

**INDEPENDENT AUDITOR'S' REPORT**

**TO THE MEMBERS OF  
CHEMTECH INDUSTRIAL VALVES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **CHEMTECH INDUSTRIAL VALVES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

**Management's Responsibility for the Financial Statements**

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

**Auditor's' Responsibility**

Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement.

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

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

### **Emphasis of Matters**

We draw attention to Note 3 in the financial statements which indicates that the Company has accumulated losses of Rs. 7,78,96,172/- and its net worth has been substantially eroded. Also the Company has consecutively incurred a net loss/net cash loss during the previous year(s), albeit in the current year it has been able to turnaround with marginal profit/ cash profit. However, this condition still indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note 1 (I) (e).

Our opinion is not modified in respect of these matters.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 our 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 to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-refer Notes 29 to the financial statements
  - ii. The Company has long term contract but, does not have any derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transfer, to the Investor Education and Protection Fund by the Company during the year ended 31.03.2017.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on Audit procedures and relying on Management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management Refer No. 35 to the financial statements.

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



  
**KAPIL K. JAIN**  
(PARTNER)

Membership No. 108521

Place : Mumbai.  
Date : 30-05-2017

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's Report of even date to the members of **CHEMTECH INDUSTRIAL VALVES LIMITED** On the financial statements as of and for the year ended 31.03.2017,

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us and on the basis of our examination of records the title deeds of immovable properties are held in the name of the company.
- (ii) The management has conducted the physical verification of inventory at reasonable intervals and no material discrepancies have noticed on physical verification of the inventory as compared to books records.
- (iii) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted loans, guarantees and security covered u/s 185 and 186; the investment made by the company is in compliance with the provisions of section 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) 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 sub-section (1) of section 148 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.

# S. P. JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

602,6<sup>th</sup> Floor. "Orbit Plaza"

New Prabhadevi Road.

Prabhadevi, Mumbai - 400 025

Tel.: 24316201/02, 24218129,

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- (vii) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues, wherever applicable, and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable except the following:

STATUTES	NATURE OF DUES	AMOUNT (Rs.)	PERIOD	DUE DATE	DATE OF PAYMENT
Sales tax	Deferment Installment	18,52,534	1999-00 to 2001-02	Annual installments	
Central Sales tax	CST	16,58,454	2012-13	Monthly installment	

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except as mentioned below:

Sr. No	Name of Statute	Nature of Dues	Forum where Dispute is pending	Financial Year	Amount in Rs.
1	Central Sales tax	CST	Comm. of sales Tax	2006-07	2,70,979
2	Central Sales tax	CST	Comm. of sales Tax	2009-10	42,59,201
3	Income tax	IT	Income tax officer	2011-12	34,350

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of Loans or borrowing to financial institution and to banks. The Company did not have any loan or borrowing from government and Debenture holders.
- (ix) The company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Further the term loan taken during the year was applied for the purpose for which it is raised.
- (x) During the course of our examination of the books and records of the company, carried in accordance with auditing standard generally accepted in India, we have neither come across any instance of fraud on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the management.

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

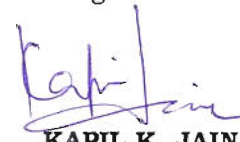
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- (xi) As explained to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.



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

  
**KAPIL K. JAIN**  
(PARTNER)

Membership No. 108521

**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of CHEMTECH INDUSTRIAL VALVES 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 **CHEMTECH INDUSTRIAL VALVES LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 or for other reasons.

### **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, 2017, 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.



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

  
**KAPIL K. JAIN**

(PARTNER)

Membership No. 108521

Place : Mumbai.

Date : 30-05-2017



# CHEMTECH INDUSTRIAL VALVES LIMITED

BALANCE SHEET AS AT 31ST MARCH' 2017

( Amount in Rs.)

Particulars	Note No.	As at 31st Mar 2017	As at 31st Mar 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	<b>2</b>	11,48,73,330	11,48,73,330
(b) Reserves and surplus	<b>3</b>	(4,31,59,878)	(4,43,17,539)
		<b>7,17,13,452</b>	<b>7,05,55,791</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	<b>4</b>	9,81,22,798	10,49,14,244
(b) Deferred tax liabilities	<b>5</b>	1,01,36,556	80,24,908
(c) Other non-current Liability	<b>6</b>	7,53,793	12,65,743
(d) Long-term Provisions	<b>7</b>	10,07,305	9,50,255
		<b>11,00,20,452</b>	<b>11,51,55,150</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	<b>8</b>	4,78,16,501	4,86,22,007
(b) Trade payables	<b>9</b>	8,58,24,623	24,07,85,877
(c) Other current liabilities	<b>10</b>	2,46,81,348	1,84,52,514
(d) Short-term provisions	<b>11</b>	2,93,479	59,753
		<b>15,86,15,952</b>	<b>30,79,20,151</b>
<b>TOTAL</b>		<b>34,03,49,855</b>	<b>49,36,31,092</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	<b>12</b>	15,86,63,627	16,98,38,285
(ii) Intangible assets	<b>12</b>	4,92,104	5,97,819
(b) Non-current investments	<b>13</b>	5,37,752	5,37,752
(c) Long Term Loans & Advances	<b>14</b>	3,62,560	3,48,460
(d) Other Non-current Assets	<b>15</b>	18,00,823	3,42,115
		<b>16,18,56,867</b>	<b>17,16,64,431</b>
<b>2 Current assets</b>			
(a) Inventories	<b>16</b>	2,30,33,281	2,93,44,449
(b) Trade receivables	<b>17</b>	12,45,58,228	26,96,19,916
(c) Cash and cash equivalents	<b>18</b>	2,45,28,232	2,02,28,180
(d) Short-term loans and advances	<b>19</b>	8,24,035	2,88,349
(e) Other current assets	<b>20</b>	55,49,212	24,85,767
		<b>17,84,92,988</b>	<b>32,19,66,661</b>
<b>TOTAL</b>		<b>34,03,49,855</b>	<b>49,36,31,092</b>
<b>Significant accounting Policy</b>	<b>1</b>		
<b>Notes to financial statements</b>	<b>2 to 37</b>		

As per our report of even date

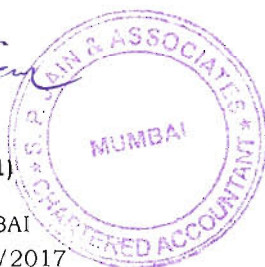
FOR & ON BEHALF OF THE BOARD OF DIRECTORS

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

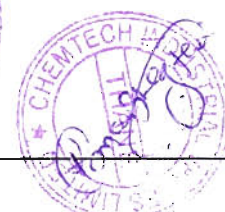
Chemtech Industrial Valves Limited

Chemtech Industrial Valves Limited

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



PLACE : MUMBAI  
DATE : 30/05/2017



**Pradeep S. Badkur**  
DIRECTOR  
DIN: 00036822

**C. D. Ignatious**  
DIRECTOR  
DIN: 01750827

Company Secretary

## CHEMTECH INDUSTRIAL VALVES LIMITED


### Statement of Profit and loss for the Year ended 31st March, 2017

( Amount in Rs)

Particulars	Note No.	Year ended 31-March-2017	Year ended 31-March-2016
<b>I Income</b>			
Revenue from operations	21	46,89,72,984	39,06,22,138
Other income	22	23,40,198	13,08,432
<b>Total Revenue</b>		<b>47,13,13,182</b>	<b>39,19,30,570</b>
<b>II Expenses</b>			
Cost of materials consumed	23	6,40,91,649	4,02,28,139
Change in inventories of FG & WIP	24	50,08,905	(23,83,885)
Purchases of stock in trade		32,06,66,774	30,50,17,593
Employee benefits expense	25	1,68,32,025	1,35,51,177
Finance costs	26	1,98,04,345	2,13,79,172
Depreciation and amortization expense	12	1,16,59,421	1,22,63,155
Other expenses	27	2,99,48,924	2,87,70,326
<b>Total expenses</b>		<b>46,80,12,044</b>	<b>41,88,25,678</b>
<b>III Profit before Exceptional items (I- II)</b>		<b>33,01,138</b>	<b>(2,68,95,108)</b>
Less: Exceptional Items			
<b>IV Profit before tax</b>		<b>33,01,138</b>	<b>(2,68,95,108)</b>
<b>IV Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax	5	21,11,648	12,70,276
(3) Short provision for tax		31,830	-
<b>V Profit (Loss) for the period III + IV)</b>		<b>11,57,660</b>	<b>(2,81,65,384)</b>
<b>VI Earnings per equity share:</b>			
Basic & Diluted (face value of shares is Rs.10 each)	1	<b>0.10</b>	<b>(2.45)</b>
<b>Significant accounting Policy</b>	1		
<b>Notes to financial statements</b>	2 to 37		

As per our report of even date

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

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



FOR & ON BEHALF OF THE BOARD OF DIRECTORS

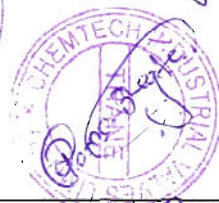
Chemtech Industrial Valves Limited  
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Pradeep S. Badkar  
DIRECTOR  
DIN: 00036822

  
Director

C. D. Ignatious  
DIRECTOR  
DIN: 01750827



  
Company Secretary

PLACE : MUMBAI  
DATE : 30/05/2017

## CHEMTECH INDUSTRIAL VALVES LIMITED

### Cash Flow Statement for the Year ended 31st March, 2017

(Amount in Rs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	3,301,138	(26,895,108)
<b>Adjustments for:</b>		
Depreciation and amortization	11,659,421	12,263,155
Finance costs	19,804,345	21,379,172
Provision for Gratuity	290,776	594,650
Sundry Balance written off	(556,554)	(158,554)
Interest Received	(469,563)	(938,798)
Dividend income	(38)	(38)
<b>Operating Profit before Working capital changes</b>	<b>34,029,525</b>	<b>6,244,479</b>
<b>Adjusted for:</b>		
Inventories	6,311,168	538,374
Trade receivables	145,061,688	(228,764,602)
Long Term Loans & Advances	(14,100)	719,090
Other Non-current Assets	(1,458,708)	1,091,502
Short-term loans and advances	(535,686)	460,698
Other current assets	(2,538,720)	(107,518)
Long Term Provision	(233,726)	(53,591)
Short Term Provision	233,726	53,591
Trade payables	(154,961,253)	221,899,652
Other current liabilities	5,716,884	109,875
<b>Cash Generated from Operations</b>	<b>31,610,797</b>	<b>2,191,551</b>
Taxes paid	-	-
<b>Net Cash Generated from Operations</b>	<b>31,610,797</b>	<b>2,191,551</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed assets	(379,050)	(581,070)
Sale of Fixed assets	-	-
Interest Received	469,563	938,798
Dividend received	38	38
<b>Net cash used in investing activities:</b>	<b>90,551</b>	<b>357,766</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings (net of repayment)	(6,791,446)	14,906,524
Proceeds from other short-term borrowings	(805,506)	2,007,856
Finance cost	(19,804,345)	(21,379,172)
<b>Net cash used in financing activities</b>	<b>(27,401,297)</b>	<b>(4,464,792)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>4,300,052</b>	<b>(1,915,476)</b>
Cash and cash equivalents at the beginning of the year	20,228,180	22,143,656
<b>Cash and cash equivalents at the end of the year</b>	<b>24,528,232</b>	<b>20,228,180</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>		
(i) Cash in Hand	772,148	652,155
(ii) Balances with Banks	23,756,085	19,576,025
<b>TOTAL</b>	<b>24,528,232</b>	<b>20,228,180</b>

**Notes:**

1) The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 "Cash Flow Statement" and notified in Companies (accounting standards) rules, 2006 (as amended)

2) Figure in brackets indicates cash outflow.

3. 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 Jain*  
**KAPIL K. JAIN**  
PARTNER  
(M. No. 108521)

Place : Mumbai

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS**

**Chemtech Industrial Valves Limited**

**Chemtech Industrial Valves Limited**

*Pradeep S. Badkur*  
**Pradeep S. Badkur**  
DIRECTOR  
DIN: 00036822

*C. D. Ignatious*  
**C. D. Ignatious**  
DIRECTOR  
DIN: 01750827



*Company Secretary*  
**Company Secretary**

# **CHEMTECH INDUSTRIAL VALVES LIMITED**

## **NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

### **NOTE:1 - SIGNIFICANT ACCOUNTING POLICIES**

#### **I. BASIS OF PREPARATION**

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspect with the Accounting Standards notified under Section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards), 2006 as amended] and other relevant provisions of the Companies Act, 2013.
- b) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule – III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current / non-current classification of assets and liabilities.
- c) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- d) The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period .The Difference between the actual and estimate are recognized in the period in which results are known/materialized.
- e) In spite of the fact that more than 50% of the accumulated surplus is lost during the previous years but, there has been remarkable turnaround in terms of profits/ cash profit for the current year which signals that, the going concern assumption used in the preparation of the financial statements is appropriate and justified, because valuation and realisibility / payability of all assets and liabilities do not change materially with the change of the assumption. With change in Macro-economic scenario the Company is hopeful that it's efforts for turnaround will be fruitful in the immediate short term.

#### **II. TANGIBLE FIXED ASSETS AND DEPRECIATION**

- a) Tangible Fixed Assets are stated at cost of acquisition or construction except assets which has been revalued, at its revalued amount, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Temporary constructions/alterations are charged off to Profit and Loss Account.
- b) Depreciation has been provided as under:
  - (i) For assets existing on 1st April 2014 the carrying amount will be amortized over the remaining useful lives on straight line method as prescribed in the schedule II of the Companies Act, 2013.
  - (ii) For the assets added after the 1st April 2014 :- On straight line method at the useful standard Lives prescribed in Schedule II to the Companies Act, 2013.
  - (iii) On the revalued assets the additional charge of depreciation on account of revaluation is withdrawn from revaluation reserve and credited to the retained surplus/deficit in profit and loss.
  - (iv) Deprecation on assets sold during the year is provided on pro-rata basis.



### **III. INTANGIBLE ASSETS AND AMORTISATION**

- a) Intangible Assets are stated at acquisition of cost, net of accumulated amortization and accumulated impairment losses, if any.
- b) Intangible assets include Cost of software capitalized is amortized over a period of 5 years.

### **IV. IMPAIRMENT OF ASSETS**

Assessment is done at each Balance Sheet date as to whether there is any indication that a tangible asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of asset that generates cash inflows from continuing use that are largely independent of the cash inflow from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

### **V. BORROWING COST**

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### **VI. INVESTMENTS**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realizable value. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

### **VII. INVENTORIES**

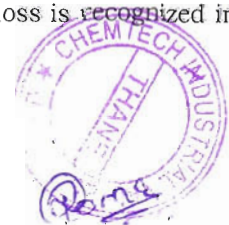
Raw materials, components, stores and spares, and packing material are valued at lower of cost or net reliable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of inventories is computed on a weighted-average basis.

Work-in-progress, finished goods and Stock-in-trade are valued at lower of cost or net realizable value. Cost of Finished goods and work-in-progress comprises raw material, direct labour, other direct costs and other related production overheads upto the stage of bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sales.

### **VIII. TRANSLATION OF FOREIGN CURRENCY ITEMS**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary assets and liabilities are converted in Indian currency at the rate of exchange prevailing at the end of the year. Resultant gain or loss is recognized in the statement of profit and loss for the year.



## IX. REVENUE RECOGNITION

- a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.
- b) Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sale of goods and services are recorded net of trade discounts, rebates, Excise duty, service Tax but include Sales Tax and Value Added Tax
- c) Revenue from services are recognized as they are rendered based on agreements / arrangements with the concerned parties and recognized net of Service Tax.
- d) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.
- e) Dividend income on investments is accounted for when the right to receive the payment is established.

## X. PURCHASES & INDIRECT TAXES

- a) Purchases are accounted net of excise duty paid but including the VAT/CST. However at the end of year unadjusted VAT against VAT liability on sale is reduced from the Purchase Cost.
- b) **VAT/ CST Transactions:** VAT, CST paid (after taking credit for taxed paid on inputs is directly charged to statement of Profit and Loss.

## XI. RETIREMENT AND OTHER EMPLOYEE BENEFITS

### (a) Defined Contribution Plan

The Company makes defined contribution to Government Employee Provident Fund, which are recognized in the Statement of Profit and Loss on accrual basis. The company has no further obligation beyond its contribution.

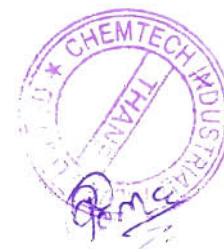
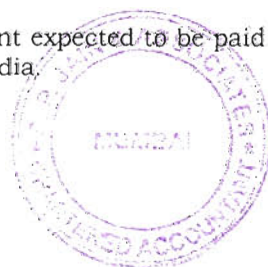
### (b) Defined Benefit Plan

- i) The Company's liabilities under Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or expenses. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.
- ii) **Leave Salary:** Leave Salary for accumulated compensated absences that are expected to be availed or encashed by eligible employees within 12 months from the end of the year are treated as short term employees benefits, which is provided at the expected cost.

## XII. TAXATION

Tax expense for the period, comprising Current tax and Deferred Tax are included in the determination of net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in India.



Deferred Tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets on unabsorbed carry forward losses are recognized only upon definite virtual certainty of future taxable income is available and not otherwise.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted and substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company re-assesses unrecognized deferred tax assets, if any.

### **XIII. OPERATING LEASES**

**As a Lessee :** Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

### **XIV. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares.

### **XV. CONTINGENT LIABILITIES AND PROVISIONS**

#### **Provision:-**

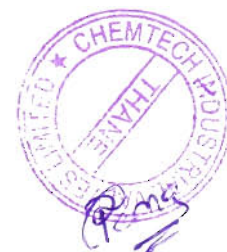
provision are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

#### **Contingent liabilities:-**

Contingent liabilities are disclosed when there is a possible obligation arising from the past events, the existence of which will be confirmed only on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not portable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### **XVI. Cash and Cash Equivalents:**

In the Cash flow statement, cash and cash equivalents include cash on hand, demand deposits with bank including short term margin money against bank guaranty issued.



# CHEMTECH INDUSTRIAL VALVES LIMITED

Notes on Financial Statements as at and for the Year ended 31st March 2017

## Note 2 Share Capital

<u>Particulars</u>	As at 31 Mar 2017	As at 31 Mar 2016
	Rs.	Rs.
<b>Authorized</b>		
12,000,000 Equity Shares (P.Y. 120,00,000) of Rs.10 each	12,00,00,000	12,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
1,14,87,333 Equity Shares (P.Y. 1,14,87,333) of Rs.10 each	11,48,73,330	11,48,73,330
<b>Total</b>	<b>11,48,73,330</b>	<b>11,48,73,330</b>

- 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

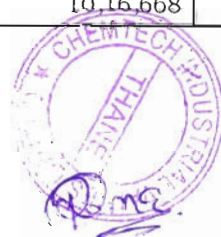
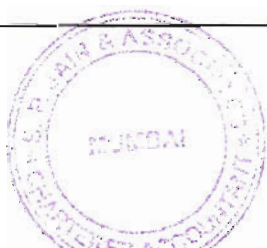
<u>Particulars</u>	As at 31 Mar 2017	As at 31 Mar 2016
Shares outstanding at the beginning of the year	1,14,87,333	1,14,87,333
Shares Issued during the Period	-	-
Shares bought back during the Period	-	-
Shares outstanding at the end of the year	1,14,87,333	1,14,87,333

## 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)

<u>Name of Shareholder</u>	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ignatious C. David	12,98,500	11.30%	12,98,500	11.30%
Mr. Pradeep S. Badkur	12,60,763	10.98%	12,60,763	10.98%
Mrs. Namrata P. Badkur	14,54,166	12.66%	14,54,166	12.66%
Mr. Harsh P. Badkur	13,14,166	11.44%	13,14,166	11.44%
Puneet P. Badkur	10,16,668	8.85%	10,16,668	8.85%





## CHEMTECH INDUSTRIAL VALVES LIMITED

Notes on Financial Statements as at and for the Year ended 31st March 2017

### Note 3 Reserves and Surplus

Particular	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
<b><u>i) Security Premium</u></b>		
Opening balance	3,17,61,421	3,17,61,421
Addition/Deduction during the year	-	-
Closing balance	<b>3,17,61,421</b>	<b>3,17,61,421</b>
<b><u>ii) Revaluation Reserve</u></b>		
Opening balance	30,91,130	32,07,388
Less : Depreciation on Revalued Assets transfer to P& L Reserve (refer Note.12.3)	1,16,258	1,16,258
Closing balance	<b>29,74,873</b>	<b>30,91,130</b>
<b><u>iii) Deficit in Profit &amp; Loss A/c</u></b>		
Opening balance	(7,91,70,090)	(5,11,20,964)
(+) Transfer from revaluation reserve (refer Note.12.3)	1,16,258	1,16,258
	<b>(7,90,53,832)</b>	<b>(5,10,04,706)</b>
(+) Net Profit/(Net Loss) For the current year	11,57,660	(2,81,65,384)
Closing balance	<b>(7,78,96,172)</b>	<b>(7,91,70,090)</b>
<b>Total</b>	<b>(4,31,59,878)</b>	<b>(4,43,17,539)</b>

### Note 4 Long Term Borrowings

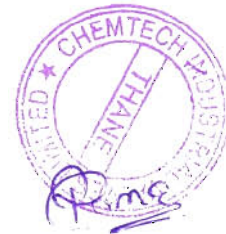
Particular	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
<b><u>Term loans (Secured )</u></b>		
a. From banks	1,11,11,111	1,85,18,519
b. From financial institutions other than banks	8,70,11,687	8,63,95,725
<b>Total</b>	<b>9,81,22,798</b>	<b>10,49,14,244</b>

#### Securities and Terms of Borrowings for secured Term Loans

##### 4.1 Term Loan from IndusInd 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.



## CHEMTECH INDUSTRIAL VALVES LIMITED

### Notes on Financial Statements as at and for the Year ended 31st March 2017

#### (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) Personnel 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.

Term Loan from IndusInd Bank amounting to 1,85,18,518/- (P.Y. 2,59,25,926/-) 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. 30 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 Term Loan from financial institutions other than banks

4.2.1 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.

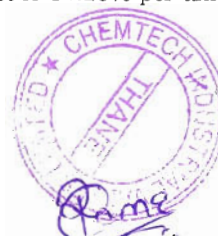
Term Loan from Capital First Home Loan (273) amounting to Rs.43,12,564/- (P.Y. 45,34,318/-) originally repayable in 180 monthly installments now, revised to 162 installments (including interest) of Rs.61,997/- per month commencing from 05/04/2013 last installment due in September 2026 i.e. 114 installments from the close of this financial period. The rate of interest is 11.25% per annum floating as at the end of the year.

4.2.2 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 (274) amounting to Rs. 79,24,965/- (P.Y. 83,15,509/-) repayable in 180 monthly installments now. revised to 171 installments (including interest) of Rs.1,06,306/- per month commencing from 05/03/2013 last installment due in May 2027 i.e. 122 installments from the close of this financial period. The rate of interest is 10.50% per annum floating as at the end of the year.

4.2.3 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. IGNATIUS INASU director of the Company.

Term Loan from INDIABULLS HOUSING FINANCE LIMITED amounting to Rs. 93,26,259/- (P.Y. 94,73,578/-) repayable in 180 monthly installments now, revised to 234 installments (including interest) of Rs.1,23,994/- per month commencing from 05/08/2013 last installment due in Jan 2033 i.e. 190 installments from the close of this financial period. The rate of interest is 14.25% per annum floating as at the end of the year.



## CHEMTECH INDUSTRIAL VALVES LIMITED

### Notes on Financial Statements as at and for the Year ended 31st March 2017

**4.2.4** Term Loan from Capri Global Capital Ltd. (0085) (Formerly 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 Capri Global Capital Ltd. (Formerly MONEY MATTER FINANCIAL SERVICES LTD) amounting to Rs.1,81,04,630/- (P.Y. 1,93,33,265/-) repayable in 120 monthly installments now, revised to 132 installments (including interest) of Rs.3,31,736/-, Now Rs. 3,17,457/- per month commencing from 15/07/2013 last installment due in June 2024 i.e. 87 installments from the close of this financial period. The rate of interest is 12.50% per annum floating as at the end of the year.

**4.2.5** Term Loan from Capri Global Capital Ltd.(5147) 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 Capri Global Capital Ltd. amounting to Rs.49,64,224/- (P.Y. Nil) repayable in 132 monthly installments (including interest) of Rs. 69,878/- per month commencing from 10/02/2017 last installment due in January 2028 i.e. 130 installments from the close of this financial period. The rate of interest is 12.50% per annum floating as at the end of the year.

**4.2.6** Term Loan from India Infoline Housing Finance Ltd. 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 India Infoline Housing Finance Ltd. amounting to Rs. 4,65,74,370/- (P.Y. 4,78,33,107/- ) repayable in 180 monthly installments (including interest) of Rs.3,31,736/- per month commencing from 05/01/2016 last installment due in Dec 2030 i.e. 165 installments from the close of this financial period. The rate of interest is 12% per annum floating as at the end of the year.

#### Note 5 Deferred tax liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
Opening balance of deferred liabilities	80,24,908	67,54,632
On account of depreciation	27,95,829	14,39,535
On account of 43B items	(6,84,181)	(1,69,259)
<b>Total</b>	<b>1,01,36,556</b>	<b>80,24,908</b>

#### Note 6 Long-term provisions

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
Deferred Sales Tax	7,53,793	12,65,743
<b>Total</b>	<b>7,53,793</b>	<b>12,65,743</b>



## CHEMTECH INDUSTRIAL VALVES LIMITED

### Notes on Financial Statements as at and for the Year ended 31st March 2017

#### 6.1 Deferred Sales Tax

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. 7,53,793/- (P.Y. Rs. 12,65,743/-) is shown as non current liability and current portion Rs. /- (P. Y. Rs. 29,74,207/-) is disclosed in statutory liability in **Note No.10.**

#### Note 7 Long-term Provisions

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
Provision for Gratuity	13,00,784	10,10,008
Less: Short term Provision (ref Note-11)	(2,93,479)	(59,753)
<b>Total</b>	<b>10,07,305</b>	<b>9,50,255</b>

#### Note 8 Short Term Borrowings

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
<u>Secured</u>		
<b>Working Capital Loan</b>		
-IndusInd Bank	4,78,16,501	4,86,22,007
<b>Total</b>	<b>4,78,16,501</b>	<b>4,86,22,007</b>

#### 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 4.1** above.

#### Note 9 Trade Payables

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
i) Trade Creditors for goods	8,24,21,813	23,56,22,323
ii) Trade Creditors for Expenses	34,02,810	51,63,554
<b>Total</b>	<b>8,58,24,623</b>	<b>24,07,85,877</b>

9.1 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.



## CHEMTECH INDUSTRIAL VALVES LIMITED

Notes on Financial Statements as at and for the Year ended 31st March 2017

### Note 10 Other current liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
i) Current maturities of long term debts-Secured	1,16,02,732	1,05,01,458
ii) Interest accrued but not due on borrowings	6,92,038	7,19,964
iii) Creditors for Capital goods	-	5,303
iv) Advance received against order	42,71,185	12,58,231
v) Statutory Liabilities	58,23,969	40,01,758
vi) Other Payables	22,91,424	19,65,800
<b>Total</b>	<b>2,46,81,348</b>	<b>1,84,52,514</b>

10.1 Other payables includes payables for various expenses

### Note 11 Short Term Provisions

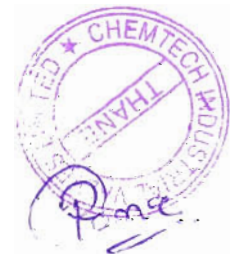
Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
Provision for Gratuity (ref. Note-7)	2,93,479	59,753
<b>Total</b>	<b>2,93,479</b>	<b>59,753</b>

### Note 13 Non-Current Investments

Particulars (Non Trade)	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
<b>Investment in Equity shares-unquoted (At Cost)</b>		
i) Bharat Co-op bank ltd (25 Equity Shares Rs.10 each fully paid )	252	252
ii) C.K.P. Co-op bank ltd (21500 Eq. Shares of Rs 25/- each fully paid)	5,37,500	5,37,500
<b>Total</b>	<b>5,37,752</b>	<b>5,37,752</b>

### Note 14 Long Term Loans & Advances

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
Security Deposits (unsecured considered good)	3,62,560	3,48,460
<b>Total</b>	<b>3,62,560</b>	<b>3,48,460</b>



**CHEMTECH INDUSTRIAL VALVES LIMITED**

Notes on Financial Statements as at and for the Year ended 31st March 2017

**Note : 12 STATEMENT OF FIXED ASSETS**

**Current Year**

Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK
	As on 01.04.2016	Additions	Deductions/ Adjustment	As on 31.03.2017	As on 01.04.2016	For the year	Deductions/ Adjustment	Transitional Depreciation	As on 31.03.2017	As on 31.03.2017
Land	1,69,24,170	-	-	1,69,24,170	-	-	-	-	-	1,69,24,170
Building	8,35,80,213	-	-	8,35,80,213	95,67,852	23,86,938	-	-	1,19,54,790	7,16,25,423
Machinery	8,02,77,034	3,55,300	-	8,02,77,034	1,97,83,825	51,97,482	-	-	2,49,81,307	5,52,95,727
Pattern	59,16,287		62,71,587	47,74,434	3,76,946	-	-	51,51,380	11,20,207	
Office equipment	49,66,817		49,66,817	30,08,143	9,46,127	-	-	39,54,269	10,12,548	
Electric Intallation	41,92,768		41,92,768	11,17,348	4,67,617	-	-	15,84,965	26,07,803	
Motor	42,10,811		42,10,811	29,74,399	4,52,587	-	-	34,26,987	7,83,824	
Computer	17,86,553	-	-	17,86,553	16,01,355	73,717	-	-	16,75,071	1,11,482
Furniture	1,56,43,669	-	-	1,56,43,669	48,32,683	16,28,542	-	-	64,61,225	91,82,444
<b>Total FA</b>	<b>21,74,98,322</b>	<b>3,55,300</b>	<b>-</b>	<b>21,78,53,622</b>	<b>4,76,60,038</b>	<b>1,15,29,956</b>	<b>-</b>	<b>-</b>	<b>5,91,89,995</b>	<b>15,86,63,627</b>
<b>Intangible Assets</b>										
Computer Software	9,96,365	23,750	-	10,20,115	3,98,546	1,29,465	-	-	5,28,011	4,92,104
<b>G Total</b>	<b>21,84,94,687</b>	<b>3,79,050</b>	<b>-</b>	<b>21,88,73,737</b>	<b>4,80,58,584</b>	<b>1,16,59,421</b>	<b>-</b>	<b>-</b>	<b>5,97,18,005</b>	<b>15,91,55,732</b>

**Previous Year**

Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK
	As on 01.04.2015	Additions	Deductions/ Adjustment	As on 31.03.2016	As on 01.04.2015	For the year	Deductions/ Adjustment	Transitional Depreciation	As on 31.03.2016	As on 31.03.2016
Land	1,69,24,170	-	-	1,69,24,170	-	-	-	-	-	1,69,24,170
Building	8,35,80,213	-	-	8,35,80,213	71,80,600	23,87,251	-	-	95,67,852	7,40,12,362
Machinery	8,02,52,273	24,761	-	8,02,77,034	1,45,85,599	51,98,226	-	-	1,97,83,825	6,04,93,209
Pattern	54,07,597	5,08,690	-	59,16,287	43,12,399	4,62,035	-	-	47,74,434	11,41,853
Office equipment	49,19,198	47,619	-	49,66,817	19,77,880	10,30,263	-	-	30,08,143	19,58,674
Electric Intallation	41,92,768	-	-	41,92,768	6,49,730	4,67,617	-	-	11,17,348	30,75,420
Motor	42,10,811	-	-	42,10,811	22,81,387	6,93,013	-	-	29,74,399	12,36,412
Computer	17,86,553	-	-	17,86,553	14,04,419	1,96,936	-	-	16,01,355	1,85,198
Furniture	1,56,43,669	-	-	1,56,43,669	32,04,140	16,28,542	-	-	48,32,683	1,08,10,986
<b>Total FA</b>	<b>21,69,17,252</b>	<b>5,81,070</b>	<b>-</b>	<b>21,74,98,322</b>	<b>3,55,96,156</b>	<b>1,20,63,882</b>	<b>-</b>	<b>-</b>	<b>4,76,60,038</b>	<b>16,98,38,285</b>
<b>Intangible Assets</b>										
Computer Software	9,96,365	-	-	9,96,365	1,99,273	1,99,273	-	-	3,98,546	5,97,819
<b>G Total</b>	<b>21,79,13,617</b>	<b>5,81,070</b>	<b>-</b>	<b>21,84,94,687</b>	<b>3,57,95,429</b>	<b>1,22,63,155</b>	<b>-</b>	<b>-</b>	<b>4,80,58,584</b>	<b>17,04,36,104</b>

**Notes**

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

**12.2.** 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.

**12.3** The additional depreciation on above stated revaluation of assets amounting to Rs.116,258/- is withdrawn from revaluation reserve and adjusted to the surplus profit and loss balance in the reserves.



## CHEMTECH INDUSTRIAL VALVES LIMITED

Notes on Financial Statements as at and for the Year ended 31st March 2017

### Note 15 Other Non-Current Assets

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
i) Margin money with Bank (ref. note-18) (Against Bank guarantee with maturity more than 12 months)	17,54,757	-
ii) Retention Money with clients (unsecured considered good)	46,066	3,42,115
<b>Total</b>	<b>18,00,823</b>	<b>3,42,115</b>

### Note 16 Inventories

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
i) Raw materials	70,23,839	83,26,103
ii) Stock-in-process	1,60,09,442	2,10,18,347
iii) Finished goods	-	-
<b>Total</b>	<b>2,30,33,281</b>	<b>2,93,44,449</b>

### Note 17 Trade Receivables

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
(Unsecured considered good)		
i) Outstanding for a period less than six months	8,59,39,266	25,08,95,788
ii) Outstanding for a period exceeding six months	3,86,18,962	1,87,24,128
<b>Total</b>	<b>12,45,58,228</b>	<b>26,96,19,916</b>

### Note 18 Cash and Bank Balances

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
<b>a) Cash and cash equivalents</b>		
i) Balances with banks'-In Current Accounts	1,29,04,326	1,61,69,483
ii) Cash on hand	7,72,148	6,52,155
iii) Fixed Deposits with Bank as margin money for Bank Guarantee	12,13,175	32,88,707
iv) Fixed Deposits with Bank (others)	96,38,584	1,17,835
<b>b) Other Bank Balances</b>		
Fixed Deposits with Bank as margin money for Bank Guarantee due after 12 months	17,54,757	-
Less: Amount disclosed under the head " other non-current Assets" (Note -15)	(17,54,757)	-
<b>Total</b>	<b>2,45,28,232</b>	<b>2,02,28,180</b>





## CHEMTECH INDUSTRIAL VALVES LIMITED

Notes on Financial Statements as at and for the Year ended 31st March 2017

### Note 19 Short-term loans and advances

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
(Unsecured considered good)		
i) Advances to Staff	43,948	87,930
ii) Advances others	7,80,087	2,00,419
<b>Total</b>	<b>8,24,035</b>	<b>2,88,349</b>

### Note 20 Other current assets

<u>Particulars</u>	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
i) Security Deposits	1,99,713	1,99,713
ii) Prepaid Insurance	1,55,717	1,88,415
iii) Advance Taxes and Refund claims	51,93,782	20,97,639
<b>Total</b>	<b>55,49,212</b>	<b>24,85,767</b>



**CHEMTECH INDUSTRIAL VALVES LIMITED**

Notes on Financial Statements as at and for the year ended 31st March 2017

**Note: 21 Revenue From Operations**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
i) Sale of products	43,84,38,153	39,06,82,948
Less: Excise Duty	(1,15,71,807)	(86,40,363)
	<b>42,68,66,346</b>	<b>38,20,42,585</b>
ii) Sale of Services (net of service tax)	35,29,617	84,95,392
ii) Other Operating Revenue	3,85,77,021	84,161
<b>Total</b>	<b>46,89,72,984</b>	<b>39,06,22,138</b>

**Note:22 Other Income**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
Interest received	4,69,563	9,38,798
Discount Received	3,957	36,077
Dividend Income	38	38
Duty Drawback	29,158	1,406
Sundry Balance Written back	5,56,554	1,58,554
Liquidation Damages Received	12,80,928	1,73,559
<b>Total</b>	<b>23,40,198</b>	<b>13,08,432</b>

**Note:23 Cost of Materials Consumed**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
<b>Raw Material Consumed</b>		
Opening Stock raw material	83,26,103	1,12,48,362
Add : Purchase	6,68,10,810	3,92,22,894
Less: Excise Duty paid on purchase	(46,25,195)	(22,97,236)
Add : Packing Material Consumed	7,69,526	5,70,991
	<b>7,12,81,243</b>	<b>4,87,45,012</b>
Less : Rejection of Material	1,65,755	1,90,770
Less : Closing of Raw material	70,23,839	83,26,103
<b>Total</b>	<b>6,40,91,649</b>	<b>4,02,28,139</b>

**Note:24 Change in Inventories of FG & WIP**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
Opening Work in progress	2,10,18,347	1,86,34,462
Less: Closing Work in Progress	1,60,09,442	2,10,18,347
	<b>50,08,905</b>	<b>(23,83,885)</b>



**CHEMTECH INDUSTRIAL VALVES LIMITED**

**Notes on Financial Statements as at and for the year ended 31st March 2017**

**Note:25 Employee Cost and Benefits**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
Directors Remuneration	15,60,000	15,05,681
Staff Salaries, Bonus, Retrenchment & Leave salary	1,34,71,930	91,86,057
Wages to Workers	-	16,07,314
Employers Contribution to PF	1,68,544	1,27,271
Admin Charges to PF	10,729	15,937
Gratuity-see note 25.1	2,90,776	5,94,650
Staff Welfare	13,30,046	5,14,267
<b>Total</b>	<b>1,68,32,025</b>	<b>1,35,51,177</b>

25.1 Provision for gratuity has been made as per actuarial valuation by approved valuer and relied upon by the statutory auditors.

i) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Policy No.	As on 31.03.2017	As on 31.03.2016
Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method
Mortality Rate	IALM-Mortality-Tables(2006-08) Ultimate	IALM-Mortality-Tables(2006-08) Ultimate
Withdrawal Rate	1 % per annum for all ages	1 % per annum for all ages
Discount Rate	7.52% p.a.	7.96% p.a.
Salary Escalation	6.00% p.a.	6.00% p.a.

ii) Reconciliation of Opening & Closing balance of Present Value of Defined benefit Obligation( DBO):-

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Present Value of Benefit Obligation at the Beginning of the Period	10,10,008	4,15,358
Interest Cost	80,397	33,353
Current Service Cost (Benefit Paid Directly by the Employer)	2,15,575	1,00,197
Actuarial (Gains)/Losses on Obligations - Due to Change in	53,877	6,598
Actuarial (Gains)/Losses on Obligations - Due to Experience	(59,073)	4,54,502
Present Value of Benefit Obligation at the End of the Period	<b>13,00,784</b>	<b>10,10,008</b>

iii) The company has not invested in Plan Assets:-



**CHEMTECH INDUSTRIAL VALVES LIMITED**

**Notes on Financial Statements as at and for the year ended 31st March 2017**

**iv) Balance Sheet Recognition**

Opening Net Liability	10,10,008	4,15,358
Expense Recognized in Statement of Profit or Loss (Benefit Paid Directly by the Employer)	2,90,776	5,94,650
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>13,00,784</b>	<b>10,10,008</b>

**v) Profit and Loss - Expenses Recognition**

Current Service Cost	2,15,575	1,00,197
Net Interest Cost	80,397	33,353
Actuarial (Gains)/Losses (Gains)/Losses on Curtailments And Settlements	(5,196)	4,61,100
<b>Expenses Recognized in the Statement of Profit or Loss</b>	<b>2,90,776</b>	<b>5,94,650</b>

**vi) Amount recognized in current year and previous four years for Gratuity**

(Present Value of Benefit Obligation at the end of the Period)	(13,00,784)	(10,10,008)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status-Deficit	(13,00,784)	(10,10,008)
Unrecognized Past Service Cost at the end of the Period	-	-
<b>Net Liability Recognized in the Balance Sheet</b>	<b>(13,00,784)</b>	<b>(10,10,008)</b>

**Note:26 Finance Cost**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
Interest Expenses	1,87,42,375	1,90,32,530
Interest on Govt. Dues	1,99,655	1,83,055
Other Borrowing cost*	8,62,315	21,63,587
<b>Total</b>	<b>1,98,04,345</b>	<b>2,13,79,172</b>

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



**CHEMTECH INDUSTRIAL VALVES LIMITED**

**Notes on Financial Statements as at and for the year ended 31st March 2017**

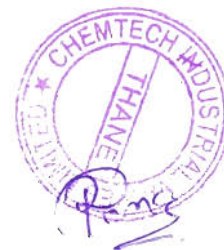
**Note:27 Other Expenses**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
Auditor's Remuneration (net of Tax) - See Note No. 33	3,73,750	3,22,500
Job Works	81,47,626	61,30,320
Rates & Taxes	42,56,459	27,80,322
Liquidated Damaged paid	12,15,584	7,24,992
Power & Fuel Expenses	31,01,979	27,90,367
Professional Fees	5,02,664	31,19,539
Selling Expenses	29,26,409	27,58,575
Insurance Paid.	2,61,537	2,26,102
Rent Paid	3,000	1,12,000
Repair & Maintenance building	1,15,692	31,680
Repair & Maintenance others	4,42,617	5,51,046
Transport Expenses	35,78,123	52,50,093
Foreign Currency Fluctuation	3,69,914	26,524
Other Miscellaneous Expenses	46,53,571	39,46,266
<b>Total</b>	<b>2,99,48,924</b>	<b>2,87,70,326</b>

<b>27.1 Prior period Expenses-Include in above</b>		
Interest on Secured term Loan	-	5,32,539
Gram Panchayat Tax	1,20,624	-
Professional fees	-	72,000
<b>Total</b>	<b>1,20,624</b>	<b>6,04,539</b>

**Note: 28 Earning Per Share**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
Profit After Tax	11,57,660	(2,81,65,384)
Weighted Average No. of Equity Shares*	1,14,87,333	1,14,87,333
<b>EPS (basic &amp; Diluted)</b>	<b>0.10</b>	<b>(2.45)</b>



**CHEMTECH INDUSTRIAL VALVES LIMITED**

Notes on Financial Statements as at and for the year ended 31st March 2017

**Note:29 Contingent Liability**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
i) Counter guarantee given by Banks	1,33,41,126	44,50,941
ii) Central Sales Tax Dues (disputed in appeal)	45,30,181	56,39,626
iv) Income tax demand outstanding-pending rectification	34,350	39,89,780
<b>Total</b>	<b>1,79,05,657</b>	<b>1,40,80,347</b>

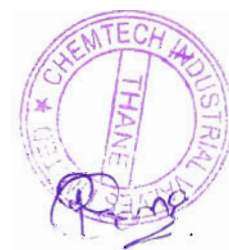
29.1 With respect to the Central Sales Tax Due of Rs.45,30,181/- the company has file an appeal and based on expert legal advise and merits of the case the Company is hopeful that the outcome would in its favor And accordingly no provision is required to be made in the accounts. However, it is not practicable to estimate the timing of cash outflow if any, in respect of the above pending the resolution of the proceedings.

**Note:30 Other commitments:**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
Estimated contracts remaining to be executed		
ERP software	-	2,62,000
<b>Total</b>	<b>-</b>	<b>2,62,000</b>

**Note:31 Audit Remuneration**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Rs.	Rs.
For statutory Audit	1,25,000	1,25,000
For Tax Audit	25,000	25,000
For other matters	2,23,750	1,72,500
<b>Total</b>	<b>3,73,750</b>	<b>3,22,500</b>



**CHEMTECH INDUSTRIAL VALVES LIMITED**

**NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

Note: 32 Information pursuant to Accounting standard 17:

**a. Primary Segment**

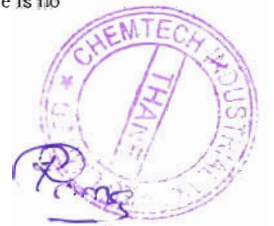
During the year the Company has broadly identified two segment namely "Manufacturing of industrial valves" and "Trading of Steel coil/Wire Rod"

PARTICULARS	Year Ended 31.03.2017				Year Ended 31.03.2016			
	Manufacturing	Trading	Others unallocable	Total	Manufacturing	Trading	Others unallocable	Total
Segment Revenue								
Sales to Customers	10,22,85,908	32,82,53,208	3,84,33,868	46,89,72,984	8,34,37,549	30,71,84,589	-	39,06,22,138
Other Income	19,80,635		3,59,563	23,40,198	3,71,330		9,37,102	13,08,432
<b>Total Revenue</b>	<b>10,42,66,543</b>	<b>32,82,53,208</b>	<b>3,87,93,431</b>	<b>47,13,13,182</b>	<b>8,38,08,879</b>	<b>30,71,84,589</b>	<b>9,37,102</b>	<b>39,19,30,570</b>
<b>Less:</b>								
Allocated Expenditure	9,37,60,620	32,06,66,774	2,21,20,883	43,65,48,277	6,08,13,521	30,81,03,598	1,62,66,231	38,51,83,351
Depreciation	86,32,165	-	30,27,256	1,16,59,421	89,11,338	-	33,51,818	1,22,63,155
Interest	1,98,04,345	-	-	1,98,04,345	2,13,79,172	-	-	2,13,79,172
<b>Segment Profit</b>	<b>(1,79,30,587)</b>	<b>75,86,434</b>	<b>1,36,45,292</b>	<b>33,01,138</b>	<b>(72,95,151)</b>	<b>(9,19,009)</b>	<b>(1,86,80,947)</b>	<b>(2,68,95,108)</b>
<b>Other Information</b>								
<b>Segment Assets</b>	<b>22,35,92,805</b>	<b>5,60,28,576</b>	<b>6,07,28,475</b>	<b>34,03,49,855</b>	<b>24,40,29,526</b>	<b>21,48,29,562</b>	<b>3,47,72,004</b>	<b>49,36,31,092</b>
<b>Segment Liabilities</b>	<b>19,72,89,416</b>	<b>6,09,16,952</b>	<b>1,04,30,035</b>	<b>26,86,36,403</b>	<b>20,20,11,094</b>	<b>21,29,74,243</b>	<b>80,89,964</b>	<b>42,30,75,301</b>
<b>Capital Employed</b>	<b>2,63,03,388</b>	<b>(48,88,376)</b>	<b>5,02,98,440</b>	<b>7,17,13,452</b>	<b>4,20,18,432</b>	<b>18,55,319</b>	<b>2,66,82,040</b>	<b>7,05,55,791</b>
				0				0

**b. Secondary Segment**

i) There are no trading sales outside India and therefore there is no secondary segment with respect of geographical segment.

ii) Besides the Company has exported manufacture goods of Rs. 54,65,873/- (P.Y Rs. 3,02,351) 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 2017

**Note: 33** Related party Transaction as per Accounting Standard 18

a. Related party are given below

Sr.No.	Enterprise on which major Shareholders Exercises Significant Influence	Key Management Personnel	Relative to Key Management Personnel
1	Badkur Blow Plast Containers Pvt. Ltd.	Pradeep Badkur	Puneet Badkur
2	---	C.D. Ignatious	Orville Ignatious
3	---	Harsh Badkur	Jimmy Ignatious
4	---	Namrata Badkur	Jenny Ignatious
5	---	---	Trisha Badkur

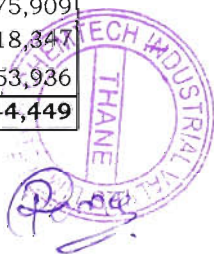
b. Details of transaction are given below

Sr.No.	Nature of Transactions	For the year ended 31 March 2017	For the year ended 31 March 2016
1	<b><u>Loan Transaction</u></b>		
	<b>(a) Taken During the year</b>		
	Key Management Personnel	5,34,628	36,32,410
	Enterprises over which Significant Influence	10,26,786	-
		<b>15,61,414</b>	<b>36,32,410</b>
	<b>(b) Closing Balances loan taken</b>		
	Key Management Personnel	-	-
	Enterprises over which Significant Influence	-	-
		-	-
2	<b><u>Director remuneration</u></b>		
	Key Management Personnel	15,60,000	14,08,335
		<b>15,60,000</b>	<b>14,08,335</b>
3	<b><u>Salary</u></b>		
	Relative of Key Management Personnel	23,09,159	16,50,060
		<b>23,09,159</b>	<b>16,50,060</b>
4	<b><u>Reimbursement of Credit card</u></b>		
	Key Management Personnel	9,72,380	6,69,339
	Relative of Key Management Personnel	8,49,343	4,84,165
		<b>18,21,723</b>	<b>11,53,504</b>

**Note: 34** Information pursuant to provision of Schedule III of Companies Act 2013

A) Opening and Closing inventory (including WIP):

Sr.No	Products	Closing stock Rupees	Closing stock Rupees
i)	Casting	29,81,735	37,54,122
ii)	Plates & Rods	16,63,690	16,42,136
iii)	Welding rod & Stud nuts	3,75,545	4,75,909
iv)	WIP of Unfinished Assembled valve	1,60,09,442	2,10,18,347
v)	Others	20,02,868	24,53,936
	<b>Total</b>	<b>2,30,33,281</b>	<b>2,93,44,449</b>





## CHEMTECH INDUSTRIAL VALVES LIMITED

NOTES ON FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

### Note: 35 Disclosure on specified Bank Notes

During the year, the Company has specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E) dated March 31, 2017. The details of SBNs held and transacted during the period from November /, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per notification are as follow:

Particulars	SBNs *	Other Deponomination Notes	Total
Closing cash in hand as on November 8, 2016	4,40,000	77,551	5,17,551
Add: Permitted receipts	-	5,56,610	5,56,610
Less: Permitted Payments	-	(5,61,910)	(5,61,910)
Less Amounts Deposited in Banks	(4,40,000)		(4,40,000)
Closing Cash in hand as on December 30, 2016	-	72,251	72,251

\* For the purpose of this clause, the term "specified Bank Notes" shall have the same meaning provided in the notification of the government of India, in the Ministry of Finance, Department of Economic Affairs Number S. O. 3407 (E), dated November 8, 2016.


**Note:36** i) The balance confirmation in respect of debtors, creditors, advances, loans and deposits as at 31st March 2017 have been called for and the same are subject to confirmation and reconciliation if any. However, the management has scrutinized the accounts and the balances appearing in the balance sheet are correct.

ii) In the opinion of management, no item of current assets, loans and advances has a value on realization in the ordinary course of business, which is less than the amount of value at which it is stated in the balance sheet, unless otherwise specified.

**Note:37** Figures of previous year are regrouped and reclassified as and when necessary.

**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 Limited**

  
**Director**

Pradeep S. Badkur  
**DIRECTOR**  
DIN: 00036822

**Chemtech Industrial Valves Limited**

  
**Director**

C. D. Ignatious  
**DIRECTOR**  
DIN: 01750827

PLACE : MUMBAI  
DATE : 30/05/2017

  
  
**Company Secretary**

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

Sr.No.	Products	Current Period Rupees	Current Period Rupees
i)	Casting	35,68,971	68,78,580
ii)	Plates & Rods	77,15,336	58,99,560
iii)	Welding rod & Stud nuts	5,56,338	6,69,205
iv)	Unfinished valve	5,04,02,109	2,65,87,919
v)	Packing Materials	7,69,526	5,70,991
vi)	Others	57,04,565	19,19,120
	Less: Excise Duty paid on purchase	(46,25,195)	(22,97,236)
	<b>Total</b>	<b>6,40,91,649</b>	<b>4,02,28,140</b>

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

D) Details of Manufactured Goods:

Sr.No.	Products	Current Period Rupees	Current Period Rupees
1	<b>Assembled valves</b>		
	Opening Stock	-	-
	Sales	12,25,83,186	8,94,58,762
	Closing Stock	-	-

E) Details of Traded Goods (net of tax):

Sr.No.	Products	Current Period Rupees	Current Period Rupees
1	<b>Steel Coil/Wire Rod /Plates</b>		
	Opening Stock	-	-
	Purchase	29,98,42,595	28,96,68,017
	Sales	30,42,83,160	29,12,67,225
	Closing Stock	-	-
2	<b>Other various products</b>		
	Opening Stock	-	-
	Purchase	48,06,473	7,96,388
	Sales	84,81,507	13,16,598
	Closing Stock	-	-

Sr.No.	Particulars	Current Period Rupees	Current Period Rupees
F)	<b>CIF value of Import Purchase Traded</b>	11,54,306	-
G)	<b>Expenditure in Foreign Currency</b>		
	Expenses Incurred	13,55,371	-
H)	<b>Earning in Foreign currency in FOB basis</b>		
	Export Sales	54,65,873	3,02,351

