payable	13,463,661		
Service tax payable	1,486,015		
TDS payable	219,709	163,348	141,879
TCS payable	1,291	2,013	45,186
Others	714,299	210,871	197,104
	33,014,870	21,671,876	19,834,292
SHORT TERM PROVISIONS			
Provision for employee benefits	21,355,984	20,232,064	12,731,115
Others	1,066,805	1,066,805	1,066,805

22,422,789

21,298,869



19.



13,797,920

NEYCER INDIA LIMITED NOTES TO FINANCIAL STATEMENTS 31-3-2018

Chennai

	31-3-2018	31-3-2017
20. REVENUE FROM OPERATIONS		
Sale of products	146,792,273	161,989,184
Sale of trading goods	33,681,748	32,097,606
Oher Operating Income	,,	0,000
Scrap sales	838,101	880,233
•	181,312,122	194,967,023
21. OTHER INCOME		
Foreign exchange gains	1,746	
Profit on sale of assets	,	2,499
Interest received	210,519	323,362
Reversal of provision of Excise Duty on closing stock	•	.,
as at 31-3-2017	6,008,333	-
Credit balances written back	52,696	_
Excess provision written back	1,137,958	
Insurance claim received	199,546	6,082,650
Other income	424,288	25,122
	8,035,086	6,433,633
22. COST OF RAW MATERIALS AND COMPONENTS CON	SUMED	
Raw materials and components	19,045,420	17,249,685
•	19,045,420	17,249,685
23. CHANGES IN INVENTORY OF FINISHED GOODS AND	WORK IN PROGR	ESS
Opening Stock	··· Olin All Allo GA	
Finished Goods	61,021,469	65,703,794
Work in progress	950,640	2,082,891
, 0	61,972,109	67,786,685
Closing Stock		07,700,000
Finished Goods	61,306,080	61,021,469
Work in progress	1,242,693	950,640
.,	62,548,773	61,972,109
	02,310,773	01,772,107
(Increase)/Decrease in inventories of Finished Goods		
and Work in progress	- 576,664	5,814,576
and Workin progress	- 376,004	3,014,376
24. EMPLOYEE BENEFIT EXPENSES		
salaries, Wages and Bonus	40,046,551	34,798,023
Contribution to Provident and Other Funds	3,823,131	4,149,680
Welfare Expenses	4,831,382	3,898,136
Contribution to Gratuity	2,728,445	8,830,517
Provision for Leave Salary	57,906	218,982
	51,487,415	51,895,338
	J1,107,T13	01,070,000
25. FINANCE COSTS		2
ASSInterest Expense	10647645	15 /16 622
Other Borrowing Costs	10,647,645	15,416,632
Trickilloring and and a	359,937	784,021



16,200,653

11,007,582

NOTES TO FINANCIAL STATEMENTS 31-3-2018

	31-3-2018	31-3-2017
26. OTHER EXPENSES		
Consumption of Stores and Spares	7,715,160	8,408,949
Power and fuel	43,080,379	37,908,814
Rent	1,987,500	2,588,500
Insurance	524,416	306,938
Rates and Taxes	2,417,871	696,237
Freight and Forwarding	302,166	661,883
Postage and Telephone	1,121,301	1,005,344
Printing and Stationery	700,633	713,677
Travelling and Conveyance	12,333,014	9,448,908
Payment to Auditors:		
For Audit	200,000	150,000
For Certification	50,000	36,000
For Reimbursement of expenses		23,000
For Service tax		27,400
Repairs and Maintenance		•
Buildings	729,998	329,941
Plant & Machinery	5,058,375	4,274,637
Selling expenses	3,958,337	2,142,786
Professional fees	5,125,368	3,498,944
Advertisement and Sales Promotion	365,595	348,728
Interest on Delayed Remittance of Provident Fund	346,981	156,629
Interest on delayed remittance of ESI	12,964	3,604
Interest on delayed remittance of Excise Duty	3,314,442	4,058,961
Interest on delayed remittance of Service tax		72,812
Interest on delayed remittance of VAT and CST	1,152,980	727,462
Interest on delayed remittance of gratuity		108,670
Interest on delayed remittance of TDS		7,159
Interest on delayed remittance to TANGEDCO		84,684
Increase/(Decrease) in Excise Duty on Closing Stock	_	425,508
Miscellaneous Expenses	4,426,109	4,972,973
Loss on fair valuation of financial assets	667,094	
Advances written off	17,700	
S ASSOC		

95,608,383 82,338,132



NEYCER INDIA LIMITEDD NOTES TO FINANCIAL STATEMENTS 31-03-2018

27. Contingent Liabilities on account of:	31.03.2018 Rs.	31.03.2017 Rs.
a) Guarantees given by Banks on behalf of the Company	7,163,647	7.163.647
b) Inland Letters of Credit issued by Banks	2,238,975	4,615,827
c) Arrears of dividend on cumulative preference shares	72 ६३७	92,030
d) Tamil Nadu General sales tax demand disputed for the assessment year 1994-95 The demand raised by the Commercial tax officer in respect of financial transaction representing lease of machineries in erstwhile tiles division has been ser-aside in appeal by the Appellate Assistant Commissioner and remanded back to the Assessing Authority fro fresh consideration, which is pending before the Deputy Commercial Tax officer. In view of the disputed nature of the demand, the same has not been provided for.	9,320,618	9,320,618

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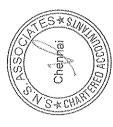
34,415,091

34,415,091

5,056,861
Central sales tax demand disputed for the assessment year 2001-02 The demand has been raised by the Assistant Commissioner (Commercial taxes) for nonsubmission of 'C' form in respect of inter-state sales and non-submission of export documents and Form-H in respect of export sales. The company has filed an appeal against the order before the Appeallate Assistant Commissioner (Commercial Taxes), which is pending. In view of the disputed nature of the demand, the same has not been provided for.



5,056,861



g) Tamil Nadu value added tax demand disputed for the assessment year 2011-12

The demand has been raised by the Assistant commissioner (Commercial taxes) for non 5,793,862 reversal of VAT input Tax Credit claimed by the company relating to stock destroyed due to "Thane Cyclone". The compnay has filed a writ petition before the Hon'ble High Court of Madras for quashing the proceedings. In view of the disputed nature of the demand, the same has not been provided for.

5,793,862

h) ESI demand disputed for the period May 2005 to March 2009

In respect of the above period, demand has been raised by the Director(Revenue), 647,330 Employees State Insurance Corporation, Chennai, for non-payment of contribution winthin the time limit prescribed. The company has filed petition before ESI labour court for waiver of damages. In view of the disputed nature of the demand, the same has not been provided for.

647,330

4,722,090

PF demand disputed for the period March 2011 to March 2014.

In respect of the above period, demand had been raised by the Regional Provident Fund, 4,722,090 Commissioner, Sub-Regional office, Trichirapalli for subterfuge wages in respect of regular employees and due for evaded wages in contract employees. The Company has obtained a stay in respect of the demand and appeal has been filed before the Employees Provident Fund Appellate Tribunal, Delhi. In view of the disputed nature of the demand, the same has not been provided for.

28. The company had been declared Sick Industrial Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

29. Since the company is a Sick Industrial Company wihtin the meaning of the Sick Industrial Companies (Special Rpovisions) Act. 1985, the company based on legal opinion, had filed apetition before BIFR, seeking leave for redemption of 9.5% Cumulative Redeemable preference shares, ought to have been redeemed before 15th June 1993 and the same is pending.

will be recognised as and when the funbded interest is services. The company has not recognised interest dues on loans from VIZ projects, into Funded interest Term Ioan, of which Rs.49.25 lakhs paid has been recognised upti yzar ended 31.03.2015 and since then no payment a body corporate upto 31.03.2017 to an extaent of Rs.4.46 crores and for the year amounting to Rs.48 lakhs. The interest is for the period from 2009-10 with a right to recompense from the date of debt restructuring and the same will be recognised as and when it is serviced. 30. As in earlier years, the company has not recognised interest dues on loans from bank and body corporate and the arrears of interest has been made. The repayment of FITL in EMI terms scheduled to commence from January 2012 has not been made and the same payable to bank aggregate to Rs.6.39 crores subject to reconciliation has been converted by the bank during the year 2011-12

to 31.12.2011, Rs.57 lakhs of Cash credit facility pertaining to the period 01.01.2011 to 31.12.2011 into Funded interest term loan II of whic Rs.5 lakhs paid during the year ended 31.03.2015 has been recognised. The repayment of FITL II in EMI terms scheduled to commence from Rs.37 lakhs of Term loan - I pertaining to the period 29.06.2011 to 31.12.2011, Rs.87 lakhs of Term loan II pertaining to period 29-10-2010 During the year ended 31.03.2015, the bank had converted pending reconciliation by the company, unrecognised interest dues of September 2014 has not been made and same will be recognised as and when the funded interest is services.



31. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for.

32. In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or payable.

33. The company has not discontinued any operations during the year.

SXS

Chennai



NOTES TO FINANCIAL STATEMENTS

34. 1. Reconciliation of Net Profit as per IGAAP and Ind AS

Net Profit as per IGAAP for the year 31-3-2017 - 16,194,283

Add: Ind AS adjustment on account of restatement of gains on defined benefit plans to Other

Comprehensive Income - 5,666,507

Net Profit as per Ind AS for the year 31-3-2017 - 21,860,790

34.2. Financial Risk Management and Objectives and Policies

The Company's principal financial liabilities comprises of borrowings, and trade payavkes, The main purpose of these financial liabilities is to finance the Company's operatons. The Company's principal financial assets, comprise of trade receivables, investments and cash and cash equivalents that derive directly from the Company's operations. The Company's activities exposes it to various riskss including market rist, kuqyudity risk and credit risk. Company's overall risk management focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

34.3. Disclosure of Fair Value Measurements

The Fair value of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of cash and deposits, trade and other short term receiables, trade payables, other current liabilities, loans from banks and other financial instruments approximate to the carrying amounts.

Financial Insturments by category

	Amortised Cost	Fair Value Through Profit and	Fair value Through Other Comp.	Carrying amount	Fair Value
As at 31-3-2018		Loss	Income		
Financial Assets					
Long Term Investment	150,000	**	_	150,000	150,000
Other financial assets	2,099,812	-	•	2,099,812	2,099,812
Trade Receivables	-	31,734,605	-	31,734,605	31,734,605
Cash and cash equivalents	3,411,797	-	-	3,411,797	3,411,797
Financial Liabilities				. ,	, ,
Long Term Borrowings	48,294,542	-	-	48,294,542	48,294,542
Other non current liabilities	11,906,294	-	-	11,906,294	11,906,294
Short term borrowings	37,151,236	-	-	37,151,236	37,151,236
Trade payables	44,538,435	-	-	44,538,435	44,538,435
Other financial liabilities	182,655,125	-	-	182,655,125	182,655,125
As at 31-3-2017					
Long Term Investment	150,000	-	-	150,000	150,000
Other financial assets	3,852,987	-	-	3,852,987	3,852,987
Trade Receivables	32,902,532	-	-	32,902,532	32,902,532\N
Cash and cash equivalents	2,766,320		=	2,766,320	2,766,320
Financial Liabilities		-	-		CHEN
Volve Term Borrowings	49,345,018	-	•••	49,345,018	49,345,018

	Other non current liabilities	10,811,294	-	-	10,811,294	10,811,294	
	Short term borrowings	54,095,569	-	-	54,095,569	54,095,569	
	Trade Payables	36,835,235	-	=	36,835,235	36,835,235	
	Other financial liabilities	164,889,573	-	-	164,889,573	164,889,573	
	As at 1-4-2016						
	Long Term Investment	150,000	-	-	150,000	150,000	
•	Other financial assets	3,727,200	<u></u>	-	3,727,200	3,727,200	
	Trade Receivables	35,150,348	-	*	35,150,348	35,150,348	
	Cash and cash equivalents	2,616,949			2,616,949	2,616,949	
	Financial Liabilities		-	•	-		
	Long Term Borrowings	64,195,677	-	•	64,195,677	64,195,677	
	Other non current liabilities	10,761,294				, ,	
	Short term borrowings	62,078,247		-	62,078,247	62,078,247	
	Trade Payables	35,015,057	•	-	35,015,057	35,015,057	
	Other financial liabilities	142,138,064	-	-	142,138,064	142,138,064	

Note: The Company has opted for fair valuation of financial assets and liabilities prospectively with effect from the current financial year as per the option granted under Ind AS.

Fair Value Hierarchy

The Company uses the following hirerarchy for determining the fair value of the financial assets and liabilities:

Level 1 Quoted prices in the market for financial assets or liabilities

Level 2 Othe techniques for which all inputs which have significant effect on the recorded fair value observable, either directly or indirectly.

Level 3 This technique uses inpputs that have a significant effect on the recorded fair value that are not based on observable market data.

34.4. Employee Benefits

i) Provident Fund

The Company is contributing to Provident Fund for its employees and the same is remitted to the Regional Provident Fund Commissioner and the amount is charged to Profit and Loss Account. The amount charged is

ii) Superannuation

The Companny has a Superannuation Scheme for eligible eployees and the annual liability is determined by Life Insurance Corporation of India and is remitted as premium and charged to Profit and Loss Account. The amount charged is

iii) Leave encashment

In respect of Leave Encashment, which is not funded, the Company makes a provision on actuarial basis, using Projected Unit Credit Method

a) Assumptions used

7.40%	6.85%
5.00%	7.00%
0.00%	0.00%
5.00%	5.00%
46.18	47.90
	5.00% 0.00% 5.00%

b) Movement in present value of Defined Benefit Plan (Leave salary) during the year



Opening value of DBO at the beginning of the year	1,629,933	1,570,696 409,419
Current Service Cost	241,532	409,419
Interest Cost	114,358	102,121
Benefits paid	- 169,102	- 159,745

Actuarial (Gains)/Loss	-	297,984	_	292,558
Closing value of DBO at the end of the year		1,518,737		1,629,933
c) Movement in plan assets during the year				
Fair value of plan assets at the beginning		-		-
Interest income of the assets		_		-
Employer contribution		169,102		159,745
Benefits paid	-	169,102	-	159,745
Actuarial gain/(Loss)		-		_
Fair value of plan assets at the end of theyear		-		-

d) Sensitivity Analysis

Significant actuarial assumptions for determination of defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumtions ourring at the end of the reported:

If the discount rate is 100 basis points higher or lower, the defined benefit obligation would increase by 52,962 decrease by 48,275

If the expected salary increases/decreasess by 100 basis points, the defined benefit obligation would increase by 34,851 37,393 decrease by 33,921 36,431

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlkely that the range in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the methods and assumptions used in preparing the above sensitivity analysis.

iv) Gratuity

The Company has a group gratuity scheme which is administered by a separate trust and the annual liability as determined by Life Insurance Corporation of India, based on actuarial valuation using projected unit credit method and is charged off to revenue.

a) Assuptions used

Discount Rate	7.40%	6.85%
Salary Escalation	5.00%	7.00%
Expected return on plan assets	0.00%	0.00%
Attrition rate	5.00%	5.00%
Average Longevity at retirement age - past service	18.36	20.09
Average age	46.18	48.33

b) Movement in present value of Defined Benefit Plan (Gratuity) during the year

Opening value of DBO at the beginning of the year		21,674,335	29,629,280
Current Service Cost		590,259	672,591
Interest Cost		1,477,543	1,864,337
Benefits paid	_	3,415,071 -	4,825,366
Actuarial (Gains)/Loss	-	5,751,071 -	5,666,507
Closing value of DBO at the end of the year		14,575,995	21,674,335



60,195

54,497



c) Movement in Plan assets during the year

Fair value of plan assets at the beginning		-	
Interest income of the assets		-	-
Employer contribution		4,825,366	4,825,366
Benefits paid	-	4,825,366 -	4,825,366
Actuarial gain/(Loss)		-	_
Fair value of plan assets at the end of theyear			_

d) Sensitivity Analysis

Chennai

Significant actuarial assumptions for determination of defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumtions ourring at the end of the reported:

If the discount rate is 100 basis points higher or lower, the defined benefit obligation would

increase by	288,958	510,572
decrease by	269,980	475,738

If the expected salary increases/decreasess by 100 basis points, the defined benefit obligation would

increase by	309,311	526,776
decrease by	294,709	500,780

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlkely that the range in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the methods and assumptions used in preparing the above sensitivity analysis.

e) The Company expects to make a contribution of Rs,- to the defined benefit plan (gratuity - funded) during the next financial year.



NEYCER INDIA LIMITED NOTES TO FINANCIAL STATEMENTS 31-03-2018

35. ADDITIONAL NOTES

	3.2018	31.0	3.2017
	Y Y Y	~	
Qty.		Qty.	Value
	Rs.		Rs.
1002	142 466 022	1001	142002250
1993	142,400,022	1901	143992253
	31 572 022		20.247.427
		661	28,216,427
		004	3,881,179
•		<u></u>	880233
***************************************			176,970,092
		MT	
1 600	0.474.074	4 11 6 11	m 000 000
			7,023,209
		•	4,759,028
			2,812,232
			952,582
٠ ـ ـ		78 _	1,702,634
	19,043,420		17,249,685
Otax	Volue	O.	**-3
Q.t.y.		Qty.	Value Rs.
	7.0.		175.
1220	E	1 21 5	F7.004.54°
1230	54,140,740	1,215	57,904,565
	E 720.625		6 511 000
		014	6,511,092
		014	1,288,137
	01,021,409		65,703,794
1,123	54,587,017	1,238	54,148,746
	5.838.424		5,720,625
	• •	865	1,152,098
	,	330	1,102,070
***************************************	61,306,079	<u></u>	61,021,469
10,000		10,000	
			- 1829
10,000		8,750	RINDIA
			BICHELL YE
1,878		2,097	W Z VNAI
	10,000	Rs. 1993 142,466,022 31,572,923 2,161,368 838,101 177,038,414 1,690 8,461,874 1433 4,940,792 10 1,230,960 78 3,655,420 1 756,374 19,045,420 Qty. Value Rs. 1238 54,148,746 5,720,625 1,152,098 61,021,469 1,123 54,587,017 5,838,424 880,638 61,306,079 10,000	Rs. 1993

NEYCER INDIA LIMITED NOTES TO FINANCIAL STATEMENTS 31-03-2018

		Rs.		Rs.
e) Value of Imports calculated on				
CIF basis :				
Raw materials		-		-
Stores and Spares		-		••
Trading Goods		865,045		*
		865,045	_	_
f) Expenditure in foreign currency:				
Travelling Expenses		1,402,258		823,113
	%	Rs.	%	Rs.
g) Details regarding consumption of				
imported and indigenous materials				
1. Raw Materials & Components				
Imported			-	-
Indigenous	100		100.00	17,249,685
	100	*	100.00	17,249,685
2. Stores & Spare Parts				
Imported			-	_
Indigenous	100		100.00	8,408,949
	100.00	**	100.00	8,408,949
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		Nil		Nil
2. Technical Services	_	Nil		Nil
S. ASSOCIA	-	-		-



NEYCER INDIA LIMITED NOTES TO FINANCIAL STATEMENTS 31-03-2018

- 36. Disclosures as required by the Accounting Standard 18 " Related Party Disclosures" are given below:
- a) Key Management Personnel

Y Mohan Prasad, Whole time Director

Thirukalathiappan, Chief Financial Officer

G Raghavan, Company Secretary

- b) Disclosure of Related Party Transactions and Year End Balances
- C) Holding Compan Varun Ventures Private Limited

31.03.2018 Amount in Rs. 31.03.2017

Amount in Rs.

					unount in No.	
Particulars	Nature of Transaction		Nature of Transaction			
	Remune ration		Year End Balance	Remune ration		Year End Balance
Key Management Personnel P.Thirukalathiappa n, CFO	1,823,986			1,368,000		
G Raghavan, Company Secretary	120,000			120,000		
Directors Directors have not be	en paid any settin	Sitting Fees ng fee			Sitting Fees	





NOTES TO FINANCIAL STATEMENTS

31-3-2018 31-3-2017

- 37. The Company operates in only one sigment, viz., manufacture of Sanitaryware and hence there are no reportable segments.
 - 38. Consequent to the introduction of Goods and Services Tax with effect from 1st July 2017, the Turnover is net of GST. In respect of the turnover upto 30th June 2017 for the current reporting period and for the turnover for the previous reporting period, the Turnover is inclusive of Excise Duty.

39. Earnings Per Share

Basic and Diluted

Profit/(Loss) for the year

- 26,228,653 - 21,860,790

Number of Equity Shares of Rs.10/- each outstanding

10,151,916 10,151,916

Earnings per Share basic and diluted

2.58 -

2.15

INDI

Note: Since the Preference shares issued are already due for redemption but not yet redeemed, the amount of preference dividend is not reducted in computing the Earnings Per Share.

40. Previous year's figures have been regrouped to conform to current year's classification.

Vide our report of even date attached

For S.N.S ASSOCIATES

Chartered Accountants

Firm Reg No. 006297S

For and on behalf of the Board

S. Nagarajan 🖔

Partner

Membership No. 020899

Whole Time Director Director

1 181 hours app

Campana Campana

Company Secretary

Place: Chenn

Data

Chennai

DACCON

15/2015