

**CHEMTECH INDUSTRIAL
VALVES LIMITED**

**(Financial result for the period
1st April 2013 to 31st March 2014)**

INDEPENDENT AUDITOR'S REPORT

To the Members of **Chemtech Industrial Valves Ltd.**

Report on Financial Statements

We have audited the accompanying financial statements of **Chemtech Industrial Valves Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31 2014;
- (b) in the case of the statement of Profit and Loss, of the profit/ loss for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. on the basis of written representations received from the directors as on March 31 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



For **S. P. JAIN & ASSOCIATES,**
CHARTERED ACCOUNTANTS
Firm Reg. No. 103969W

Kapil Jain

KAPIL K. JAIN
(PARTNER)

Membership No. 108521

Place : Mumbai.
Date : 30/05/2014

S. P. JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

601,6th Floor, "Orbit Plaza"
New Prabhadevi Road,
Prabhadevi, Mumbai - 400 025
Tel.: 24316201/02, 24218129,
24320931 Fax : 24218130
Email : spjainassociates@gmail.com

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. a) As explained to us, the Company has maintained the records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
c) In our opinion, the Company has not disposed of substantial part of fixed assets during the period.
2. a) As explained to us, inventories have been physically verified by the management at regular intervals during the period.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company has taken loans from 10 parties (P.Y. taken from 5 parties) listed in the register maintained U/s. 301 of the Companies Act, 1956. The year-end balance of loan taken from such parties was nil (P.Y. Rs. Rs.2,00,00,000/-). Maximum balance outstanding during the period is Rs. 4,24,44,990/- (P.Y. Rs. Rs. 2,21,90,640/-) and that the Terms and Conditions are not prejudicial to the interest of the company. The company is regular in repaying as the same is payable on demand. There is no overdue amount.

The Company has granted loans to 2 parties (P.Y. 6 parties) Companies, Firms or other parties as listed in the register maintained under section 301 and / or to the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. The period-end balance of loan given to such parties was Rs.13,19,166/- (P.Y. Rs. Rs.13,19,166/-). Maximum balance outstanding during the period is Rs.13,42,166/- (P.Y. Rs.3,65,21,351/-) and that the Terms and Conditions are not prejudicial to the interest of the company. The company is regular in repaying as the same is payable on demand. There is no overdue amount.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

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- b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lacs only) in respect of any party during the year have been made at price, which are reasonable & having regard to prevailing market price at the relevant time.
6. As explained to us the company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the accounts and records maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the Act, and are of the Opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
9. a) According to the information and explanation given to us, and records being made available to us, the undisputed statutory dues including Income-tax, Sales Tax, Wealth Tax, and other statutory dues wherever applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable except for:

STATUTES	NATURE OF DUES	AMOUNT (Rs.)	PERIOD	DUE DATE	DATE OF PAYMENT
<i>Sales tax</i>	<i>Deferment Installment</i>	<i>7,80,089</i>	<i>1999-00 to 2001-02</i>	<i>2010-11 to 2013-14</i>	

- b) In our opinion and according to the information and explanations given to us, there are no disputed statutory dues pending before any Authority except for:

STATUTES	NATURE OF DUES	AMOUNT (Rs.)	PERIOD	FORUM
<i>Central Sales tax</i>	<i>CST</i>	<i>1109445</i>	<i>2008-09</i>	<i>Comm.. of sales Tax</i>
<i>Central Sales tax</i>	<i>CST</i>	<i>270979</i>	<i>2006-07</i>	<i>Comm.. of sales Tax</i>
<i>Central Sales tax</i>	<i>CST</i>	<i>4259201</i>	<i>2009-10</i>	<i>Comm.. of sales Tax</i>

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10. The Company does not have any accumulated losses during the period Financial Period covered by our audit. The company has ~~not~~ incurred ~~any~~ cash loss of Rs.55,80,222/- (P.Y. Nil) in the current period covered by the audit.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
15. According to information and explanation given to us and to the best of knowledge, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. According to information and explanation given to us the company has received new term loans during the period and the same has been utilized and applied for the purpose for which they were obtained other than the amounts temporarily invested pending utilization of the same for intended use.
17. According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not raised funds from Short Term sources and utilized the same towards Long Term investments.
18. During the year Company has made preferential allotment of 26,69,333 No. of Equity shares (face value Rs.10/-) at a premium of Rs. 5/- per share to parties covered under sec.301 of the Companies Act, 1956 and in our opinion such price is not prejudicial to the interest of the company.
19. According to information and explanation given to us, the Company has not issued any secured debentures during the period.
20. During the year Company has raised money by way of public issue offer and the end use of the money raised has been verified and disclosed in the note No. 32 of the financial statement.

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21. In our opinion and according to the information and explanation given to us, no fraud, by the Company has been noticed, or reported during the period which causes the financial statements to be materially misstated.

For **S. P. JAIN & ASSOCIATES,**
CHARTERED ACCOUNTANTS

FRN. 103969W



Kapil K. Jain

Kapil K. Jain
(PARTNER)

Membership No. 108521

Place : Mumbai.
Date: 30/05/2014

Chemtech Industrial Valves Ltd


BALANCE SHEET AS AT 31ST MARCH' 2014

(Amount in Rs.)

Particulars	Note No.	As at 31st Mar 2014	As at 31-Mar-2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	114,873,330	5,500,000
(b) Reserves and surplus	3	21,409,652	39,688,558
		136,282,982	45,188,558
2 Non-current liabilities			
(a) Long-term borrowings	4	101,572,945	95,428,239
(b) Deferred tax liabilities	5	4,863,058	2,729,724
(c) Other non-current Liability	6	2,459,034	2,947,911
(d) Long-term Provisions	7	439,089	756,059
		109,334,126	101,861,932
3 Current liabilities			
(a) Short-term borrowings	8	45,518,628	80,733,241
(b) Trade payables	9	44,741,490	26,801,483
(c) Other current liabilities	10	18,575,613	22,209,990
(d) Short-term provisions	11	-	1,795,000
		108,835,730	131,539,713
TOTAL		354,452,838	278,590,204
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	162,050,773	157,428,498
(ii) Capital work-in-progress	13	353,000	291,000
(b) Non-current investments	14	537,752	537,752
(c) Long Term Loans & Advances	15	1,067,550	303,710
(d) Other Non-current Assets	16	5,679,549	2,151,670
		169,688,624	160,712,629
2 Current assets			
(a) Inventories	17	39,418,682	67,956,966
(b) Trade receivables	18	71,745,003	37,033,685
(c) Cash and cash equivalents	19	66,630,793	7,103,357
(d) Short-term loans and advances	20	1,665,369	1,989,323
(e) Other current assets	21	5,304,369	3,794,243
		184,764,215	117,877,575
TOTAL		354,452,838	278,590,204
Significant accounting Policy	1	0	(0)
Notes to financial statements	2 to 39		

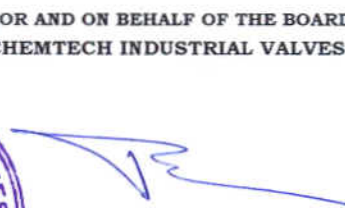
As per our report of even date


FOR S.P.JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 103969W


Kapil K. Jain
PARTNER
(M. No.108521)



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
CHEMTECH INDUSTRIAL VALVES LTD


DIRECTOR


DIRECTOR

PLACE : MUMBAI
DATE : 30/05/2014

Chemtech Industrial Valves Ltd

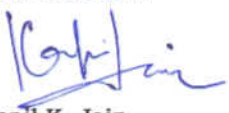
Statement of Profit and loss for the Year ended 31st March, 2014

(Amount in Rs)

Particulars	Note No.	Year ended 31-March-2014	Year ended 31-March-2013
I Income			
Revenue from operations	22	314,422,521	226,856,801
Other income	23	7,521,763	1,089,892
Total Revenue		321,944,284	227,946,693
II Expenses			
Cost of materials consumed	24	49,106,644	84,291,536
Change in inventories of FG & WIP	25	28,183,062	(31,898,412)
Purchases of stock in trade		182,367,880	98,221,684
Employee benefits expense	26	17,798,462	15,855,247
Finance costs	27	22,218,103	17,398,609
Depreciation and amortization expense	12	8,271,275	5,185,677
Other expenses	28	27,824,907	28,152,023
Total expenses		335,770,333	217,206,365
III Profit before tax (I- II)		(13,826,049)	10,740,328
IV Tax expense:			
(1) Current tax		-	1,795,000
(2) Deferred tax		2,133,334	1,164,490
(3) Short provision for tax		692,572	56,833
V Profit (Loss) for the period III + IV)		(16,651,955)	7,724,005
VI Earnings per equity share:			
Basic & Dituted (face value of shares is Rs.10 each)	29	(2.47)	2.01
Significant accounting Policy	1		
Notes to financial statements	1 to 39		

As per our report of even date

FOR S.P.JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 103969W


Kapil K. Jain
PARTNER
(M. No. 108521)



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
CHEMTECH INDUSTRIAL VALVES LTD


DIRECTOR


DIRECTOR

PLACE : MUMBAI
DATE : 30/05/2014

Chemtech Industrial Valves Ltd

Cash Flow Statement for the Year ended 31st March, 2014

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(13,826,049)	10,740,328
Adjustments for:		
Depreciation and amortisation	8,271,275	5,185,677
Loss on sale of Fixed assets	296,133	145,730
Finance costs	22,218,103	17,398,609
Provision for Gratuity/(reversed)	(316,970)	756,059
Sundry Balance Written back	(55,659)	(447,741)
Bad Debts	51,048	229,711
Interest Received	(956,204)	(397,709)
Dividend income	(38)	(38)
Operating Profit before Working capital changes	15,681,639	33,610,626
Adjusted for:		
Inventories	28,538,285	(20,167,387)
Trade receivables	(34,762,366)	33,993,827
Long Term Loans & Advances	(763,840)	(244,600)
Other Non-current Assets	(3,527,879)	1,902,890
Short-term loans and advances	323,954	(1,808,995)
Other current assets	(1,510,126)	(108,194)
Trade payables	17,995,666	(12,412,584)
Other current liabilities	(4,123,254)	8,022,894
	17,852,080	42,788,477
Cash Generated from Operations		
Taxes paid	2,487,572	2,531,833
Net Cash Generated from Operations	15,364,508	40,256,644
B. Cash flow from investing activities		
Purchase of Fixed assets	(13,572,955)	(58,548,740)
Service Tax Liability reimbursed by FA suppliers	194,900	-
Sale of Fixed assets	65,000	78,000
Addition in Capital work-in-progress	(62,000)	(291,000)
Interest Received	956,204	397,709
Dividend received	38	38
Net cash used in investing activities:	(12,418,813)	(58,363,993)
C. Cash flow from financing activities		
Fresh issue of Equity shares	76,373,330	-
Premium on fresh issue	38,186,670	-
Share issue and an IPO expenses	(6,690,249)	-
Proceeds from long-term borrowings	6,144,706	6,266,188
Proceeds from other short-term borrowings	(35,214,613)	33,926,620
Finance cost	(22,218,103)	(17,398,610)
Net cash used in financing activities	56,581,740	22,794,199
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	59,527,436	4,686,850
Cash and cash equivalents at the beginning of the year	7,103,357	2,416,507
Cash and cash equivalents at the end of the year	66,630,793	7,103,357

Notes: Previous year figures have been regrouped/rearranged wherever necessary.

As per our report of even date.

FOR S.P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 103969W

KAPIL K. JAIN
PARTNER
(M. No. 108521)

Place : Mumbai
DATE : 30/05/2014



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
CHEMTECH INDUSTRIAL VALVES LTD

Director

Director

CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

NOTE:1 - SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The Company is following accrual basis of accounting as prescribed by Companies (Amendment) Act of 1988 on a ongoing concern basis.

Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that may affect the reported amount of assets and liabilities and disclosures relating to contingent liability as at the date of financial statements and the reported amount of income and expenses during the reporting period. Although these estimates are based upon management best knowledge of current events and actions, actual result could differ from these estimates.

b) Revenue Recognition

The revenue comprises of sales, services, interest, and rent.

1. Revenue is recognized to the extent it is probable those economic benefits will flow to the company and that the revenue can be reliably measured.
2. Sales of goods & services include applicable Excise duty, sales tax and service tax respectively.
3. Sales of Traded goods are recognized upon goods being dispatched and the ownership of the goods passes to buyer.
4. Sales of Services and commission are recognized on accrual basis upon the completion of performance as per agreed terms with the buyer.

c) Purchases:

Purchases are accounted including excise duty and unutilized Excise Modvat as at the end of the Financial year is reduced from Raw Material Consumed in the Profit & Loss account.

Purchases are accounted including the VAT/CST. However at the end of year unadjusted VAT against VAT liability on sale is reduced from the Purchase Cost.

d) Excise / VAT/ CST Transactions

Excise duty, VAT, CST paid (after taking credit for taxed paid on inputs) is directly charged to Profit and Loss Account.

e) Fixed Assets

Fixed Assets are stated at cost less Depreciation. The cost of acquisition or construction includes direct expenditure incurred up to the date the asset is put to use. Temporary constructions/alterations are charged off to Profit and Loss Account.

f) Depreciation

Depreciation is charged at the rate provided in Schedule XIV of the Companies Act, 1956 on straight line method basis.

g) Investment:

Investments are stated at cost.



A handwritten signature in blue ink, appearing to be "S. P. Jain".

CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

h) Valuation of inventories

Raw materials and components and unfinished goods are valued at cost. Finished Goods are valued at cost or Market Value, whichever is lower.

i) Employee Benefits

1) Defined benefit plans

i) **Gratuity:** Gratuity liability for the year has been provided as per actuarial valuation certified by the approved valuer. However, at the earlier year the company has provided for the Gratuity Liabilities based on estimate received from LIC under group gratuity scheme in respect of employees as at 31/03/2013.

ii) **Leave Salary:** Leave Salary encashment of eligible employees is provided on the credit leave as on the end of the balance sheet date.

2) Defined Contribution plans.

Provident Fund liability contributed by the company is provided and recognized as expenditure on the basis of actual liability accrued and paid to the trust/authority.

j) Foreign Currency transactions:

Transaction in foreign currency for purchase and sales are accounted at the rate prevailing on the date of transaction. The difference arising on the date of actual receipt or payment is accounted as exchange fluctuation profit or loss as the case may be. Year ended balance in foreign currency valued at the exchange rate prevailing on the balance sheet date.

k) Lease Rentals:

Lease Rentals for assets taken on operating lease are recognized as on expenses in Profit and Loss Account over the lease term on accrual basis.

l) Provision for Current & Deferred Tax

Provision for Current Tax is made after taking into Consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted on balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonably certainty that the assets will be realized in future

m) Borrowing Cost

Borrowing Cost in relation to the acquisition construction of Assets are capitalized as the part of cost of such assets up to date which such assets are ready for intended use. Other Borrowing cost are charge as an expense in the year in which they are incurred.

n) Impairment of Assets

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account. In the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

Note 2 Share Capital

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
	Rs.	Rs.
Authorised		
12,000,000 Equity Shares (P.Y. 10,00,000) of Rs.10 each	120,000,000	10,000,000
Issued,Subscribed & Paid up		
1,14,87,333 Equity Shares (P.Y. 5,50,000) of Rs.10 each	114,873,330	5,500,000
Total	114,873,330	5,500,000

- 2.1 The Company has issued 33,00,000 fully paid bonus Equity shares to existing shares holder at the ration 6:1 on 24/06/2013.
- 2.2 The Company has allotted 2669333 fully paid Equity shares to promoters at a premium of Rs. 5/- per share on 24/06/2013 pursuant to preferential allotment basis.
- 2.3 The Company has allotted 4968000 fully paid Equity shares to public at a premium of Rs. 5/- per share on 27/01/2014, pursuant to Initial Public Offer (IPO).

2.4 Share Reconciliation

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
Shares outstanding at the beginning of the year	550,000	550,000
Shares Issued during the Period	10,937,333	-
Shares bought back during the Period	-	-
Shares outstanding at the end of the year	11,487,333	550,000

2.5 Terms/rights attached to shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. the distribution will be in proportion to the number of equity shares held by the shareholders.

2.6 Names of Share Holder (Holding more than 5% share)

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ignatious C. David	1,298,500	11.30%	185,500	33.73%
Mr. Pradeep S. Badkur	1,260,763	10.98%	84,490	15.36%
Mrs. Namrata P. Badkur	1,454,166	12.66%	112,500	20.45%
Mr. Harsh P. Badkur	1,314,166	11.44%	92,500	16.82%
Puneet P. Badkur	1,016,668	8.85%	50,000	9.09%



Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

Note 3 Reserves and Surplus

Particular	As at 31 March 2014	As at 31 March 2013
		Rs.
<u>i) Security Premium</u>		
Opening balance	16,942,000	16,942,000
Add: Fresh issue of Equity shares	38,186,670	-
Less: Share issue & Proposed IPO Expenses	6,690,249	-
Less: Utilised for issue of bonus shares	16,942,000	-
Closing balance	31,496,421	16,942,000
<u>ii) Revaluation Reserve</u>		
Opening balance	3,447,018	3,570,390
Less : Depreciation on Revalued Assets	123,372	123,372
Closing balance	3,323,646	3,447,018
<u>iii) Surplus of Profit & Loss A/c</u>		
Opening balance	19,299,540	14,151,583
(-) Reinstatement of Deferred Sales Tax Liability**	-	3,728,000
(+) Deferred Tax Assets on deferred Sales Tax Liability**	-	1,151,952
(-) Utilise for Bonus shares	16,058,000	-
	3,241,540	11,575,535
(+) Net Profit/(Net Loss) For the current year	(16,651,955)	7,724,005
Closing balance	(13,410,415)	19,299,540
Total	21,409,652	39,688,558

3.1 During F.Y. 2012-13, the Company has recognized the sales tax liability payable under deferment scheme of Govt. of Maharashtra which is accumulated for the notified period, and which was earlier included in the sales of the Corresponding earlier years. This amount of liability (net of deferred tax assets) is therefore reduced from the opening profit and loss balance.

3.2 During the Period, the Company has Issues 3,300,000 fully paid up Bonus equity shares to the Existing Equity shares holder in the 6:1 by utilising Security premium and balance available in the Profit and Loss account.

Note 4 Long Term Borrowings

Particular	As at 31 March 2014	As at 31 March 2013
		Rs.
<u>i) Secured</u>		
4.1 Term Loans (Motor Car)	-	472,047
(From financial institutions and banks)		
4.2 Term loans		
a. From banks	33,333,333	40,740,741
b. From financial institutions other than banks	67,903,809	45,145,475
<u>ii) Unsecured</u>		
4.3 Term Loans	335,802	1,569,976
(From financial institutions other than banks)		
4.4 From Inter Corporate Deposits	-	7,500,000
Total	101,572,945	95,428,239






Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

Securities and Terms of Borrowings for secured TermLoans

4.1.1 Car Loans are secured by hypothecation of Motor Cars.

4.1.2 Car Loan from HDFC Bank amounting to Nil (P.Y. Rs. 2,20,360/-) repayable in 36 monthly installments (including interest) of Rs. 28,675/- per month commencing from 05/12/2010 last installment due in december 2013 has been repaid during the Period. The rate of interest is 10.62% per annum fixed.

4.1.3 Car Loans from Kotak Mahindra amounting to 4,24,966/- (P.Y. Rs.10,11,104/-) repayable in 59 monthly installments (including interest) of Rs. 55,160/- per month commencing from 10/01/2010 last installment due in November 2014 i.e. 8 installments from the close of this financial period. The rate of interest is 10% per annum fixed.

4.1.4 Car Loan from Tata Motors Finance Ltd amounting to 47,101/- (P.Y. 2,20,739/-) repayable in 35 monthly installments (including interest) of Rs. 16,050/- per month commencing from 02/08/2011 last installment due in June 2014 i.e. 3 installments from the close of this financial period. The rate of interest is 13.30% per annum fixed.

4.2.1 Term Loan from EDELWEISS Finance & Investments ltd (174) is secured by way of hypothecation of flat C-201/A and 201B 2nd Floor C-Wing Lake Castle Cliff Avenue Road Hiranadani Garden Lake Vihar Road Mumbai - 400076 owned by the directors Pradeep Badkur and Namarata Badkur.

Term Loan from EDELWEISS Finance & Investments ltd amounting to 2,64,72,919/- (P.Y. 2,76,07,129/-) repayable in 160 monthly installments (including interest) of Rs. 3,79,058/- per month commencing from 05/07/2011 last installment due in october 2024 i.e. 127 installments from the close of this financial period. The rate of interest is 12.60% per annum floating as at the end of the year.

4.2.2 Term Loan from Barclays Investments & Loans(l) Ltd is secured by way of hypothecation of Flat No. 606 6th Floor A- Wing Dhaivet Building Balraishewar Road Kalp Nagari Mulund (West) Mumbai - 400080 owned by director Mr. Ignatious C. David.

Term Loan from Barclays Investments & Loans(l) Ltd amounting to Rs. Nil (P.Y. 52,13,777/-) repayable in 175 monthly installments (including interest) of Rs. 67,258/- per month commencing from 03/06/2011 last installment due in october 2024 has been prematurely repaid during the period.

4.2.3 Term Loan from Indusl Bank is secured by way of :

(i) Primary Security

First and exclusive charge on land & building, Plant & Machinery, all movable & immovable assets (both present & future), factory at Kondala Road, Survey Gut No. 37, Village Vadvali, Tah Wada, Dist Thane, Pin-421312 owned by the Company.

(ii) Common Collateral Security

(a) hypothecation on movable fixed assets of the company both present & future except other assets exclusively financed by other banks.

(b) mortgage on office 105, Hiranandani Industrial estate, Opp Kanjur Marg station, Kanjurmarg W Mumbai 400078 owned by M/s. Badkur Blow Plast Containers Pvt. Ltd.

(c) Industrial Gala 12,13,14,16, and 42 at Nirmal Ashish Industrial estate, Plot of land bearingNos. 135 (pt0 & 166A/1(pl), Asangoan owned by the company.

(d) Industrial Gala 43, and 44 at Nirmal Ashish Industrial estate, Plot of land bearingNos. 135 (pt0 &

166A/1(pl), Asangoan owned by the Chemtech instrumentations services Pvt Ltd.

(e) Personal Guarantee of Mr. Ignatious C. David, Mr. Jimmi Ignatious, Mr. Pradeep S. Badkur, Mr. Harsh Badkur and Mrs. Namrata Badkur Director/Promoters/Shareholders of the company.



Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

Term Loan from Indusltd Bank amounting to 4,07,40,741/- (P.Y. 4,81,48,148/-) repayable in 81 monthly installments of Rs. 6,17,284/- per month commencing from 01/01/2013 last installment due in September 2019 i.e. 66 installments from the close of this financial period. The rate of interest is (bank base rate+2.75%) per annum floating as at the end of the year.

4.2.5 Term Loan from Capital First Home Loan (273) is secured by way of hypothecation of Flat No. 1701, 17th floor, Iris Bldg, Sec R/12, Nahar Amrit Shakti Complex, Chandivali, Andheri (east) Mumbai 400072 owned by Harsh Badkur director of the Company.

Term Loan from Capital First Home Loan (273) amounting to Rs. 47,86,427/- (P.Y. 49,00,000/-) repayable in 180 monthly installments (including interest) of Rs.61,997/- per month commencing from 05/04/2013 last installment due in March 2028 i.e. 168 installments from the close of this financial period. The rate of interest is 13% per annum floating as at the end of the year.

4.2.6 Term Loan from Capital First Home Loan (274) is secured by way of hypothecation of Flat No. 1701, 17th floor, Iris Bldg, Sec R/12, Nahar Amrit Shakti Complex, Chandivali, Andheri (east) Mumbai 400072 owned by Harsh Badkur director of the Company.

Term Loan from Capital First Home Loan (273) amounting to Rs. 88,36,941/- (P.Y. 90,80,902) repayable in 180 monthly installments (including interest) of Rs.1,06,306/- per month commencing from 05/03/2013 last installment due in February 2028 i.e. 167 installments from the close of this financial period. The rate of interest is 13% per annum floating as at the end of the year.

4.2.7 Term Loan from INDIABULLS HOUSING FINANCE LIMITED is secured by way of hypothecation of Flat No. 606, 6th floor, A WING, DHAIVAT, BAL RAJESHWAR, KALPA NAGAR, MULUND (WEST), Mumbai 400080 owned by Mr.IGNATIOUS INASU director of the Company.

Term Loan from INDIABULLS HOUSING FINANCE LIMITED amounting to Rs. 96,51,855/- (P.Y. NIL) repayable in 180 monthly installments (including interest) of Rs.1,23,994/- per month commencing from 05/08/2013 last installment due in July 2028 i.e. 172 installments from the close of this financial period. The rate of interest is 13% per annum floating as at the end of the year.

4.2.8 Term Loan from MONEY MATTER FINANCIAL SERVICES LTD is secured by way of hypothecation of Office No. 503, 5th floor, Sunrise Business Park, Quantum IT Park, Plot No. B-68, Road No. 16, Wagle Industrial Estate, Thane (W) 400604 owned by Company.

Term Loan from MONEY MATTER FINANCIAL SERVICES LTD amounting to Rs. 2,12,24,254/- (P.Y. NIL) repayable in 120 monthly installments (including interest) of Rs.3,31,736/- per month commencing from 15/07/2013 last installment due in June 2023 i.e. 111 installments from the close of this financial period. The rate of interest is 13.25% per annum floating as at the end of the year.

Terms of Borrowings in Unsecured Term Loans

4.3.1 Term Loan from Barclays Investments & Loans(l) Ltd amounting to Nil (P.Y.8,17,173/-) repayable in 36 monthly installments (including interest) of Rs. 1,23,050/- per month commencing from 03/10/2010 last installment due in october 2013 has been repaid during the period. The rate of interest is 15.70% per annum fixed.

4.3.2 Term Loan from MAGMA FINCORP LIMITED(1) amounting to Nil (P.Y.5,83,705/-) repayable in 36 monthly installments (including interest) of Rs. 87,893/- per month commencing from 07/11/2010 last installment due in october 2013 has been repaid during the period. The rate of interest is 16% per annum fixed.

4.3.3 Term Loan from MAGMA FINCORP LIMITED(2) amounting to 10,54,815/- (P.Y.16,61,634/-) repayable in 36 monthly installments (including interest) of Rs. 71,335/- per month commencing from 07/10/2012 last installment due in September 2015 i.e. 18 installments from the close of this financial period. The rate of interest is 17.03% per annum fixed.



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Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

4.3.4 Term Loan from TATA CAPITAL LIMITED amounting to Nil (P.Y.6,68,606/-) repayable in 36 monthly installments (including interest) of Rs. 87,890/- per month commencing from 03/10/2010 last installment due in November 2013 has been repaid during the period. The rate of interest is 16.30% per annum fixed.

4.3.5 Term Loan from TATA CAPITAL FINANCIAL SERVICES LIMITED amounting to 5,17,761/- (P.Y.16,14,662/-) repayable in 24 monthly installments (including interest) of Rs. 108,245/- per month commencing from 30/08/2012 last installment due in August 2014 i.e.5 installments from the close of this financial period. The rate of interest is 16.50% per annum fixed.

Long Terms Borrowings in Inter Corporate Deposits

4.4 Inter Corporate Deposits in previous year from 2 parties which are repayable after 12 months from the date of balance sheet as per agreed schedule of repayment and loans to both parties did not carry any interest

Note 5 Deferred tax liabilities

<u>Particulars</u>	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Opening balance of deferred liabilities	2,729,724	2,717,186
On account of depreciation	2,103,826	1,548,137
On account of 43B items	29,509	(1,535,599)
Total	4,863,058	2,729,724

Note 6 Other non-current Liability

<u>Particulars</u>	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Deferred Sales Tax	2,459,034	2,947,911
Total	2,459,034	2,947,911

Deferred Sales Tax

6.1 The Company granted certificate of entitlement for availing sales tax incentive under package Part-I of the 1993 package scheme of incentive (PSI) of Govt. of Maharashtra by way of deferment of sales Tax liability pertaining to period from 01.09.1999 to 30.04.2006 upto the maximum ceiling of Rs.37,28,000/-. The liability deferred for the period of 10 years from the year of collection of sales tax. As per the term of payment the sales Tax liability of each Financial Year is payable in five equal installments. The amount payable after 12 months from this balance sheet dates of Rs. 24,59,034/- is shown as non current liability and current portion Rs. 12,68,966/- is disclosed in statutory liability in Note No.10.

Note 7 Long-term Provisions

<u>Particulars</u>	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Gratuity Payable	439,089	756,059
Total	439,089	756,059



Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

Note 8 Short Term Borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
i) Secured		
Working Capital Loan		
-Indusind Bank	45,518,628	49,633,241
ii) Unsecured		
From Inter Corporate Deposit	-	31,100,000
Total	45,518,628	80,733,241

8.1: Cash Credit from Indusind Bank is secured primarily by way of Hypothecation of the entire current assets of the company comprising of , inter alia of stock of raw material, Work in progress, Finish goods, receivable, book debts and other current assets and with the collateral security as referred in Note 4.2.4 above.

Note 9 Trade Payables

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
i) Trade Creditors for goods	42,703,461	25,305,111
ii) Trade Creditors for Expenses	2,038,029	1,496,372
Total	44,741,490	26,801,483

The company is in the process of compilation of identifying suppliers regarding their status under the Micro Small and Medium Enterprises Development Act 2006 and hence disclosures regarding:

- 1) Amount due and outstanding to suppliers as at the end of accounting year.
- 2) Interest paid during the year.
- 3) Interest payable at the end of the accounting year.
- 4) Interest accrued and unpaid at the end of the accounting year have not been given.

Note 10 Other current liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
i) Current maturities of long term debts-Secured	10,948,061	10,043,897
ii) Current maturities of long term debts-Unsecured	1,236,774	3,775,804
iii) Interest accrued but not due on borrowings	557,767	437,004
iv) Creditors for Capital goods	186,646	2,783,986
v) Advance received against order	937,377	1,855,911
vi) Statutory Liabilities	2,740,320	1,695,756
vii) Other Payables	1,968,668	1,617,633
Total	18,575,613	22,209,990

10.1 Other payables includes payables for various expenses



CHEMTECH INDUSTRIAL VALVES LIMITED

Notes on Financial Statements as at and for the Year ended 31st March 2014

Note : 12 STATEMENT OF FIXED ASSETS

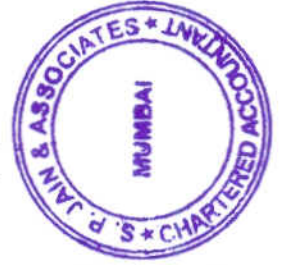
Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 01.04.2013	Additions	Deductions/ Adjustment	As on 31.03.2014	As on 01.04.2013	For the year	Deductions/ Adjustment	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land	16,924,170			16,924,170	-	-	-	-	16,924,170	16,924,170
Building	82,326,920	1,448,193	194,900	83,580,213	2,028,562	2,764,787		4,793,349	78,786,865	80,298,359
Machinery	47,510,550	586,019		48,096,569	5,664,727	3,550,034		9,214,761	38,881,808	41,845,823
Pattern	5,060,097	192,000		5,252,097	3,150,984	576,700		3,727,684	1,524,413	1,909,113
Office equipment	1,994,494	112,427		2,106,921	388,525	95,954		484,479	1,622,442	1,605,969
Electric Intallation	3,615,438	577,330		4,192,768	53,590	128,523		182,113	4,010,655	3,561,848
Motor	5,822,109		847,233	4,974,876	1,905,216	492,735	486,100	1,911,851	3,063,025	3,916,893
Computer	1,231,431	374,972		1,606,403	771,735	147,853		919,588	686,815	459,696
Furniture	7,631,417	10,282,014		17,913,431	724,791	638,061		1,362,851	16,550,580	6,906,626
Total FA	172,116,626	13,572,955	1,042,133	184,647,448	14,688,129	8,394,647	486,100	22,596,676	162,050,773	157,428,498
PREVIOUS YEAR	42,036,656	130,599,768	519,798	172,116,626	9,675,148	5,309,049	296,068	14,688,129	157,428,498	

Notes

10.1. Vehicles owned by the Company includes registered in the name of the Directors.

10.2. The Factory Gala No. 12,13,14,16 and 42 at Asangaon has been revalued at fair market value as on 01.04.2011 amounting to Rs.60,07,500/- as per the valuation report of an independent govt. approved valuers. Correspondingly revaluation reserve is created to the extent of Rs. 36,93,762/- and Net block of assets has been increased to that extent.

10.3 The additional depreciation on above stated revaluation of assets amounting to Rs.123372/- (P.Y. Rs.123372/-) is charged and debited to Revaluation reserve account and the Depreciation expenses recognized in statement of Profit & Loss account is reduced to that extent.



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Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

Note 11 Short Term Provisions

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Provision for Income Tax	-	1,795,000
Total	-	1,795,000

Note 13 Capital work-in-progress

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
i) Intangible Assets		
ERP software	353,000	291,000
Total	353,000	291,000

Note 14 Non-Current Investments

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Investment in Equity shares-unquoted (At Cost)		
i) Bharat Co-op bank ltd (25 Eq Shares Rs.10 each fully paid P.Y.25 Shares)	252	252
ii) C.K.P. Co-op bank ltd (21500 Eq. Shares of Rs 25/- each fully paid P.Y.21500 Eq. shares.	537,500	537,500
Total	537,752	537,752

Note 15 Long Term Loans & Advances

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
Security Deposits (unsecured considered good)	1,067,550	303,710
Total	1,067,550	303,710

Note 16 Other Non-Current Assets

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
i) Capital Advances	2,810,477	918,000
ii) Margin money with Bank (Against Bank guarantee with maturity more than 12 months)	534,228	802,564
iii) Retention Money with clients (unsecured considered good)	2,334,844	431,106
Total	5,679,549	2,151,670



Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the Year ended 31st March 2014

Note 17 Inventories

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
(as verified, valued & certified by Management)		
i) Raw materials	8,721,787	9,077,010
ii) Stock-in-process	30,696,894	58,879,956
iii) Finished goods	-	-
Total	39,418,682	67,956,966

Note 18 Trade Receivables

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
(Unsecured considered good)		
i) Outstanding for a period less than six months	54,621,843	25,092,223
ii) Outstanding for a period exceeding six months	17,123,159	11,941,462
Total	71,745,003	37,033,685

Note 19 Cash and cash equivalents

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
i) Balances with banks'-In Current Accounts	23,640,104	3,512,777
ii) Cash on hand	830,451	21,795
iii) Fixed Deposits with Bank as margin money for Bank Guarantee	1,629,989	3,568,785
iv) Fixed Deposits with Bank (others)	40,530,249	-
Total	66,630,793	7,103,357

Note 20 Short-term loans and advances

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
(Unsecured considered good)		
i) Advances to related parties	1,319,166	1,319,166
ii) Advances to Staff	86,358	130,723
iii) Advances others	259,845	539,434
Total	1,665,369	1,989,323

Note 21 Other current assets

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
i) Security Deposits	304,626	150,631
ii) Prepaid Insurance	169,668	172,068
iii) Prepaid Membership and Sub.	13,315	14,583
iv) Advance Taxes and Refund claims	4,816,760	3,456,961
Total	5,304,369	3,794,243






Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the year ended 31st March 2014

Note:22 Revenue From Operations

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
i) Sale of products	298,794,988	212,508,862
Less: Returns	(100,649)	(206,481)
Add: Duties & Taxes	14,267,502	14,554,420
	312,961,841	226,856,801
ii) Sale of Services	1,300,000	-
Add: Duties & Taxes	160,680	-
	1,460,680	-
Total	314,422,521	226,856,801

The Company follows the inclusive method of accounting sales and purchases by including the amount of Excise duty and VAT/CST in the sales as well as purchases. The payment of excise duty and VAT/CST (net of set off credit) is accounted as the expenditure in the Profit & Loss A/c.

Note:23 Other Income

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
Interest received	956,204	397,709
Discount Received	38,537	35,663
Dividend Income	38	38
Commission received	5,155,550	-
Reversal of excess Gratuity Provision	316,970	-
Sundry Balance Written back	55,659	447,741
LD Charges Received	330,787	208,741
Transport charges received	472,742	-
Testing and inspection	195,276	-
Total	7,521,763	1,089,892

Note:24 Cost of Materials Consumed

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
Raw Material Consumed		
Opening Stock raw material	9,077,010	20,808,035
Add : Purchase	48,073,940	71,647,442
Add : Packing Material Consumed	1,142,205	1,826,954
	58,293,155	94,282,431
Less : Rejection of Material	464,724	913,885
Less : Closing of Raw material	8,721,787	9,077,010
Total	49,106,644	84,291,536



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Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the year ended 31st March 2014

Note:25 Change in Inventories of FG & WIP

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
Opening Work in progress	58,879,956	26,981,544
Less: Closing Work in Progress	30,696,894	58,879,956
Total	28,183,062	(31,898,412)

Note:26 Employee Cost and Benefits

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
Wages to Workers	5,601,244	4,868,180
Directors Remuneration	1,700,151	1,774,243
Staff Salaries, Bonus & Leave salary	9,238,648	7,433,630
Employers Contribution to PF	303,744	156,543
Admin Charges to PF	29,157	15,113
Gratuity*	-	756,059
Staff Welfare	925,518	851,479
Total	17,798,462	15,855,247

* Gratuity has been provided as on 31.03.2013 for the first time by the Company and includes past period cost. During the year the provision has been made as per actuarial valuation by approved valuer.

Policy No.	As on 31.03.2014
Valuation Method	Projected Unit Credit Method
Mortality Rate	IALM-Mortality-Tables(2006-08)
Withdrawal Rate	1 % per annum for all ages
Discount Rate	9% p.a.
Salary Escalation	6%
Gratuity paid debited to Profit & Loss	(Rs.3,16,970/-)

Policy No.	As on 31.03.2013
Valuation Method	Projected Unit Credit Method
Mortality Rate	LIC (1994-96)
Withdrawal Rate	1% to 3% depending on age
Discount Rate	8% p.a.
Salary Escalation	10%
Gratuity paid debited to Profit & Loss	Rs.7,56,059/-

Note:27 Finance Cost

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
Interest Expenses	20,171,322	14,537,584
Interest on Govt. Dues	142,339	289,463
Other Borrowing cost*	1,904,442	2,571,562
Total	22,218,103	17,398,609






Chemtech Industrial Valves Ltd

Notes on Financial Statements as at and for the year ended 31st March 2014

* Other borrowing cost includes bank charges, loan processing charges and Loan foreclosure charges.

Note:28 Other Expenses

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
Auditor's Remuneration	240,750	231,182
Job Works	2,650,592	3,586,552
Rates & Taxes	10,095,978	7,918,095
Liquidated Damaged (L. D.)	1,015,800	2,623,181
Power & Fuel Expenses	3,004,098	2,421,259
Selling Expenses	2,481,241	2,233,872
Bad Debts	51,048	229,711
Insurance Paid.	222,446	423,525
Rent Paid	82,400	17,400
Repair & Maintenance building	163,426	88,829
Repair & Maintenance others	178,319	329,199
Transport Expenses	2,696,036	2,801,270
Foreign Currency Fluctuation	358,880	242,582
Loss on Car sale	296,133	145,730
Prior Period Expenses	-	1,078,225
Other Miscellaneous Expenses	4,287,760	3,781,411
Total	27,824,907	28,152,023

Note:29 Earning Per Share

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rs.	Rs.
Profit After Tax	(16,651,955)	7,724,005
Weighted Average No. of Equity Shares*	6,755,198	3,850,000
EPS (basic & Diluted)	(2.47)	2.01

* EPS for the corresponding period is after considering 33,00,000 bonus shares issued on 24/06/2013






CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

30. **Contingent Liability** :

Particulars	As on 31/03/2014	As on 31/03/2013
Counter guarantee given by Banks	32,70,344/-	28,54,727/-
Central Sales Tax Dues	56,39,625/-	--
Total	89,09,969/-	28,54,727/-

31. **Other commitments:**

Estimated amount of contract remaining to be executed for:

- a. New furniture for Thane office is Rs.3,00,246/- (P.Y. 85,78,000). {Net of payment and bills booking made of Rs.3,10,477/-(P.Y. Rs.7,67,000/-)}
- b. ERP software is 2,62,000/- (P.Y. 3,24,000) {Net of running bill issued by the party Rs. 3,53,000/-(P.Y.Rs.2,91,000/-)}\
- c. New Plant & Machinery is Rs.2,96,55,704/- (P.Y. Nil). {Net of payment and bills booking made of Rs.25,00,000/-(P.Y. Nil)}

32. The initial public offer (IPO) proceeds have been utilized as under:

Particular	As at 31/03/2014
Shares Issue proceeds	74,520,000
Less:	
Advance for Machinery	2,500,000
Office furniture at Thane	729,584
Incremental Working capital and general corporate purpose	6,410,942
Issue relates expenses	4,879,474
Closing balance of unutilized proceeds	60,000,000
Details of unutilized proceeds are given below:	
Fixed deposits in Banks	40,000,000
Balance with Banks	20,000,000
	60,000,000



CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

36. Information pursuant to Accounting standard 17:

a. Primary Segment

During the year the Company has broadly identified two segment namely "Manufacturing of industrial valves" and "Trading of Steel Wire Rod".

PARTICULARS	Year Ended 31.03.2014			
	Manufacturing	Trading	Others unallocable	Total
Segment Revenue				
Net Sales to External Customers (including taxes)	119,476,910	194,945,611	-	314,422,521
Other Income	6,210,014		1,311,749	7,521,763
Total Revenue	125,686,924	194,945,611	1,311,749	321,944,284
Less:				
Allocated Expenditure	105,169,059	182,867,589	17,244,307	305,280,955
Depreciation	7,044,525	-	1,226,750	8,271,275
Interest	22,218,103	-	-	22,218,103
Segment Profit	(8,744,763)	12,078,022	(17,159,308)	(13,826,049)
Other Information				
Segment Assets	228,386,862	34,497,908	91,568,069	354,452,839
Segment Liabilities	187,105,954	25,542,131	5,521,771	218,169,856
Capital Employed	41,280,908	8,955,777	86,046,297	136,282,982



CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	Year Ended 31.03.2013			
	<u>Manufacturing</u>	<u>Trading</u>	<u>Others unallocable</u>	<u>Total</u>
<u>Segment Revenue</u>				
Sales to External Customers	12,62,36,071	10,06,20,730	---	22,68,56,801
Other Income	6,56,482	---	4,33,410	10,89,892
<u>Total Revenue</u>	12,68,92,553	10,06,20,730	4,33,410	22,79,46,693
<u>Less:</u>				
Allocated Expenditure	8,05,88,897	9,82,21,684	1,58,11,497	19,46,22,078
Depreciation	44,04,665	---	7,81,012	51,85,677
Interest	1,73,98,609	---	---	1,73,98,609
<u>Segment Profit</u>	2,45,00,382	23,99,045	(1,61,59,100)	1,07,40,328
<u>Other Information</u>				
Segment Assets	26,49,66,537	---	13,623,667	278,590,204
Segment Liabilities	22,88,76,921	---	45,24,724	23,34,01,645
Capital Employed	3,60,89,615	---	90,98,944	4,51,88,559

b. Secondary Segment

The trading activity constitutes the export of goods outside India and therefore the primary segment and the secondary segments are the same. Besides the Company has exported manufacture goods of Rs.25,26,302/- (P.Y. Rs. 7,15,005/-) which is significantly low vis-a-vis the total enterprise revenue. Therefore there is no reportable secondary segment in respect of geographical segment.



CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

37. Related party Transaction as per Accounting Standard 18:

Related party disclosures as required by Accounting Standard 18," Related party disclosures" are given below:

Relationships

A. Key Management Personnel :

- i. Pradeep Badkur
- ii. C.D. Ignatious
- iii. Harsh Badkur
- iv. Namrata Badkur

B. Relative of Key Management personnel

- i. Puneet Badkur
- ii. Orville Ignatious
- iii. Jimmy Ignatious
- iv. Jenni Ignatious

C. Enterprise on which major Shareholders Exercises Significant Influence:

- i) Chemtech Instrumentation Services Private Limited
- ii) Venus Engineers
- iii) Neeldeep Properties Pvt. Ltd.
- iv) Navdarshi Properties Pvt. Ltd.
- v) Panama Properties Property Pvt. Ltd.
- vi) Parshwajit Property Pvt. Ltd.
- vii) Badkur Blowplast Container Pvt Ltd
- viii) Badkur Polycon Industries
- ix) Chemtech Infosolution Pvt. Ltd.
- x) Maxxon Industries
- xi) Mobile Plastic



A handwritten signature in blue ink, consisting of a stylized name followed by a checkmark-like flourish.

CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

Nature of Transactions	Year	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which major Shareholders Exercises Significant Influence	Total
(A) Loan Transaction					
(I) Taken During the year	C.Y.	1,40,00,000	4,00,000	1,21,46,143	2,65,46,143
	P.Y.	--	--	20,75,000	20,75,000
Closing Balances	C.Y.	---	---	---	---
	P.Y.			2,00,00,000	2,00,00,000
(II) Loan & Advances Given	C.Y.	---	---	23,000	23,000
	P.Y.	1,31,23,529	--	1,22,66,630	2,53,90,159
Closing Balances	C.Y.	--	--	13,19,166	13,19,166
	P.Y.	--	--	13,19,166	13,19,166
B) Director remuneration	C.Y.	17,00,151	--	--	17,00,151
	P.Y.	17,74,243	--	--	17,74,243
C) Salary	C.Y.	--	15,97,681	--	15,97,681
	P.Y.	--	7,60,000	--	7,60,000
D) Fixed Assets Purchase	C.Y.	--	--	--	--
	P.Y.	--	--	28,35,000	28,35,000
E) Insurance	C.Y.	--	--	--	--
	P.Y.	1,00,000	--	--	1,00,000
F) Reimbursement of Credit card	C.Y.	6,85,215	1,00,194	----	7,85,409
	P.Y.	6,67,759	--	--	6,67,759
G) Equity share allotted	C.Y.	3,00,40,000	1,00,00,000	--	4,00,40,000
	P.Y.	--	--	--	--
H) Share application Money received and repaid	C.Y.	20,00,000	--	--	20,00,000
	P.Y.	--	--	--	--



CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

38. Information pursuant to provision of Part II of Schedule VI of Companies Act 1956 (vide Notification dated 30th October, 1973 of The Department of the Company Affairs of Government of India).

A) **Opening and Closing inventory (including WIP):**

Sr.No	Products	Closing stock	Opening stock
		Rupees	Rupees
i)	Casting (Nos.)	4,212,144	50,87,154
ii)	Plates & Rods (Kg)	1,900,558	16,56,968
iii)	Welding rod & Stud nuts (Nos.)	851,488	8,94,790
iv)	WIP of Unfinished Assembled valve (Nos.)	30,696,894	5,88,79,956
v)	Others (Nos.)	1,757,598	14,38,098
	Total	39,418,682	6,79,56,966

B) The information about principal items of Raw Materials Consumed is as follows:

Sr.N	Products	Current Period	Previous Year
		Rupees	Rupees
i)	Casting	6,610,667	1,45,16,951
ii)	Plates & Rods	10,940,590	2,56,31,040
iii)	Welding rod & Stud nuts	1,124,038	32,52,011
iv)	Unfinished valve	20,784,329	2,94,21,806
v)	Packing Materials	1,142,205	18,26,954
vi)	Others	8,504,817	96,42,773
	Total	49,106,645	8,42,91,535

C) The above materials are indigenous and imports are Nil (P.Y. Nil)



CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

D) **Quantitative details of Manufactured Goods:**

Sr. No	Products	Opening Stock	Sales	Closing Stock
		Amt.	Amt.	Amt.
i)	Assembled valves (Nos.)	NIL	11,81,16,879	NIL
	Previous year	NIL	12,64,42,552	NIL

E) **Quantitative details of Traded Goods:**

Sr. No	Products	Opening Stock	Purchase	Sales	Closing Stock
		Amt.	Amt.	Amt.	Amt.
i)	Steel Wire Rod (M.Ton)	NIL	18,23,67,880	19,49,45,611	NIL
	Previous year	NIL	98,221,684	100,620,730	NIL

F) **Expenditure in Foreign Currency :**

Value of goods Purchase is Rs. 18,23,67,880/- (P.Y. 9,82,21,684/-)

Expenditure incurred Rs.7,92,459/- (P.Y. Nil)

F) **Earning in Foreign currency in FOB basis is Rs.19,74,71,913/- (P.Y. Rs. 10,13,35,735/-)**

39. Figures of previous year are regrouped and reclassified as and when necessary.

For S.P. JAIN & ASSOCIATES

Chartered Accountants

FRN: 103969W

Kapil K. Jain
Kapil K. Jain

(Partner)
M No. 108521



FOR AND ON BEHALF OF THE BOARD

Chemtech Industrial Valves Limited

[Signature]
Director

Director
Chemtech Industrial Valves Limited

[Signature]
Director

Place: Mumbai

Date: 30/05/2014