

**SURI & CO.,**  
**CHARTERED ACCOUNTANTS**



Offices :  
Chennai, Thiruvananthapuram,  
Madurai, Coimbatore,  
Bengaluru and Kochi

Grams : "BALANSHEET"  
Phone : 24341140 & 24341150  
Fax : 044-24341170  
E-mail : chennai@suriandco.com  
Web : www.suriandco.com  
No. 4, (Old No. 55-A)  
Chevaliar Sivaji Ganesan Road,  
(South Boag Road), Thyagarayanagar,  
Chennai - 600 017.

**AUDITOR'S REPORT ON CORPORATE GOVERNANCE**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE  
GOVERNANCE UNDER THE LISTING AGREEMENT**

To  
The Members of NEY CER INDIA LIMITED, CHENNAI

We have examined the compliance of conditions of corporate governance by NEY CER INDIA LIMITED., CHENNAI for the year ended on 31<sup>st</sup> March 2017, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchange(s) for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 and as per the relevant provisions of Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulations 15(2) of the Listing Regulations.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Suri & Co.  
Chartered Accountants  
Firm Registration No. 0042835

Place : Chennai  
Date : 30-05-2017



R. Mahesh  
Partner  
M.No.024775

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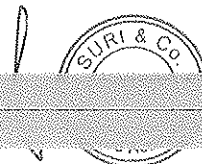
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NEYCER INDIA LIMITED, CHENNAI - 18**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Neycer India Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 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.



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, subject to non-provision of interest on term loan, cash credit and funded interest term loan from bank amounting to Rs. 7.66 crores and interest of Rs.4.46 crores on loan from Body corporate referred to in Note No.28 of notes to financial statements, resulting in the LOSS for the year understated by Rs.12.12 crores, 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 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") 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' statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
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 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

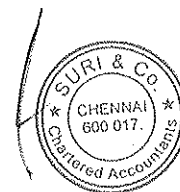
(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in 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 the financial statements- Refer Note 24 and Note 25(d) to 25(i) to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.



SURI & CO.

To.....

Date.....

Contn. Sheet.....

iv. The Company has provided requisite disclosures in its financial statements in Note No. 38 as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company.

Place : Chennai

Date : 30-05-2017



For Suri & Co.  
Chartered Accountants  
Firm Regn. No. 004283S

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R. Mahesh  
Partner  
M.No.024775

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NEYCER INDIA LIMITED**

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the Company.
- ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) The Company has not given any loans or made any investments, given any guarantees or provided any securities and accordingly compliance with the provisions of Section 185 and 186 of the Companies Act, 2013 does not arise.
- v) The Company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. As per information furnished, the Company has not received any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.



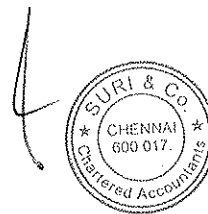
SURI & CO.

To.....

Date.....

Contrn. Sheet.....

- vi) We have broadly reviewed the cost records maintained by the Company in respect of products where the Central Government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) The Company is depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities belatedly and there are no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.





- b) According to the information and explanations furnished to us, the details of disputed statutory dues are as under:

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

- viii) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to banks. The default in respect of principal amount of loan was Rs.7,11,17,000 and that of interest was Rs.7,01,70,253 as detailed in Note No.4 and Note No.28 of the notes to the financial statements. The company has no outstanding debentures.
- ix) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year.



- x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi) The appointment of managerial personnel is without any remuneration and hence the Company has not paid or provided for any managerial remuneration during the year.
- xii) The Company is not a Nidhi company and hence paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and 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.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

Place : Chennai  
Date : 30-05-2017



For Suri & Co.  
Chartered Accountants  
Firm Registration No. 0042835

A handwritten signature in black ink, appearing to read "R. Mahesh".

R. Mahesh  
Partner  
M.No.024775

SURI & CO.

To.....

Date.....

Contr. Sheet.....

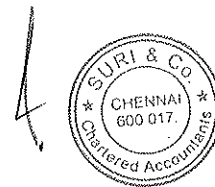
**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NEYCER INDIA LIMITED**

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

We have audited the internal financial controls over financial reporting of Neycer India Limited ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the 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.



SURI & CO.

To.....

Date.....

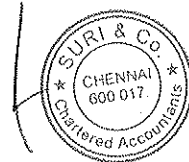
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### Auditors' Responsibility

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 the Institute of Chartered Accountants of India 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 were 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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



SURI & CO.

To.....

Date.....

Conrn. Sheet.....

**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 31<sup>st</sup> March,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 Suri & Co.  
Chartered Accountants  
Firm Registration No. 0042835



A handwritten signature in black ink, appearing to read "R. Mahesh".

R. Mahesh  
Partner  
M.No.024775

Place : Chennai

Date : 30-05-2017

**NEYCER INDIA LIMITED**  
**BALANCE SHEET AS AT 31.03.2017**

	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	10 16 69 160	10 16 69 160
(b) Reserves and surplus	3	(14 66 49 620)	(13 04 55 338)
		(4 49 80 460)	(2 87 86 178)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	4 93 45 018	6 41 95 677
(b) Other Long term liabilities	5	1 08 11 294	1 07 61 294
(c) Long-term provisions	6	1 75 16 011	2 58 30 067
		7 76 72 323	10 07 87 038
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	5 40 95 569	6 20 78 247
(b) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		3 68 35 236	3 50 15 057
(c) Other current liabilities	8	18 64 11 450	16 18 22 359
(d) Short-term provisions	9	2 12 98 869	1 37 97 920
		29 86 41 124	27 27 13 583
		33 13 32 987	34 47 14 443
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed assets</b>			
(i) Property, Plant and Equipment	10	14 50 71 061	15 35 00 402
(b) Non-current investments	11	1 50 000	1 50 000
(c) Deferred tax assets (net)	12	4 64 34 994	4 64 34 994
(d) Long term loans and advances	13	38 52 987	37 27 200
		19 55 09 042	20 38 12 596
<b>(2) Current Assets</b>			
(a) Inventories	14	7 22 57 663	7 81 36 010
(b) Trade receivables	15	3 29 02 532	3 51 50 348
(c) Cash and cash equivalents	16	27 66 320	26 16 948
(d) Short-term loans and advances	17	2 78 97 430	2 49 98 541
		13 58 23 944	14 09 01 847
		33 13 32 987	34 47 14 443

See accompanying notes to financial statements

*B.S. Shailendra*  
B.S. Shailendra  
Whole Time Director

*Y. Mohan Prasad*  
Y. Mohan Prasad  
Director

*G. Raghavan*  
G. Raghavan  
Company Secretary

*P. Thirukalathiappan*  
P. Thirukalathiappan  
Chief Financial Officer

Vide our report of even date attached  
For Suri & Co  
Chartered Accountants  
Firm Regn. No:0042835

*R. Mahesh*  
R. Mahesh  
Partner

Membership No: 024775



Place: Chennai  
Date: 30-05-2017

**NEYCER INDIA LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017**

	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
<b>I. Revenue from Operations</b>			
Sales and Other Operating Income	18	19 49 67 023	22 69 43 510
Less: Excise Duty		1 79 96 931	2 15 91 219
		17 69 70 092	20 53 52 291
<b>II. Other Income</b>	19	64 33 634	17 07 082
<b>III. Total Revenue (I+II)</b>		<b>18 34 03 726</b>	<b>20 70 59 372</b>
<b>IV. EXPENSES</b>			
Cost of materials consumed		1 72 49 685	2 24 56 780
Purchases of stock-in-trade		2 09 42 067	2 16 97 907
Changes in inventories of finished goods, work in progress and stock-in-trade	20	58 14 576	1 61 443
Employee benefits expense	21	4 62 28 831	5 24 49 712
Finance Costs	22	1 62 00 653	1 79 61 202
Depreciation and amortization expense	10	1 08 24 064	1 09 61 080
Other expenses	23	8 23 38 132	9 61 59 151
<b>Total Expenses</b>		<b>19 95 98 009</b>	<b>22 18 47 275</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		(1 61 94 283)	(1 47 87 903)
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		(1 61 94 283)	(1 47 87 903)
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before Tax (VII-VIII)</b>		(1 61 94 283)	(1 47 87 903)
<b>X. Tax Expense:</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>XI. Profit/(loss) for the period (IX-X)</b>		(1 61 94 283)	(1 47 87 903)
<b>XII. Earnings per equity share of face value Rs. 10 each</b>			
Basic and diluted		(1.60)	(1.46)

See accompanying notes to financial statements

Vide our report of even date attached

For Suri & Co

Chartered Accountants

Firm Regn. No:0042835

*R. Mahesh*

R. Mahesh

Partner

Membership No: 024775

B.S.Shailendra Y.Mohan Prasad

Whole Time Director Director

*G. Raghavan*

G. Raghavan  
Company Secretary

*P. Thirukalathiappan*

P. Thirukalathiappan  
Chief Financial Officer



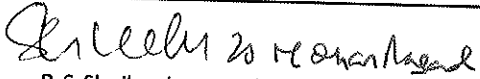
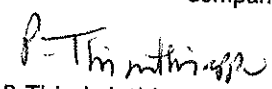
Place: Chennai

Date: 30-05-2017



**NEYCER INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

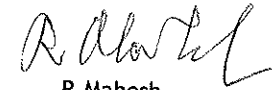
	31.03.2017 Rs.	31.03.2016 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) Before tax	( 1 61 94 283)	( 1 47 87 903)
Add: Depreciation	1 08 24 066	1 09 61 080
Interest and finance charges	1 62 00 653	1 79 61 202
Loss on Sale of Assets	-	29 189
Less: Interest received	( 3 23 362)	( 5 64 901)
Profit on sale of assets	( 2 499)	-
	<b>1 05 04 575</b>	<b>1 35 98 667</b>
Adjustment for changes in working capital		
(Increase)/ Decrease in inventories	58 78 348	29 72 371
(Increase)/ Decrease in sundry debtors	22 47 816	( 14 29 090)
(Increase) /Decrease in loans and advances	( 31 84 053)	( 12 35 542)
Increase/ (Decrease) in current liabilities	53 87 381	32 45 422
Increase/ (Decrease) in Provisions	( 8 13 107)	( 34 05 216)
(A)	<b>2 00 20 960</b>	<b>1 37 46 612</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Acquisition of fixed assets	( 23 94 726)	( 12 43 640)
Sale of fixed assets	2 500	1 40 000
(B)	<b>( 23 92 226)</b>	<b>( 11 03 640)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Availment / (Repayment) of Secured loans	( 1 19 47 608)	( 1 04 72 894)
Availment / (Repayment) of Unsecured loans	50 000	3 00 000
Interest received	3 23 362	5 64 901
Interest and Finance Charges paid	( 60 64 495)	( 76 51 814)
(C)	<b>( 1 76 38 741)</b>	<b>( 1 72 59 807)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b>		
	<b>( 10 007)</b>	<b>( 1 72 192)</b>
Cash and cash equivalents as at beginning of the year	2 33 802	4 05 994
Cash and cash equivalents as at end of the year	2 23 795	2 33 802

  
 B.S. Shailendra      Y. Mohan Prasad      G. Raghavan  
 Whole Time Director      Director      Company Secretary  
  
  
 P. Thirukalathiappan  
 Chief Financial Officer

Vide our report of even date attached

For Suri & Co.,  
Chartered Accountants  
Firm Reg. No.: 0042835



  
 R. Mahesh  
 Partner  
 Membership No: 024775

Place: Chennai  
Date: 30-05-2017

**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

**1. SIGNIFICANT ACCOUNTING POLICIES:**

**a) BASIS OF ACCOUNTING:**

The accompanying financial statements have been prepared on the assumption that the company is a going concern and in accordance with the historical cost convention, generally accepted accounting principles and the Accounting Standards under the Companies Accounting Standards Rules, 2006

**b) PROPERTY PLANT AND EQUIPMENT**

The Company follows cost model of accounting for Property, Plant and Equipment and accordingly assets are stated at historical cost less accumulated depreciation. Cost is inclusive of freight, installation, duties and other incidental expenses but excludes taxes and duties that are recoverable subsequently from the taxing authorities. Buildings, Plant and Machinery, Computers and electrical installations are depreciated on Straight Line Method and other assets on Written Down Value basis on the useful lives as specified in Part C of Schedule II of Companies Act 2013.

**c) INVESTMENTS:**

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made if such decline is other than temporary in the opinion of the management.

**d) INVENTORIES:**

Inventories are valued at lower of cost and net realizable value. Cost is determined based on monthly weighted average. Cost includes taxes, duties and other incidental expenses but excludes taxes and duties that are recoverable subsequently from the taxing authorities.

**e) FOREIGN CURRENCY TRANSACTIONS:**

The foreign currency transactions are accounted for at the exchange rates prevailing on the date of transactions. The fluctuation variation in respect of foreign currency transactions remaining unsettled as at the end of the year are translated at the rates prevailing on the last day of the year. Foreign exchange differences are recognized in the profit and loss statement to the period in which they arise.

**f) INCOME AND EXPENDITURE RECOGNITION:**

Income is recognized and expenditure is accounted for on their accrual. Revenue from sale is recognized on transfer of significant risk and reward. Sales are inclusive of excise duty and net of sales returns and trade discounts.



**g) INTANGIBLE ASSET:**

Intangible assets are recognized only if there is any Future Economic Benefit. Research expenses are charged to revenue.

**h) EMPLOYEE COST:**

Short term employee benefits, in respect of leave salary, leave travel allowance and reimbursement of medical expenses, the liability has been fully provided on undiscounted basis, in accordance with the schemes in force.

The contribution to provident fund ( Defined Contribution Plan ) as per the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 is recognized and charged to revenue.

The company's liability towards retirement benefits, in the form of gratuity, and other retirement benefits(Defined Benefit Plans) is worked out on actuarial basis at the end of the year and is provided.

**i) BORROWING COST:**

Borrowing costs that are attributable to the qualifying assets are capitalized till the date of commissioning, as part of the cost of such assets. All other borrowing costs are charged to revenue.

**j) TAXES ON INCOME**

i) Taxes on income are accrued in the same period as the revenue and expenses to which they relate and are reckoned as Current tax and Deferred tax.

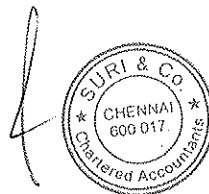
ii) Current Taxes are measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

iii) Deferred tax on account of Tax effect on the accumulated timing differences that arises between the Accounting income and Taxable income is measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

iv) Deferred Tax Asset is recognized on reasonable certainty that sufficient future taxable income will be available.

**k) IMPAIRMENT OF ASSETS:**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine the extent of recognition of provision for of impairment loss, if any, required or the reversal, if any, required of impairment loss recognised in previous periods. Where the carrying amount of an asset exceeds its recoverable amount, such excess is recognised as impairment loss and charged to revenue.



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

**(A) Authorised, Issued, Subscribed, Paid-up share capital and par value per share**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>2.SHARE CAPITAL</b>		
<b>Authorised:</b>		
2,97,00,000 Equity Shares of Rs.10/- each	29 70 00 000	29 70 00 000
3,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each	30 00 000	30 00 000
<b>Issued: 1,01,63,263 Equity shares of Rs.10/- each</b>	<b>10 16 32 630</b>	<b>10 16 32 630</b>
15,000 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each	1 50 000	1 50 000
<b>Subscribed and Paid-up: 1,01,51,916 Equity shares of Rs. 10/- each</b>	<b>10 15 19 160</b>	<b>10 15 19 160</b>
15,000 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each	1 50 000	1 50 000
<b>Total</b>	<b>10 16 69 160</b>	<b>10 16 69 160</b>



NEYCER INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2017

(B) (i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	31.03.2017		31.03.2016	
	Number	Rs.	Number	Rs.
Outstanding as at the beginning and end of the year	1 01 51 916	10 15 19 160	1 01 51 916	10 15 19 160

(ii) Reconciliation of 9.5% Cumulative Redeemable preference shares outstanding at the beginning and at the end of the year

Particulars	31.03.2017	31.03.2016
Outstanding as at the beginning and end of the year	15 000	15 000

(C) Shares held by the Holding Company: Sriven Realtors Private Limited 60,00,000 Equity Shares of Rs. 10 each from 06-09-2013 to 18-11-2016. Since 18-11-2016, 60,00,000 Equity Shares of Rs.10 each held by Varun Ventures Private Limited pursuant to order of Madras High Court dated 18-11-2016 sanctioning the amalgamation of M/s Sriven Realtors Private Limited with M/s Varun Vetures Private Limited with effect from 1-4-2015.

(D) Shares in the company held by each shareholder holding more than 5% of equity shares

Name of the shareholder	31.03.2017		31.03.2016	
	Number of shares	% holding	Number of shares	% holding
Sriven Realtors Private Limited	-	-	60 00 000	59.10
Varun Ventures Private Limited	60 00 000	59.10	-	-
CDS Projects Limited	13 30 000	13.10	13 30 000	13.10
Sparta Holdings Limited	12 07 789	11.90	12 07 789	11.90
Spartek Ceramics India Limited	9 52 960	9.39	9 52 960	9.39

(E) Aggregate number and class of shares allotted as fully paid, without payment being received in cash, pursuant to BIFR order dated 6.10.2008, during the year ended 31.03.2014

Name of shareholder	Class of Shares	No. of Shares
CDS Projects Limited	Equity Share of Rs. 10 each	13 30 000



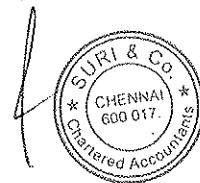
**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>3.RESERVES AND SURPLUS</b>		
1.Capital Reserve		
As per last Balance Sheet	32 468	32 468
2.Central Subsidy		
As per last Balance Sheet	25 00 000	25 00 000
3.Share Premium Account		
As per last Balance Sheet	74 400	74 400
4.General Reserve		
As per last Balance Sheet	2 53 61 450	2 53 61 450
5.Surplus/(Deficit) in Profit and Loss Statement		
As per last Balance Sheet	(15 84 23 655)	(14 36 35 752)
Add: Profit/(Loss) for the year	(1 61 94 283)	(1 47 87 903)
	<b>(17 46 17 938)</b>	<b>(15 84 23 655)</b>
	<b>(14 66 49 620)</b>	<b>(13 04 55 338)</b>



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>4.LONG TERM BORROWINGS</b>		
<b>TERM LOANS</b>		
<b>From Banks - Secured</b>		
(i) Term Loan	NIL	60 84 000
<b>Period and Amount of continuing default -</b> Current maturities of long term debt given in Note No.8 includes principal amount of Rs. 3,00,16,000/- for the period Mar. 2013 to Mar. 2017 and interest of Rs. 2,42,35,785/- from Jan 2012 to Mar 2017.		
<b>Refer Note : 28</b>		
(ii) Term Loan	NIL	72 99 000
<b>Period and Amount of continuing default -</b> Current maturities of long term debt given in Note No.8 includes principal amount of Rs. 4,11,01,000/- for the period Feb. 2013 to Mar.2017 and interest of Rs. 2,83,34,468/- from Apr 2012 to Mar 2017.		
Unprovided interest of Rs. 88,55,440/- for the period Nov 2010 to Mar 2012.		
<b>Refer Note : 28</b>		
(iii) Working Capital Term Loan	NIL	11 84 000
<b>Period and Amount of continuing default - NIL</b>		
(iv) Hire Purchase loan (Secured by vehicles purchased under hire purchase scheme)		
<b>Terms of Repayment:</b>		
HDFC Car Loan - BENZ -Repayable in Monthly installments till January 2019	8 24 915	16 28 677
HDFC Car Loan - BOLERO -Repayable in Monthly installments till July 2021	5 20 103	-
<b>Period and Amount of continuing default - NIL</b>		



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>From Others - Secured</b>		
Body Corporate	4 80 00 000	4 80 00 000
<b>Terms of Repayment:</b> To commence after repayment of borrowings from banks.		
<b>Period and Amount of continuing default - NIL</b>		
<b>Note:</b> Term loans from Banks and Body Corporate are secured by a First charge on the fixed assets and movables of the company, present and future, subject to prior charge created in favour of company's bankers, of stock of raw materials, finished goods, stores etc and shall rank pari passu among themselves. Term Loans from Banks are guaranteed by the previous Whole-time Director and Spartek Ceramics India Limited.		
	<b>4 93 45 018</b>	<b>6 41 95 677</b>
<b>5. OTHER LONG TERM LIABILITIES</b>		
Trade Deposits	1 07 67 000	1 07 17 000
Deposit from Contractors	44 294	44 294
	<b>1 08 11 294</b>	<b>1 07 61 294</b>
<b>6. LONG-TERM PROVISIONS</b>		
Provision for Gratuity	1 62 75 870	2 45 92 830
Provision for Leave Salary	12 40 141	12 37 237
	<b>1 75 16 011</b>	<b>2 58 30 067</b>





**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

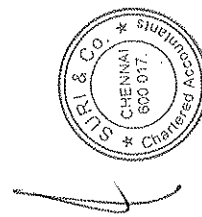
	31.03.2017 Rs.	31.03.2016 Rs.
<b>7.SHORT-TERM BORROWINGS</b>		
<b>(A) OTHER LOANS AND ADVANCES</b>		
Cash Credit Account - Secured (Secured by hypothecation of stores & spares, raw materials, stock-in-process, finished goods and book debts and Second charge on the fixed assets of the company and guaranteed by the previous Whole-time Director and Spartek Ceramics India Limited.)	5 40 95 569	6 20 78 247
Period and Amount of default - Refer Note : 28		
	<b>5 40 95 569</b>	<b>6 20 78 247</b>
<b>8.OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt		
Term Loan	8 56 84 000	7 49 51 000
Hire Purchase loan	10 14 898	8 62 168
Interest Free Excise Loan	1 50 00 000	1 50 00 000
Interest accrued and due on borrowings	5 26 12 920	4 24 76 762
Advance from Customers	1 04 27 755	86 98 134
Other Payables		
Excise Duty Payable	1 88 73 086	1 65 85 982
Sales Tax Payable	24 22 559	28 64 143
TDS Payable	1 63 349	1 41 880
TCS Payable	2 013	45 186
Professional Tax Payable	87 370	74 793
Staff Recoveries Payable	1 23 501	1 22 311
	<b>18 64 11 450</b>	<b>16 18 22 359</b>
<b>9.SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	2 02 32 064	1 27 31 115
Provision for Fringe Benefit Tax	10 66 805	10 66 805
	<b>2 12 98 869</b>	<b>1 37 97 920</b>



NEYSER INDIA LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2017

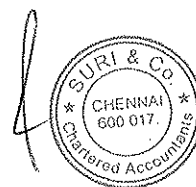
10. PROPERTY, PLANT AND EQUIPMENT  
FIXED ASSETS

S.No	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 1.4.2016	Additions	Deletions	As at 31.03.2017	As at 1.4.2016	For the year	Withdrawn	As at 31.03.2017	As at 31.3.2016
1	Land	5 27 255			5 27 255				5 27 255	5 27 255
2	Buildings	1 20 26 489			1 20 26 489	1 10 007		1 13 95 995	6 30 494	7 40 501
3	Plant & Machinery	27 14 80 518			27 14 80 518	86 90 741		13 16 32 140	13 98 48 378	14 85 39 119
4	Furniture & Fittings	6 84 962	6 70 750		13 55 712	1 45 811		7 07 528	6 48 184	1 23 245
5	Office Equipment	15 45 858	7 14 743		22 60 601	3 53 220		17 00 537	5 60 064	1 98 542
6	Vehicles	1 04 92 911	8 63 938		1 13 56 849	10 60 890		89 50 375	24 06 474	26 03 426
7	Computers and Servers	22 99 081	1 45 295		24 44 376	3 00 545		20 23 795	4 20 581	5 75 831
8	Intangibles	4 84 406			4 84 406	1 61 469		4 66 269	18 137	1 79 606
9	Research & Development:									
	A. Buildings	3 25 535			3 25 535			3 25 534	1	1
	B. Plant & Machinery	33 65 974			33 65 974	1 381		33 54 483	11 491	12 872
	C. Electrical Installation	80 481		8 860	71 621		8 860	71 620	1	1
	<b>TOTAL</b>	<b>30 33 13 470</b>	<b>23 94 726</b>	<b>8 860</b>	<b>30 56 99 336</b>	<b>1 08 24 064</b>	<b>8 860</b>	<b>16 06 28 274</b>	<b>14 50 71 061</b>	<b>15 35 00 402</b>
	Previous Year	30 27 47 696	12 43 640	6 77 865	30 33 13 471	1 09 61 080	5 08 676	14 98 13 070	15 35 00 402	16 33 87 030



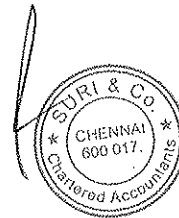
**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>11. NON-CURRENT INVESTMENTS</b>		
Investments in Neycer Employees co-operative society	1 50 000	1 50 000
	<b>1 50 000</b>	<b>1 50 000</b>
<b>12. DEFERRED TAX ASSET / (LIABILITIES)</b>		
Related to Fixed assets	(2 03 29 219)	(2 03 29 219)
On account of Unabsorbed Depreciation	6 67 64 213	6 67 64 213
	<b>4 64 34 994</b>	<b>4 64 34 994</b>
<b>13. LONG - TERM LOANS AND ADVANCES</b>		
<b>Security Deposits</b>		
Unsecured, Considered good	38 52 987	37 27 200
	<b>38 52 987</b>	<b>37 27 200</b>
<b>14. INVENTORIES</b>		
(Valued at lower of Cost and Net Realisable Value)		
Raw Materials	16 01 787	24 98 122
Work-in-progress	9 50 640	20 82 891
Finished Goods	5 41 48 746	5 79 04 565
Stock-in-trade	68 72 723	77 99 228
Stores and spares	86 83 766	78 51 204
	<b>7 22 57 663</b>	<b>7 81 36 010</b>
<b>15. TRADE RECEIVABLES</b>		
Secured - Considered good		
(a) Exceeding six months	25 41 824	30 80 796
(b) Other debts	3 94 899	5 83 359
Unsecured		
(a) Exceeding six months-Considered good	1 67 71 271	1 39 19 951
(b) Considered doubtful	4 81 87 272	4 81 87 272
Less: Provision for Doubtful Debts	(4 81 87 272)	(4 81 87 272)
(c) Other debts-Considered good	1 31 94 539	1 75 66 242
	<b>3 29 02 532</b>	<b>3 51 50 348</b>



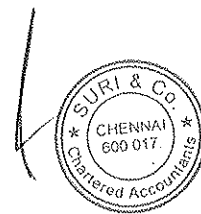
**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>16. CASH AND CASH EQUIVALENTS</b>		
(A) Balances with banks		
In Current Accounts	1 89 306	2 26 110
Cash on hand	34 489	7 692
	2 23 795	2 33 802
(B) Margin money deposit for LC/Guarantee	25 42 525	23 83 146
	<b>27 66 320</b>	<b>26 16 948</b>
<b>17. SHORT-TERM LOANS AND ADVANCES</b>		
Tax payments pending Adjustments (Net)	7 85 579	7 87 613
Advance to Suppliers	2 13 88 742	1 92 00 701
Other Advances:		
Unsecured -Considered good	57 23 109	50 10 227
Unsecured -Considered doubtful	14 51 537	14 51 537
Less: Allowance for bad and doubtful advances	( 14 51 537)	( 14 51 537)
	<b>2 78 97 430</b>	<b>2 49 98 541</b>



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>18. REVENUE FROM OPERATIONS</b>		
(i) Sale of Products		
Sale of Manufactured goods	16 19 89 184	19 43 20 978
Sale of Trading goods	3 20 97 606	3 02 09 453
(ii) Other Operating Revenue		
Scrap Sales	8 80 233	24 13 079
	<b>19 49 67 023</b>	<b>22 69 43 510</b>
<b>19. OTHER INCOME</b>		
Interest Income	3 23 362	5 64 901
Miscellaneous Income	25 122	51 774
Profit on Sale of Assets	2 499	-
Credits no longer required written back	-	6 17 570
Insurance claim received	60 82 650	4 24 650
Provision for Leave Salary written back	-	48 187
	<b>64 33 634</b>	<b>17 07 082</b>
<b>20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock :		
Finished Stock including Merchandise fitting	6 57 03 794	6 65 59 166
Add : Work-in-Progress	20 82 891	13 88 962
	<b>6 77 86 685</b>	<b>6 79 48 128</b>
Closing Stock :		
Finished Stock including Merchandise fitting	6 10 21 469	6 57 03 794
Add : Work-in-Progress	9 50 640	20 82 891
	<b>6 19 72 109</b>	<b>6 77 86 685</b>
	<b>58 14 576</b>	<b>1 61 443</b>



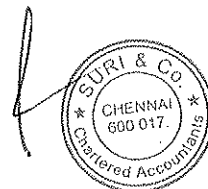
**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	31.03.2017 Rs.	31.03.2016 Rs.
<b>21.EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	3 47 98 023	3 95 72 402
Contribution to provident and other funds	41 49 680	50 81 216
Staff Welfare Expenses	38 98 136	33 03 264
Provision for Gratuity	31 64 010	44 92 830
Provision for Leave Salary	2 18 982	-
	<b>4 62 28 831</b>	<b>5 24 49 712</b>
<b>22.FINANCE COSTS</b>		
Interest Expense	1 54 16 632	1 75 68 703
Bank Charges	7 84 021	3 92 499
	<b>1 62 00 653</b>	<b>1 79 61 202</b>
<b>23.OTHER EXPENSES</b>		
Consumption of stores and spare parts	84 08 949	88 11 691
Power and fuel	3 79 08 814	4 50 69 296
Rent	25 88 500	18 85 387
Repairs to buildings	3 29 941	87 769
Repairs to machinery	42 74 637	51 14 381
Legal & Professional Charges	34 98 944	62 10 543
Insurance	3 06 938	2 75 802
Rates and Taxes	6 96 237	10 86 174
Freight and Forwarding	6 61 883	3 79 938
Postage and Telephone	10 05 344	10 60 161
Printing and Stationery	7 13 677	5 28 636
Travelling and conveyance	94 48 908	1 14 11 177
Loss On Sale of Asset	-	29 189
Provision for Bad and Doubtful Debts	-	12 26 386
- For Audit	1 50 000	1 00 000
- For Certification	36 000	42 000
- Reimbursement of expenses	23 000	34 400
- For Service Tax	27 400	18 240
Selling Expenses	21 42 786	49 65 125
Advertisement and Publicity	3 48 728	3 46 906
Interest on Delayed remittance of Provident Fund	1 56 629	-
Interest on Delayed remittance of Excise Duty	40 58 961	14 85 618
Interest on Delayed remittance of service tax	72 812	50 978
Interest on Delayed remittance of VAT and CST	7 27 462	6 79 261
Interest on Delayed remittance of ESI	3 605	11 209
Interest on Delayed payment of Gratuity	1 08 670	-
Interest on Delayed remittance of TDS	7 159	3 707
Interest on Delayed remittance to TNEB	84 684	91 665
Increase/ (-) Decrease in Excise Duty on Closing Stock	( 4 25 508)	( 2 63 366)
Miscellaneous expenses	49 72 973	54 16 877
	<b>8 23 38 132</b>	<b>9 61 59 151</b>



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

24. Other Notes:	31.03.2017	31.03.2016
	Rs.	Rs.
Claims against the Company not acknowledged as debts:		
Award granted in arbitration proceedings has been set aside by Court and further appeal filed by the company in Court against the decree is pending, hence no impact on the financial position of the company.	40 00 000	40 00 000
<b>25. Contingent liability in respect of:</b>		
a) Outstanding letter of credit issued by banks	46 15 827	45 09 900
b) Guarantees given by banks for export obligations	71 63 647	71 63 647
c) Arrears of dividend on cumulative preference shares	92 030	92 030
d) <u>Tamil Nadu General Sales Tax demand disputed for the assessment year 1994-95</u> The demand raised by the Commercial Tax Officer in respect of financial transaction representing lease of machineries in erstwhile Tiles Division has been set-aside in appeal by the Appellate Assistant Commissioner and remanded back to the Assessing Authority for fresh consideration, which is pending before the Deputy Commercial Tax Officer. In view of the disputed nature of the demand, the same has not been provided for.	93 20 618	93 20 618
e) <u>Tamil Nadu General Sales Tax demand disputed for the assessment year 2001-02</u> The demand has been raised by the Assistant Commissioner (Commercial Taxes). The Company has filed an appeal against the order in respect of alleged difference in reported turnover in erstwhile Tiles Division before the Appellate Assistant Commissioner (Commercial Taxes), which is pending. In view of the disputed nature of the demand, the same has not been provided for.	3 44 15 091	3 44 15 091
f) <u>Central Sales Tax demand disputed for the assessment year 2001-02</u> The demand has been raised by the Assistant Commissioner (Commercial Taxes) for non-submission of 'C' form in respect of inter-state Sales and non-submission of export documents and Form-H in respect of export sales. The Company has filed an appeal against the order before the Appellate Assistant Commissioner (Commercial Taxes), which is pending. In view of the disputed nature of the demand, the same has not been provided for.	50 56 861	50 56 861
g) <u>Tamil Nadu Value Added Tax demand disputed for the assessment year 2011-12</u> The demand has been raised by the Assistant Commissioner (Commercial Taxes), for non-reversal of VAT Input Tax Credit claimed by the Company relating to stock destroyed due to "Thane Cyclone". The Company has filed a writ petition before the Honourable High Court of Madras for quashing the proceedings. In view of the disputed nature of the demand, the same has not been provided for.	57 93 862	57 93 862
h) <u>ESI demand disputed for the period May 2005 to March 2009</u> In respect of the above period, demand has been raised by the Director (Revenue), Employees State Insurance Corporation, Chennai, for non-payment of contribution within the time limit prescribed. The Company has filed petition before ESI Labour Court for waiver of damages. In view of the disputed nature of the demand, the same has not been provided for.	6 47 330	6 47 330
i) <u>PF demand disputed for the period March 2011 to March 2014</u> In respect of the above period, demand has been raised by the Regional Provident Fund, Commissioner, Sub-Regional office, Trichirappalli, for subterfuge wages in respect of regular employees and due for evaded wages in contract employees. The Company has obtained a stay in respect of the demand and appeal has been filed before the Employees Provident Fund Appellate Tribunal, Delhi. In view of the disputed nature of the demand, the same has not been provided for.	47 22 090	47 22 090



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

26. The company has been declared sick industrial company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.
27. Since the Company is a sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, the company, based on legal opinion, had filed a petition before BIFR, seeking leave for redemption of 9.5 % Cumulative Redeemable Preference Shares, ought to have been redeemed before 15th June 1993 and the same is pending.
28. As in earlier years, the company has not recognised interest dues on loans from bank and body corporate and the arrears of interest payable to bank aggregate to Rs. 6.39 Crores subject to reconciliation has been converted by the bank during the year 2011-12 into Funded Interest Term Loan, of which Rs.49.25 lacs paid has been recognised upto year ended 31.03.2015 and since then no payment has been made. The repayment of FITL in EMI terms scheduled to commence from January 2012 has not been made and the same will be recognised as and when the funded interest is serviced. The company has not recognised interest dues on loans from Viz projects, a body corporate upto 31-03-2016 to an extent of Rs.3.98 Crores and for the year amounting to Rs.48 Lakhs. The interest is for the period from 2009-10 with a right to recompense from the date of debt restructuring and the same will be recognised as and when it is serviced.
- During the year ended 31st March 2015, the bank had converted, pending reconciliation by the company, unrecognised interest dues of Rs. 37 lakhs of Term loan-I pertaining to the period 29-06-2011 to 31-12-2011, Rs. 87 Lakhs of Term loan II pertaining to period 29-10-2010 to 31-12-2011, Rs.57 Lakhs of the Cash Credit facility pertaining to the period 01-01-2011 to 31-12-2011 into Funded Interest Term Loan II of which Rs.5 Lakhs paid during the year ended 31.03.2015 has been recognised. The repayment of FITL II in EMI terms scheduled to commence from September 2014 has not been made and same will be recognised as and when the funded interest is serviced.
29. Excise duty liability on Finished Goods held in stock amounting to Rs. 60 08 333/- has been provided for. However this will not have any bearing on the working results of the Company since the value of closing stock has been adjusted to the same extent.
30. No provision for taxation is considered necessary as the taxable income for the year ended 31st March 2017 is negative.
31. In the opinion of the management, current assets, loans & advances have value in realization to the extent they are stated in the accounts.

**32. EMPLOYEE BENEFITS:**

**i) DEFINED CONTRIBUTION PLANS:**

The company makes contribution towards employees provident fund, family pension fund, and employees state insurance scheme. Under the rules of these schemes the company is required to contribute a specified percentage of payroll cost. The company during the year recognized Rs. 38 51 191 /- as expenses towards contributions to these plans.

**ii) DEFINED BENEFIT SCHEMES : (Unfunded)**

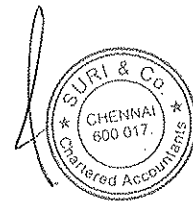
(a) Assumptions (Weighted Average)	(i) GRATUITY		(ii) EARNED LEAVE	
	31.03.17	31.03.16	31.03.17	31.03.16
Discount Rate	6.85%	7.64%	6.85%	7.64%
Salary escalation Rate	7.00%	7.00%	7.00%	7.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%





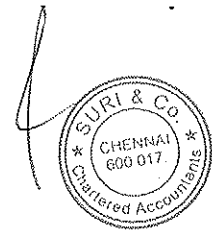
**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	(i) GRATUITY		(ii) EARNED LEAVE	
	31.03.17	31.03.16	31.03.17	31.03.16
<b>(b) Table showing changes in present value of obligations (Amounts in Rs.)</b>				
Present value of obligations as at beginning of year	2 96 29 280	2 95 29 065	15 70 696	20 39 343
Interest Cost	20 79 348	20 88 223	1 13 899	1 39 744
Current Service Cost	6 72 591	9 28 099	4 09 419	5 00 743
Past service cost (Non vested Benefits)	-	-	-	-
Past service cost (Vested Benefits)	-	-	-	-
Benefits Paid	( 48 25 366)	( 43 92 615)	( 1 59 745)	( 4 20 460)
Actuarial (Gain) / Loss on obligation	( 58 81 518)	14 76 508	( 3 04 336)	( 6 88 674)
Present value of obligations as at end of year	2 16 74 335	2 96 29 280	16 29 933	15 70 696
<b>(c) Table showing changes in the fair value of plan assets</b>				
Fair value of plan assets at beginning of year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain / (loss) on plan assets	-	-	-	-
Fair value of plan assets at the end of the period	-	-	-	-
<b>(d) Actual return on plan assets</b>				
Expected return on plan assets	-	-	-	-
Actuarial Gain (Loss) on plan assets	-	-	-	-
Actual return on plan assets	-	-	-	-
<b>(e) Actuarial Gain / Loss recognized (Amounts in Rs.)</b>				
Actuarial gain/ (loss) for the period- Obligation	58 81 518	( 14 76 508)	3 04 336	6 88 674
Actuarial (gain)/ loss for the period - Plan assets	-	-	-	-
Total (gain)/ loss for the year	( 58 81 518)	14 76 508	( 3 04 336)	( 6 88 674)
Actuarial (gain)/ loss recognized in the period.	( 58 81 518)	14 76 508	( 3 04 336)	( 6 88 674)
Unrecognized Actuarial (gain) /loss at the end of the year	-	-	-	-



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	(i) GRATUITY		(ii) EARNED LEAVE		
	31.03.17	31.03.16	31.03.17	31.03.16	
<b>(f) Amounts recognized in the Balance Sheet (Amounts in Rs.)</b>					
Present value of obligation	2 16 74 335	2 96 29 280	16 29 933	15 70 696	
Fair value of plan assets	-	-	-	-	
Difference	2 16 74 335	2 96 29 280	16 29 933	15 70 696	
Unrecognized transitional liability	-	-	-	-	
Unrecognized past service cost - non vested benefits	-	-	-	-	
Liability recognized in the balance sheet	2 16 74 335	2 96 29 280	16 29 933	15 70 696	
<b>(g) Amounts Recognized in statement of Profit &amp; Loss (Amounts in Rs.)</b>					
Current Service cost	6 72 591	9 28 099	4 09 419	5 00 743	
Interest Cost	20 79 348	20 88 223	1 13 899	1 39 744	
Expected return on plan assets	-	-	-	-	
Net Actuarial (gain) / loss recognized in the year	( 58 81 518)	14 76 508	( 3 04 336)	( 6 88 674)	
Transitional liability recognized during the year	-	-	-	-	
Past service cost(Non vested Benefits)	-	-	-	-	
Past service cost(Vested Benefits)	-	-	-	-	
Expenses Recognized in statement of Profit & Loss	( 31 29 579)	44 92 830	2 18 982	( 48 187)	
<b>(h) Statement Showing Movement in amounts of obligations and value of plan assets</b>					
(i) GRATUITY (Amounts in Rs. )					
	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligations	2 16 74 335	2 96 29 280	2 95 29 065	2 80 17 069	2 86 17 012
Plan assets	-	-	-	-	-
Surplus/(deficit)	( 2 16 74 335)	( 2 96 29 280)	( 2 95 29 065)	( 2 80 17 069)	( 2 86 17 012)
Experience adjustments on benefit obligations	( 58 81 518)	14 76 508	20 00 494	89 99 396	89 99 396
Experience adjustments on plan assets	-	-	-	-	-
(ii) EARNED LEAVE (Amounts in Rs.)					
	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligations	16 29 933	15 70 696	20 39 343	16 91 344	19 93 058
Plan assets	-	-	-	-	-
Surplus/(deficit)	( 16 29 933)	( 15 70 696)	( 20 39 343)	( 16 91 344)	( 19 93 058)
Experience adjustments on benefit obligations	3 04 336	6 88 674	4 571	5 20 615	1 80 253
Experience adjustments on plan assets	-	-	-	-	-



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

**33. ADDITIONAL NOTES**

<b>a. Capacity &amp; Production</b>	<b>31-3-2017</b>	<b>31-3-2016</b>
	<b>Tons</b>	<b>Tons</b>
(i) Licensed Capacity		
Vitreous China Sanitary ware	10000	10000
Ceramic Floor Tiles	25000	25000
(ii) Installed Capacity		
(As Certified by the Management)		
Vitreous China Sanitary ware	8750	8750
(iii) Actual Production		
Vitreous China Sanitary ware	2097	2353
 <b>b. Turnover</b>		
	<b>2016-17</b>	<b>2015-16</b>
	<b>Qty in MT.</b>	<b>Value in Rs.</b>
i. Vitreous China Sanitary ware	1901	14 39 92 253
ii. Traded items		2604
a) Merchandise Fittings		17 27 29 759
b) Sanitaryware (in pieces)	664	2 82 16 427
		38 81 179
		140
		2 98 76 548
		3 32 905
		<u>17 60 89 859</u>
		<u>20 29 39 211</u>
 <b>c. Opening Stock &amp; Closing Stock of Goods</b>		
<b>Opening Stock</b>		
i. Vitreous China Sanitary ware	1215	5 79 04 565
(Flood damage 106 Tons)		1572
6 02 74 859		
ii. Traded items		
a) Merchandise Fittings	-	65 11 092
b) Sanitaryware (in pieces)	814	-
		54 55 808
		12 88 137
		719
		8 28 499
		<u>6 57 03 794</u>
		<u>6 65 59 166</u>
<b>Closing Stock</b>		
i. Vitreous China Sanitary ware	1238	5 41 48 746
(Stock destroyed 173 Tons)		1215
5 79 04 565		
ii. Traded items		
a) Merchandise Fittings	-	57 20 625
b) Sanitaryware (in pieces)	865	-
		65 11 092
		11 52 098
		814
		12 88 137
		<u>6 10 21 469</u>
		<u>6 57 03 794</u>
 <b>d. Purchase of Traded Goods</b>		
a) Merchandise Fittings		1 81 39 709
b) Sanitaryware (in pieces)	715	28 02 358
		235
		2 11 65 733
		5 32 174
		<u>2 09 42 067</u>
		<u>2 16 97 907</u>



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

	2016-17		2015-16		
	Qty in MT.	Value in Rs.	Qty in MT.	Value in Rs.	
<b>e. Raw Materials Consumed:</b>					
Clay	1 565	70 23 209	2 294	96 26 391	4 488
Quartz & Feldspar	1 332	47 59 028	1 747	54 98 987	3 572
Zirconium Opacifier	27	28 12 232	36	37 45 742	1 03 692
Glazes, Fritz and Stains	1	9 52 582	2	12 18 112	7 75 087
Chemicals & Others	78	17 02 633	116	23 67 548	21 786
	<u>3 004</u>	<u>1 72 49 685</u>	<u>4 195</u>	<u>2 24 56 780</u>	

**f. Value of Imports on CIF basis:**

Raw Materials	-	-	-	-
Stores & Spares	-	-	-	-

**g. Earnings In Foreign Exchange:**

FOB value of Exports	-	-	-	-
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**h. Expenditure incurred in foreign currency:**

Travelling Expenses	8 23 113	13 92 578
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**i. Consumption of imported, indigenous Raw Materials, Stores & Spares**

<u>Raw Materials:</u>	%	Rs.	%	Rs.
Imported	-	-	0.01	1 894
Indigenous	100.00	1 72 49 685	99.99	2 24 54 886
	<u>100.00</u>	<u>1 72 49 685</u>	<u>100.00</u>	<u>2 24 56 780</u>
<u>Stores &amp; Spares:</u>				
Imported	-	-	-	-
Indigenous	100.00	84 08 949	100.00	88 11 691
	<u>100.00</u>	<u>84 08 949</u>	<u>100.00</u>	<u>88 11 691</u>



**NEYCER INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

- |   | 31-3-2016<br>Rs. | 31-3-2015<br>Rs. |
|---|------------------|------------------|
| 34. Contracts remaining to be executed on Capital Account and not provided for  | -                | -                |
| 35. Segment wise Revenue, results and Capital employed:<br>The company operates only in one segment viz. Sanitary Ware  |                  |                  |
| 36. In the absence of information from the Company's Creditors with regard to submission of memorandum with the Specified Authority as required under the Micro, Small and Medium Enterprise Development Act, 2006 the Company is unable to furnish the information under the said Act and The Companies Act, 1956. |                  |                  |
| 37. Related Party Disclosure:   |                  |                  |

I) Holding Company : Varun Ventures Private Limited

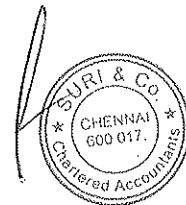
Pursuant to order of Madras High Court dt. 18-11-2016 sanctioning amalgamation of M/s Sriven Realtors Private Limited with Varun Ventures Private limited with effect from 1-4-2015

II) Whole Time Director  
Mr. B.S.Shailendra

b) Chief Financial Officer:  
Mr. P.Thirukalathiappan

c) Company Secretary:  
Mr. G.Raghavan

S. No	Particulars	2016-2017		2015-2016	
		Associates	Key Management Personnel	Associates	Key Management Personnel
		Rs.	Rs.	Rs.	Rs.
1	Purchases	-	-	-	-
2	Interest paid	-	-	-	-
3	Other services rendered	-	-	-	-
4	Sales	-	-	-	-
5	Remuneration	-	-	-	-
	- Paid to CFO				
	Mr.P. Thirukalathiappan		13 68 000		
	Mr. K.V.Sowmyanarayanan	-	-		14 56 500
	- Paid to Company Secretary				
	Mr. G.Raghavan	-	1 20 000		1 20 000
6	Sitting Fees paid to Directors	-	-	-	-



NEYCER INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

38. Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30 December, 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash on hand as on 8th Nov 2016	95 000	5 212	1 00 212
Permitted Receipts	-	10 69 955	10 69 955
Permitted Payments	-	7 57 393	7 57 393
Amount Deposited in Banks	95 000	-	95 000
Closing cash on hand as on 30th Dec 2016	-	3 17 774	3 17 774

*S. Shailendra*  
B.S.Shailendra  
Whole Time Director

*Y. Mohan Prasad*  
Y.Mohan Prasad  
Director

*G. Raghavan*  
G.Raghavan  
Company Secretary

*P. Thirukalathiappan*  
P.Thirukalathiappan  
Chief Financial Officer

Vide our report of even date attached

For Suri & Co.,  
Chartered Accountants  
Firm Reg. No.: 0042835

*R. Mahesh*  
R.Mahesh  
Partner

Membership No: 024775



Place: Chennai  
Date: 30-05-2017