

**52nd ANNUAL REPORT
FOR THE YEAR 2013-14**

COMPANY INFORMATION

BOARD OF DIRECTORS	SHRI VIJAY SINGHAL, IAS SHRI SHIVAJI DAUND, IAS SMT. RICHA BAGLA, IAS SHRI. A. B. MISAL, IAS
MANAGING DIRECTOR	SHRI SHIVAJI DAUND, IAS
JT. MANAGING DIRECTOR	SMT. LEENA BANSODE
CHIEF FINANCIAL OFFICER	SHRI RAJENDRA MADKE
COMPANY SECRETARY	SHRI KUSH KESHRI
BANKERS	STATE BANK OF INDIA
STATUTORY AUDITORS	OM PRAKASH S. CHAPLOT & CO., CHARTERED ACCOUNTANTS, MUMBAI
REGISTERED OFFICE	KRUPANIDHI, 9, WALCHAND HIRACHAND MARG, BALLARDESTATE, MUMBAI – 400001

DIRECTOR'S REPORT

Your directors take pleasure in presenting the 52nd Annual Report of MSSIDC Limited with the Audited Statements of Accounts for the year ended 31st March, 2014 along with the report of Statutory Auditor's thereon.

1. FINANCIAL RESULTS:

(Rs. in crores)			
Sr. no.	Particulars	FY 2013-14	FY 2012-13
1.	Revenue from operation	167.29	242.88
2.	Other income	15.72	14.34
3.	Total Revenue	183.01	257.22
4.	Expenses	173.65	243.74
5.	Profit before tax	11.31	10.75
6.	Profit after tax	7.72	6.38
7.	Equity Share Capital	14.50	14.50
8.	Reserve & Surplus	45.31	38.07

The corporation has recorded the turnover of Rs.167.29 crore during the year under review as against Rs. 242.88 crore for the previous year. The activity-wise breakup of the turnover in comparison with previous year is as follows:

(Rs. In crores)			
Sr. no.	Activity	FY 2013-14	FY 2012-13
1.	Raw material – I & S, Coal	0.13	30.18
2.	Marketing	155.23	198.33
3.	Handicraft	3.25	3.21
4.	Paithani	0.16	0.30
5.	Other	8.52	10.86
Total		167.29	242.88

i. MARKETING:

In respect of Marketing Activity, the corporation has achieved the sales of Rs.155.23 Crore during the year 2013-14 as against the sales of Rs.198.33 Crore in the year 2012-13.

ii. RATE CONTRACT:

The corporation has successfully operated various rate contracts for items like RCC pipes, PVC pipes, Water storage Tank, Air Coolers, Polythene Bags, Steel Furniture, etc. and provided marketing assistance to SSI units in Maharashtra. Also provide Marketing assistance to the Units for Non RC items.

iii. HANDICRAFTS & EMPORIA:

The corporation continued to provide retail exposure to handicrafts and handlooms products through its Emporia at Mumbai and New Delhi which provides a sound base to the artisans.

During the year 2013-14 the corporation achieved the total sale of Rs.3.25 Crore through Emporia as compared to Rs.3.21 Crore for previous year.

The Paithani Center at Paithan achieved the sale of Rs.0.16 Crore during 2013-14 as compared to Rs.0.30 Crore for previous year.

iv. RAW MATERIAL:

The turnover of Rs.0.13 Crore from Raw Material activity we made during the year under review as compared to Rs.30.18 Crore made in the year 2012-13.

The coal activity was discontinued by the corporation.

v. COMMERCIAL WAREHOUSING AND RENT RECEIVED:

The Corporation has achieved gross earnings of Rs.6.15 Crore during the year under review as compared to Rs.5.19 Crore in the year 2012-13.

vi. EXHIBITIONS:

The Corporation had organized Maharashtra Pavilion in the India International Trade Fair at Pragati Maidan, New Delhi from 14.11.2013 to 27.11.2013 in the year under review.

2. DIVIDEND:

In view of adverse opinion by the Statutory Auditors because of pending adjustment of debtors, creditors, deposits etc. your directors have not recommended any dividend for the year under review.

3. INDUSTRIAL RELATIONS:

The industrial relation during the year under review was cordial and the morale of the employees was high.

4. DIRECTORS:

As on date following are the Directors of the Corporation:

Sr. No.	Name	Designation	Address
01	SHRI SHIVAJI DAUND, IAS	Director	MD- Maharashtra Small Scale Industries Development Corporation Limited (MSSIDC) & Additional charge as MD, MSFC
02	SHRI A. L. JARHAD, IAS	Director	Jt. CEO – Maharashtra Industries Development Corporation (MIDC)
03	SMT. RICHA BAGLA, IAS	Director	CEO - Maharashtra State Khadi & Village Industries Board (KVIB)

5. AUDITORS:

The Comptroller and Auditor General of India, New Delhi appointed Om Prakash S. Chaplot & Co., Chartered Accountants, Mumbai as the Statutory Auditors of your Corporation for the year under review:

6. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the companies Act, 1956, with respect to the Director's responsibility statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended 31st March 2014 the applicable accounting standards had been followed along with proper explanation relating to materials departures;
- (ii) The Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of financial year and of the profit of the corporation for the period;
- (iii) The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a going concern basis.

7. PARTICULARS REGARDING EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

No employees of the Corporation were paid Rs. 60 lakh per annum and in excess of Rs. 5 lakh per month for the year or a part thereof. Therefore the information is NIL.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As per requirement of section 217(1) (e) of the companies Act, 1956, the Corporation does not undertake any production activity directly; hence the details of Conservation of Energy, Technology Absorption is NIL. There is no Foreign Exchange Earnings as well Outgo.

9. ACKNOWLEDGEMENT:

Your directors would like to express their grateful appreciation for the services rendered by the Banks, Financial Institutions and co-operation received from various Government Departments, Suppliers and Vendors and the members during the year under review. Your Directors also wish to place on record their deep appreciation of the services rendered by the employees of the Corporation.

Date 13-06-2016

For & on behalf of the Board of Directors

Place : Mumbai

Managing Directors

OM PRAKASH S. CHAPLOT & Co.

Chartered Accountant

101, Vastsalya Building,
Ekta Co-op Society, Nr. RTO Office,
RTO Road, Andheri (W),
Mumbai – 400053
Tel : 91-22-26399050
Email :opc.mum@gmail.com

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

TO THE MEMBERS OF

MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Maharashtra Small Scale Industries Development Corporation Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis of Adverse Opinion

1. (i) As informed by the management, the Company has Trade receivable of Rs. 57,78,97,554 and Debit balances in trade payable of Rs.10,98,93,609 which are pending for adjustment for more than 3 years. Provision of Rs.2,64,85,000 has only been made against the same.

(ii) Rent receivable of Rs.38,30,462 is overdue for more than 3 years but not provided for.

(iii) Other advances include Rs.1,36,074 towards loss incurred due to jumping of franking machine at Aurangabad Divisional Offices and Bandra Franking Department. The same is outstanding for over 3 years. The Company has provided Rs. 44,024/- against the same.

The cumulative effect of not providing for items (i) to (iii) in point 1 mentioned above is given hereunder :

Particulars	Amt. (Rs.)	Amt. (Rs.)
Net profit/loss for the period 2013-14 as per statement of Profit and Loss		7,72,81,427
Trade receivable pending for adjustment over 3 years not provided for (57,78,97,554 - 2,64,85,000)	(55,14,12,554)	
Trade payable (debit) pending for adjustment over 3 years not provided for	(10,98,93,609)	
Rent receivable overdue for more than 3 years not provided for	(38,30,462)	
Loss incurred due to jumping of Franking Machine not provided for (1,36,074 - 44,024)	(92,050)	(66,52,28,675)
Net profit (loss) after providing for above		(58,79,47,248)

Thus, the company would have incurred a loss of Rs.58.79 crore as against the reported profit of Rs.7.72 crores.

2. Company has not fully complied with certain Accounting Standards issued by ICAI as detailed below:

(i) Company is accounting purchases and sales only after receiving invoices from the suppliers and not when the seller has transferred the property in the goods to the buyer for a consideration. This practice of revenue recognition is not in compliance with AS 9 – Revenue Recognition. This gives an unfair view of the purchases and sales of the Company for the year. Rebate income is being booked at the time of accounting of sales. Since, booking of sales is not in compliance with AS-9, rebate income should have been adjusted to comply with AS 5 – Net Profit or Loss for the period, prior period Items and Changes in Accounting Policies. The same has not been done and the statement of Profit and Loss given an unfair view of Profit for the year. The Company has not fully complied with AS 9 and AS 5 and the effect of the same cannot be quantified.

(ii) Physical verification of fixed assets or any other procedure has not been carried out by the Company to ensure that its assets are carried at no more than their recoverable amount. Thus, the Company has not complied with AS 28 – Impairment of Assets.

Since, physical verification of fixed assets has not been carried out, the Company cannot ensure that fixed asset have been eliminated from the financial statements on disposal or when no further benefit is expected from their use, or that losses arising from the retirement or gains or losses arising from disposal of fixed asset has been recognized in the profit and loss statement. The company has not complied with AS 10 for accounting for fixed Assets.

The useful lives of major depreciable assets have been reviewed periodically. Thus the company has not fully complied with AS 6 – Depreciation Accounting.

We are unable to comment on Note no. 8 - Fixed Assets appearing in the attached financial statements.

(iii) We draw your attention to Notes no. 6.4 & 13.1 (a) of Notes to Accounts.

(iv) The Company has not made certain disclosures as required by AS 15 - Employee Benefits, AS 17 - Segment Reporting, AS 18 - Related party Disclosures & AS 19 - Leases. .

3. In the absence of details of status of pending Income Tax, Sales Tax, Service Tax and WCT (Work Contract Tax) assessments and other legal cases, the contingent liability, if any, in respect thereto cannot be ascertained as cases of various years are under process with the concerned Appellate Authorities and the quantum of the same cannot be ascertained.

4. Balances under the following heads are subject to scrutiny, reconciliation and consequential adjustment.

Head Balance	(Amt. in Rs.)
Miscellaneous Liabilities	7,56,31,719
Trade Payable	93,42,78,053
Other statutory Liabilities	23,33,523
Employees Benefits	24,69,014
Dues to outside parties	41,17,95,780
Deposits received	18,71,87,294
Contribution received	1,34,84,688
Tax Deducted at Source	13,29,70,726
Advances payment of Income Tax	3,59,66,897
Security deposits	67,98,994
Trade receivable	88,55,42,503

5. No provision for interest payable on the following unsecured loans is made in the books from the year 2007-08.

Name of the Account	Amount Outstanding (Rs.)
Ind & Lab Dept. Mah. Govt. Edu.	
Unempl. H. P.	40,92,408.00
Ind & Lab Dept. Mah. Govt.–Seed Capital 3.5%	1,54,52,630.00

6. Internal control system of the company is very weak and not commensurate with the size and volume of business of the company. The system is also susceptible to fraud, manipulation and misappropriation at various levels.

7. We were unable to check original Fixed Deposit Receipts as on 31st March 2014 as by the time audit had commenced, those FDR's had already matured. In the absence of sufficient details, we are unable to comment on interest received, interest accrued and fixed deposit amounts.

8. In the absence of details, we are unable to comment on the amount and interest on delayed payments payable to Micro, Small and Medium Enterprises, if any.

9. Various accounts under the head Godown and office rent receivable are not reconciled. Thus, we are unable to comment on the accuracy of Godown rent received and receivable and rent paid and payable accounted for in the books of accounts.

10. Board while consulting the Audit Committee had directed the committee to meet at least twice a year to review the accounts. During the year only one Audit Committee meet was held.

Adverse Opinion

In our opinion and due to the significance of the matters stated in the basis of the adverse opinion paragraph, to the best of our information and according to explanations given to us, the said accounts read along with the notes of accounts, give the information as required by the Companies Act, 1956 in the manner so required, but **do not give the true and fair view** in conformity with the accounting principles and applicable financial reporting framework generally accepted in India.

- i) In the case of balance sheet, of the state of affairs of the Company as at 31st March 2014.
- ii) In the case of Statement of Profit and Loss, of the profit for the year ended on that date and
- iii) In the case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's report) Order 2003 ("the order") issued by the Central Government of India in terms of Sub – Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order.

2. As required by Section 227(3) of the Act, we report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the book of account;

d) Subject to the observations reported in point (4) of our "Basis of Adverse Opinion" para above in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section 3(C) of section 211 of the Companies Act, 1956, and

e) As per notification no G.S.R. 829(E) dated 21.10.2003 provisions of clause (g) of section 274 (1) of the Companies Act, 1956 are not applicable to the Company being a Government Company as at 31st March, 2014.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

**For Om Prakash S. Chaplot & Co.
Chartered Accountants
Firm's Registration no. 000127C**

**(Yash Punjawat)
(Partner)**

Membership No. 415552

Place : Mumbai

Date : June 13, 2016

Annexure to the Independent Auditor's Report

The Annexure referred to in our report of even date. We report that :

- i) In respect of its Fixed Assets:
 - a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - b) The company does not have a regular programme of physical verification of its fixed assets having regard to the size of the Company and the nature of its assets.
 - c) According to the information, explanations and representation given to us, the Company has not disposed off any substantial part of its Fixed Assets during the year.

- ii) In respect of its inventories :
 - a) The inventory of the Company has not been physically verified by the management during the year
 - b) Systematic procedures reasonable and adequate in relation to the size of the company and nature of its business need to be implemented for physical verification of inventory by the management.
 - c) Since, Physical verification of inventory was not done during the year, dealing with material discrepancy on physical verification cannot be commented on.

- iii) As explained to us, the company has neither granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 nor has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- iv) In our opinion, internal control procedures with regard to purchase of inventories, fixed assets and for the sale of goods and services need to be strengthened. During the course of our audit, we have observed that there is a continuing failure to correct major weaknesses in internal control procedures.

- v) According to the information, explanations and representation given to us, we are of the opinion that there are no transactions during the year at the Company that needs to be entered in the register maintained under section 301 of the Companies Act, 1956.

- vi) The Company has not accepted deposits from the public. Hence provision of section 58A and 58AA of the Companies Act, 1956 and Rules framed there under are not applicable.

- vii) In our opinion, the Company's internal audit system is not commensurate with the size and nature of its business (a firm of Chartered accountants has been appointed for the purpose). During the audit we have observed :
- a) Supporting bills / invoices are not attached in certain petty cash payments.
 - b) Date is not mentioned in most delivery challans.
 - c) Date has been over written in some supplier invoices.
 - d) Rebate has not been charged as per policy in certain cases.
 - e) Service tax under reverse charge mechanism has not been paid on car hire charges. Service tax has not been charged and paid on Work contract Tax sales. Service tax is not being charged on rent bills raised to ITO for basement office of Krupanidhi. Service tax has been paid after due date in some cases.
 - f) TDS has not been deducted / short deducted in various cases.
 - g) Professional tax and TDS has been paid after due date in some cases.
 - h) Rent agreements for some godowns and offices are expired and not renewed. We have observed that some godowns are lying vacant. There is no proper system to check compliance of various terms and conditions of the agreements such as recovery of electricity charges, telephone charges, subletting charges and rent increment.
- viii) According to the information and explanations given to us, the Central government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for any products or services of the Company.
- ix) a) According to the records of the Company and according to the information and explanation given to us, the company is regular in depositing with appropriate authorities, undisputed statutory dues, including Provident Fund, Investors, Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other Statutory dues applicable to it except Service Tax. (amount unascertainable) and TDS (Rs.2,11,220)
- According to the records of the company and according to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess which in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of statute	Nature of dues	Periods which the Amount relates	Amount	Forum where dispute is pending
Sales Tax	Sales tax demand interest and penalty	1975-76 1989-90 1998-99 1999-00	1,96,681 5,52,454 1,02,96,580 32,33,608	Deputy Commissioner, Sales Tax
Income Tax	Income tax demand	1992-93	1,07,06,402	High Court, Mumbai
VAT	Tax Interest & Penalty	2005-06 2007-08 2008-09 2009-10 2010-11	1,24,69,644 38,50,98,912 4,20,07,119 21,06,62,310 12,48,35,973	Deputy Commissioner, Sales Tax

x) Without considering the effect of auditor's qualifications, the Company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year. The Company has no accumulated losses as per the reported statement of Profit & loss.

xi) According to the information, explanations & representation given to us, the Company has not defaulted in repayment of its dues to banks and financial institutions. The Company does not have any borrowings by way of debentures.

xii) According to the information, explanations & representation given to us, the Company has not granted any loans and advances on the basis of Security by way of pledge of shares, debentures or other securities.

xiii) The provision of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.

xiv) The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirements of clause 4(xiv) are not applicable to the Company.

xv) According to the information, explanations & representation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken any term loan during the year.

xvii) The Company has not taken any loan during the year. Hence our comments regarding use of funds raised on short term basis being used for long term investment and vice versa are not required.

xviii) According to the information, explanations & representation given to us, the Company has not made any preferential allotment of shares to any parties and companies covered in the register maintained under section 301 (3) of the Act.

xix) The Company has not issued any debentures during the year.

xx) Since the Company has not raised any money by public issue during these year, our comments under clause (xx) of the Order are not required.

xxi) On the basis of our examination and according to the information, explanations and representation given to us, no fraud on or by the Company, has been noticed or reported during the year.

**For Om Prakash S. Chaplot & Co.
Chartered Accountants
Firm's Registration no. 000127C**

**(Yash Punjawat)
(Partner)**

Place : Mumbai
Date : June 13, 2016

Membership No. 415552

REPLY TO AUDITOR'S REPORT FY 2013-14

Sr. No.	Comments of Auditor	Comments of Management
1.	<p>Basis for Adverse Opinion</p> <p>1. (i) As informed by the management, the company has Trade receivable of Rs. 57,78,97,554 and Debit balances in trade payable of Rs. 10,98,93,609 which are pending for adjustment for more than 3 years. Provision of Rs. 2,64,85,000 has only been made against the same.</p>	<p>Considering the voluminous transaction in Trade receivable, we have taken scrutiny of Debtors, Creditors on priority basis. Prior to scrutiny the total debtors were Rs.111.90 Crores out of which Debtors more than 3 years are Rs.73.42 Crores. After scrutiny these are reduced to Rs.91.20 Crores & Rs. 57.78 Crores respectively. Further the work of scrutiny is in progress. Corporation has very old long outstanding debtors, therefore reconciliation is taking time. Quantum of these old Debtors is Rs.33.08 Crores. The Debtors is supported by Creditors in Marketing Transaction. In Raw material total amount involved towards legal cases is Rs.19.23 Crores, the major legal cases are i.e. MTRM Rs. 8.37 Crores, Mehta Group Rs.5.63 Crores, Khutale Steel Rs. 0.47 Crores etc. The Corporation has also filed cases u/s 138 against raw material transaction (PDC commercial warehousing cases etc.) for the recovery and the cases are pending with respective authority and we are following the matter for early disposal. Further in Trade payable prior to scrutiny balance was Rs. 11.58 Crore and which was reduce to Rs.10.98 Crores after scrutiny and further work of scrutiny is in progress.</p> <p>Considering the above fact Corporation has not made any provision in books of Accounts.</p>
	<p>(ii) Rent receivable of Rs.38,30,462 is overdue for more than 3 years but has not been provided for the same is made in the accounts.</p>	<p>Arbitration award passed in favor of Corporation. Hindustan Zinc Limited has moved to High Court against the Arbitration award. The case is pending with Udaipur Court. Therefore, we have not made any provision in books of Accounts.</p>

<p>(iii) Other advance include Rs. 1,36,074 towards loss incurred due to jumping of franking machine at Aurangabad Divisional Offices and Bandra Franking Department. The same is outstanding for over 3 years. The Company has provided Rs. 44,024 against the same.</p>	<p>We have claimed refund amount of Rs.92050 from IGR Pune. We are following matter with concerned authority for recovery. Therefore, we have not made any provision in books of Accounts. For the balance figure of Rs.44024/- we are following the matter for concern employers for recovery.</p>																					
<p>The Cumulative effect of not providing for items (i) to (iii) in point 1 mentioned above is given hereunder.</p> <table border="1" data-bbox="246 745 954 1291"> <thead> <tr> <th>Particulars</th> <th>Amt. (Rs.)</th> <th>Amt. (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Net Profit / loss for the period 2013-14 as per statement of profit & loss</td> <td></td> <td>7,72,81,427</td> </tr> <tr> <td>Trade receivable pending for adjustment over 3 years not provided for (57,78,97,554 - 2,64,85,000)</td> <td>(55,14,12,554)</td> <td></td> </tr> <tr> <td>Trade payables (debit) pending for adjustment over 3 years not provided for</td> <td>(10,98,93,609)</td> <td></td> </tr> <tr> <td>Rent receivable overdue for more than 3 years not provided for</td> <td>(38,30,462)</td> <td></td> </tr> <tr> <td>Loss incurred due to jumping of Franking Machine not provided for (1,36,074-44,024)</td> <td>(92,050)</td> <td>(66,52,28,675)</td> </tr> <tr> <td>Net profit (loss) after providing for above</td> <td></td> <td>(58,79,47,248)</td> </tr> </tbody> </table> <p>Thus, the Company would have incurred a loss of Rs. 58.79 crores against the reported profit of Rs.7.72 crores.</p>	Particulars	Amt. (Rs.)	Amt. (Rs.)	Net Profit / loss for the period 2013-14 as per statement of profit & loss		7,72,81,427	Trade receivable pending for adjustment over 3 years not provided for (57,78,97,554 - 2,64,85,000)	(55,14,12,554)		Trade payables (debit) pending for adjustment over 3 years not provided for	(10,98,93,609)		Rent receivable overdue for more than 3 years not provided for	(38,30,462)		Loss incurred due to jumping of Franking Machine not provided for (1,36,074-44,024)	(92,050)	(66,52,28,675)	Net profit (loss) after providing for above		(58,79,47,248)	<p>We have explained the reasons in 1 (i to ii).</p>
Particulars	Amt. (Rs.)	Amt. (Rs.)																				
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Net profit (loss) after providing for above		(58,79,47,248)																				
<p>2. Company has not fully complied with certain Accounting Standards issued by ICAI as detailed below :</p> <p>(i) Company is accounting purchases and sales only after receiving invoices from the supplies and not when the seller has transferred the property in the goods to the buyer for a consideration. This practice of revenue recognition is not in compliance with AS – 9 Revenue Recognition. This gives an unfair view of the purchases and sales of the Company for the year. Rebate income is being booked at the time of accounting of sales. Since booking of sales is not in compliance with AS – 9, rebate income should have been</p>	<p>Our major turnover is with Government Department. Sales invoices are raised to Govt. dept. in month of January, February and March of every year however their delivery effected in subsequent year (Delivery challen date is in subsequent years.) Further Government department follows the Cash basis system of accounting whereas corporation follows mercantile system of accounting. Considering above mention two different accounting</p>																					

<p>adjusted to comply with AS 5 – Net Profit or Loss for the period, prior period Items and Changes in Accounting policies. The same has not been done and the statement of Profit & Loss given an unfair view of Profit for the year. The Company has not fully complied with AS 9 and AS 5 and the effect of the same cannot be qualified.</p>	<p>systems this issue is arised. Due to this practical difficulty with respect to accounting standards we are not able to follow AS - 9 & AS - 5.</p>
<p>(ii) Physical verification of fixed assets for any other procedure has not been carried out by the Company to ensure that its assets are carried at no more than their recoverable amount. Thus, the Company has not complied with AS – 28 impairment of Assets.</p> <p>Since physical verification of fixed assets has not been carried out, the Company cannot ensure that fixed asset have been eliminated from the financial statements on disposal or when no further benefit is expected from their use; or that losses arising from the retirement or gains or losses arising from disposal of fixed assets has been recognized in the profit and loss statement. The Company has not complied with AS – 10 Accounting for Fixed assets.</p> <p>The useful lives of major depreciable assets have not been reviewed periodically. The Company has not fully complied with AS 6 – Depreciation Accounting.</p> <p>We are unable to comment on Note no. 8 – Fixed Assets appearing in the attached financial statements.</p>	<p>The subject work is assigned to independent C. A. firm K. K. Chanani & Associates and their draft report is received on 05.04.2016. Their draft report is forwarded to all divisional places, emporium for confirmation & verification and same is received by 25.05.2016. After such confirmations, we forwarded authorized copy of FAR along with some discrepancies to CA firm on 31.05.2016. For preparation final physical verification report. After receipt of final report we will compile it and give necessary accounting effect in FY 2014-15.</p>
<p>(iii) We draw your attention to Notes no. 6.4 & 13.1 (a) of Notes of Accounts.</p>	<p>We have made disclosure for exhibition account.</p>
<p>(iv) The Company has not made certain disclosures as required by AS 15 – Employees Benefits, AS 17 – Segment Reporting, AS 18 – Related party Disclosures & AS 19 – Leases.</p>	<p>AS 18 – We disclosed correctly in Notes of Accounts.</p> <p>AS 15, 17, 19 – We are preparing disclosure requirement and try to give correct disclosure in FY 2014-15.</p>

<p>3. In the absence of details of status of pending Income tax, Sales Tax, Service Tax and WCT (Work Contract Tax) assessments and other legal cases, the contingent liability f, if any, in respect thereto cannot be ascertained as cases of various years are under process with the concerned Appellate Authorities and the quantum of the same cannot be ascertained</p>	<p>Cases are pending with appeals and there are assessment cases which are not completed. Hence the exact contingent liability cannot be ascertained.</p>																																													
<p>4. Balances under the following heads are subject to scrutiny, reconciliation and consequential adjustment.</p>	<p>1) Miscellaneous Liabilities Includes :</p>																																													
<table border="1"> <tr> <td>Head Balance</td> <td>(Amt. in Rs.)</td> </tr> <tr> <td>Miscellaneous Liabilities</td> <td>7,56,31,719</td> </tr> <tr> <td>Trade Payable</td> <td>93,42,78,053</td> </tr> <tr> <td>Other statutory Liabilities</td> <td>23,33,523</td> </tr> <tr> <td>Employees Benefits</td> <td>24,69,014</td> </tr> <tr> <td>Dues of outside parties</td> <td>41,17,95,780</td> </tr> <tr> <td>Deposits received</td> <td>18,71,87,294</td> </tr> <tr> <td>Contributions received</td> <td>1,34,84,688</td> </tr> <tr> <td>Tax deducted at source</td> <td>13,29,70,726</td> </tr> <tr> <td>Advance payment of Income tax</td> <td>3,59,66,897</td> </tr> <tr> <td>Security Deposits</td> <td>67,98,994</td> </tr> <tr> <td>Trade receivable</td> <td>88,55,42,503</td> </tr> </table>	Head Balance	(Amt. in Rs.)	Miscellaneous Liabilities	7,56,31,719	Trade Payable	93,42,78,053	Other statutory Liabilities	23,33,523	Employees Benefits	24,69,014	Dues of outside parties	41,17,95,780	Deposits received	18,71,87,294	Contributions received	1,34,84,688	Tax deducted at source	13,29,70,726	Advance payment of Income tax	3,59,66,897	Security Deposits	67,98,994	Trade receivable	88,55,42,503	<table border="1"> <tr> <td>Provision for MBPT</td> <td>Rs.2,72,64,844</td> <td>For rent rate revision</td> </tr> <tr> <td>Provision for CIDCO</td> <td>Rs.2,63,25,539</td> <td>For additional lease premium</td> </tr> <tr> <td>Liability for Exp 13-14</td> <td>Rs.27,61,923</td> <td>Adjusted in FY 2014-15</td> </tr> <tr> <td>MIDCSub-letting charges</td> <td>Rs.1,19,74,971</td> <td>These are unpaid</td> </tr> <tr> <td>Arihant steel corpn, Thane</td> <td>Rs. 21,32,000</td> <td></td> </tr> <tr> <td>Project mgmt. Consultancy</td> <td>Rs.28,03,043</td> <td>Running A/c & Adjust on project completion.</td> </tr> <tr> <td>Remaining balance</td> <td>Rs. 23,69,399</td> <td>We will scrutinize</td> </tr> </table>	Provision for MBPT	Rs.2,72,64,844	For rent rate revision	Provision for CIDCO	Rs.2,63,25,539	For additional lease premium	Liability for Exp 13-14	Rs.27,61,923	Adjusted in FY 2014-15	MIDCSub-letting charges	Rs.1,19,74,971	These are unpaid	Arihant steel corpn, Thane	Rs. 21,32,000		Project mgmt. Consultancy	Rs.28,03,043	Running A/c & Adjust on project completion.	Remaining balance	Rs. 23,69,399	We will scrutinize
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	<p>2) Trade payables, Deposit received and security deposit are under scrutiny work.</p> <p>3) Other statutory liabilities includes old tax liabilities since 1979 onwards. We will scrutinize this account with the help of available assessment orders or records (income tax, service tax & Sales tax)</p> <p>4) Employees Benefits : Includes salary payable of Rs. 20,65,131/- General PF of Rs.8,500/- & Massid corp. employee union credit society of Rs. 1,20,911 for FY 2013-14 which is paid in FY 2014-15. Further we will scrutinize remaining balances of Rs. 2,74,472/- of earlier years.</p> <p>5) Dues to outside parties : includes Rs. 15 Crores of encashment of BG of Mohit minerals, WCL service tax coal liability of Nagpur Rs.1,09 Crs. And credit balances of debtors accounts which are under scrutiny.</p>																																													

	<p>6) Contribution received : We scrutinized contribution received & passed accounting entries at some extent. The scrutiny and follow up from Exhibition department is in process for further action.</p> <p>7) Tax deducted at source : Balance lying in this account from FY 2002-03 . We will scrutinize this account.</p> <p>8) Advance payment of Income Tax : has been adjusted in FY 2014-15 and passed necessary accounting entries on final assessment of FY 2011-12 & 2012-13.</p>										
<p>5. No provision for interest payable on the following unsecured loans is made in the books from the year 2007-08</p> <table border="1" data-bbox="207 863 803 1102"> <thead> <tr> <th data-bbox="207 863 548 940">Name of the Account</th> <th data-bbox="555 863 803 940">Amount outstanding (Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="207 940 548 982">Ind. & Lab. Dept. Mah.</td> <td data-bbox="555 940 803 982"></td> </tr> <tr> <td data-bbox="207 982 548 1024">Govt. Edu. Unempl. H. P.</td> <td data-bbox="555 982 803 1024">40,92,408.00</td> </tr> <tr> <td data-bbox="207 1024 548 1066">Ind. & Lab. Dept. Mah.</td> <td data-bbox="555 1024 803 1066"></td> </tr> <tr> <td data-bbox="207 1066 548 1108">Govt. – Seed Capital (3.5%)</td> <td data-bbox="555 1066 803 1108">1,54,52,630.00</td> </tr> </tbody> </table>	Name of the Account	Amount outstanding (Rs.)	Ind. & Lab. Dept. Mah.		Govt. Edu. Unempl. H. P.	40,92,408.00	Ind. & Lab. Dept. Mah.		Govt. – Seed Capital (3.5%)	1,54,52,630.00	<p>These liabilities are outstanding from 1974. We will be seeking information from Industries Department.</p>
Name of the Account	Amount outstanding (Rs.)										
Ind. & Lab. Dept. Mah.											
Govt. Edu. Unempl. H. P.	40,92,408.00										
Ind. & Lab. Dept. Mah.											
Govt. – Seed Capital (3.5%)	1,54,52,630.00										
<p>6. Internal control System of the company is very weak and not commensurate with the size and volume of business of the company. The system is also susceptible to fraud, manipulation and misappropriation at various levels.</p>	<p>To strengthen the weak internal control system, we will finalize Internal Audit manuals and Accounts manual in due course of time. However we issue guidelines from time to time.</p>										
<p>7. We are unable to check original Fixed Deposit Receipt as on 31st March 2014 as by the time audit had commenced, those FDR's has already matured. In the absence of sufficient details, we are unable to comment on interest received, interest accrued and fixed deposit amounts.</p>	<p>All fixed Deposits are invested in Nationalized banks only and accounted properly. As these FDR's are of the year 2013-14 and audit is conducted after maturity of these FDR's, therefore we were unable to show those original receipts. However, we have shown the Bank statement and photocopies of matured FDR during the course of audit.</p>										
<p>8. In the absence of details , we are unable to comment on the amount and interest on delayed payments payable to Micro, Small and Medium Enterprises, if any.</p>	<p>We pay interest as per direction of Court & Facilitation council.</p>										

<p>9. Various accounts under the head Godown and office rent receivable are not reconciled. Thus, we are unable to comment on the accuracy of Godown rent received & receivable and rent paid & payable accounted for in the books of accounts.</p>	<p>Reconciliation of Godown rent receivable is in progress.</p>
<p>10. Board while constituting the Audit Committee had directed the committee to meet at least twice a year to review the accounts. During the year only one Audit committee meet was held.</p>	<p>We are conducting Audit committee meeting from FY 2014-15 onwards regularly.</p>
<p><u>Annexure to the Independent Auditor's Report</u> <i>The Annexure referred to in our report of even date. We report that :</i></p>	
<p><u>(i) In respect of its Fixed Assets:</u> a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets; b) The company does not have a regular programme of physical verification of its fixed assets having regard to the size of the Company and the nature of its assets. c) According to the information, explanations and representation given to us, the Company has not disposed off any substantial part of its Fixed Assets during the year.</p>	<p>The Corporation has maintained fixed assets register at various locations but these are not updated in standardized format. Therefore, the subject work is assigned to independent CA firm K. K. Chanani & Associates and their draft report is received on 05.04.2016. After completion of FAR we will update the FAR on regular basis and also implement the regular program of physical verification assets. We have not disposed off any Fixed Assets during the year.</p>
<p><u>(ii) In respect of its inventories :</u> a) The inventory of the Company has not been physically verified by the management during the year b) Systematic procedures reasonable and adequate in relation to the size of the company and nature of its business need to be implemented for physical verification of inventory by the management. c) Since, Physical verification of inventory was not done during the year, dealing with material discrepancy on physical verification cannot be commented on.</p>	<p>Inventory at Paithan, Delhi, WTC is verified jointly by person deputed from officers of other division of corporation & Emporia incharge for physical verification of inventory. Management is regularly verifying physical inventory by officer deputed from other divisions of corporation and Emporia in charge. As above</p>

<p>iii) As explained to us, the company has neither granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 nor has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.</p>	<p>No transaction was executed therefore the information is NIL</p>
<p>iv) In our opinion, internal control procedures with regard to purchase of inventories, fixed assets and for the sale of goods and services need to be strengthened. During the course of our audit, we have observed that there is a continuing failure to correct major weaknesses in internal control procedures.</p>	<p>We are following standardized procedure of Govt. department for purchase of inventorie, fixed assets and for the sale of goods and service in the corporation. We are following E-tendering procedure now. We issued circular no. 880 dt. 22.02.2016 to all divisions in this regard. Further, to strengthen the weak internal control system, we will finalize internal Audit manuals and Accounts manual in due course on time.</p>
<p>v) According to the information, explanations and representation given to us, we are of the opinion that there are no transactions during the year at the Company that needs to be entered in the register maintained under section 301 of the Companies Act, 1956.</p>	<p>No transaction was executed therefore the information is NIL</p>
<p>vi) The Company has not accepted deposits from the public. Hence provision of section 58A and 58AA of the Companies Act, 1956 and Rules framed there under are not applicable.</p>	<p>The information is NIL</p>
<p>vii) In our opinion, the Company's internal audit system is not commensurate with the size and nature of its business (a firm of chartered accountants has been appointed for the purpose.) During the audit we have observed :</p> <p>a) Supporting bills / invoices are not attached in certain petty cash payments.</p> <p>b) Date is not mentioned in most delivery challans.</p> <p>c) Date has been overwritten in some supplier invoices.</p> <p>d) Rebate has not being charged as per policy in certain cases.</p>	

<p>e) Service tax under reverse charge mechanism has not been paid on car hire charges, Service tax has not been charged and paid on Work Contract Tax Sales, Service tax is not being charged on rent bills raised to ITO for basement office of Krupanidhi. Service tax has been paid after due date in some cases.</p> <p>f) TDS has not been deducted / short deducted in various cases.</p> <p>g) Professional tax and TDS has been paid after due date in some cases.</p> <p>h) Rent agreements for some godowns and offices are expired and not renewed. We have observed that some godowns are lying vacant. There is no proper system to check for compliance of various terms and conditions of the agreements such as recovery of electricity charges, telephone charges, subletting charges and rent increments.</p>	<p>To strengthen the weak internal control system, we will finalize Internal Audit Manuals and Accounts manual in due course of time. In absence of manual we will issue guidelines to resolve mentioned this query in subsequent years along with procedure to be adopted to strengthen other weak internal control system at all Divisional places.</p>
<p>viii) According to the information and explanations given to us, the Central government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for any products or services of the Company.</p>	<p>Not Applicable</p>
<p>ix)</p> <p>a) According to the records of the Company and according to the information and explanation given to us, the company is regular in depositing with appropriate authorities, undisputed statutory dues, including Provident Fund, Investors, Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other Statutory dues applicable to it except Service Tax. (amount uncertainable)and TDS (Rs.2,11,220/-)</p> <p>According to the records of the company and according to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax,</p>	<p>Noted</p>

Custom Duty, Excise Duty and Cess which in arrears as at 31st March 2014 for a period of more than six months from the date they became payable except the following.

b) According to the information and explanation given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of statute	Nature of dues	Periods which the Amount relates	Amount	Forum where dispute is pending
Sales Tax	Sales Tax demand interest & penalty	1975-76	1,96,681	Deputy Commissioner of Sales Tax
		1989-90	5,52,454	
		1998-99	1,02,96,580	
		1999-00	32,33,608	
Income Tax	Income tax demand	1992-93	1,07,06,402	High Court, Mumbai
VAT	Tax Interest & Penalty	2005-06	1,24,69,644	Deputy Commissioner Sales Tax
		2007-08	38,50,98,912	
		2008-09	4,20,07,119	
		2009-10	21,06,62,310	
		2010-11	12,48,35,973	

BST/CST1975-76 : Case dismissed and order passed by Dy. Comm. of Sales Tax Appeal II on 03.09.2013. No payment liability.

BST/CST1998-99 : Final order passed by Jt. Comm. of Sales tax, Appeal II on 29.07.2014 to pay 11,10,987/- (CST). As per order we issued a letter on 10.09.2014 for rectification in order for part payment made Rs. 2,56,181/- on 09.03.2007. However rectification order not received from department.

BST/CST 1999-2000 : Declaration namely 'H', 15EC worth Rs.38.82 lakhs are to be produced. Exempted resale claim at Rs.24.34 lakhs to be produced extra TTO@8% and @3% for Rs.4.37 lakhs to be contested.

VAT 2005-06 : Appeal filed with JC Appeal-IV Bandra, Mumbai part payment also done.

VAT 2007-08 : Re-assessment application in 316 filed & Form 317 received on 16.04.2015

VAT 2008-09 : Final order Awaited.

VAT 2009-10 : An application given for stay order no. 22-04-2014 for MVAT & CST (JC Appeal II 8 D-13 Mazgaon Mumbai) No stay order passed, Tribunal judgement passed to pay Rs. 10 lacs as part payment which has been paid.

VAT 2010-11 : An application given for stay order on 22-05-2016 for MVAT & CST (JC Appeal - II 8 D -13 Mazgaon Mumbai) No stay order passed, Tribunal judgement passed to pay Rs. 15 lacs as part payment which has been paid.

<p>(x) Without considering the effect of auditor’s qualifications, the Company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year. The Company has no accumulated losses as per the reported statement of Profit & loss</p>	<p>The information is NIL</p>
<p>(xi) According to the information, explanations & representation given to us, the Company has not defaulted in repayment of its dues to banks and financial institutions. The Company does not have any borrowings by way of debentures.</p>	<p>The information is NIL</p>
<p>(xii) According to the information, explanations & representation given to us, the Company has not granted any loans and advances on the basis of Security by way of pledge of shares, debentures or other securities.</p>	<p>The information is NIL</p>
<p>(xiii) The provision of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.</p>	<p>Not Applicable</p>
<p>(xiv) The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirements of clause 4(xiv) are not applicable to the Company.</p>	<p>Not Applicable</p>
<p>(xv) According to the information, explanations & representation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.</p>	<p>The information is NIL</p>
<p>(xvi) The Company has not taken any term loan during the year.</p>	<p>The information is NIL</p>
<p>(xvii) The Company has not taken any loan during the year. Hence our comments regarding use of funds raised on short term basis being used for long term investment and vice versa are not required.</p>	<p>Not Applicable</p>

<p>(xviii) According to the information, explanations & representation given to us, the Company has not made any preferential allotment of shares to any parties and companies covered in the register maintained under section 301 (3) of the Act.</p>	<p>No preferential shares were issued</p>
<p>(xix) The Company has not issued any debentures during the year</p>	<p>No debentures were issued</p>
<p>(xx) Since the Company has not raised any money by public issue during these year, our comments under clause (xx) of the Order are not required.</p>	<p>Not Applicable</p>
<p>(xxi) On the basis of our examination and according to the information, explanations and representation given to us, no fraud on or by the Company, has been noticed or reported during the year.</p>	<p>No fraud has been reported till date</p>

Fax / फॉक्स नं. : 2209 2326 / 2201 4438

Tel / दूरभाष संख्या : 022-22054022

22057360

22014437

Email : agcommmauMaharashtra@cag.gov.in



सत्यमेव जयते

गोपनीय

प्रधान महालेखाकार (लेखापरिक्षा)-III महाराष्ट्र
प्रतिष्ठा भवन, १०१, महर्षी कर्वे मार्ग, मुंबई - ४०००२०
OFFICE OF THE PRINCIPAL ACCOUNTANT
GENERAL (AUDIT)-III, MAHARASHTRA
Pratistha Bhavan, 101, Maharshi Karve Marg,
Mumbai - 400020

दिनांक २७ सितंबर २०१६

मले / लेप-III / वालेप - I / स्मॉल स्केल / 2013-14 / 578

सेवा में,
प्रबंध निदेशक,
महाराष्ट्र स्मॉल स्केल इंडस्ट्रीज डेव्हलपमेंट कॉर्पोरेशन लिमिटेड,
मुंबई.

विषय : मार्च 31, 2014, को समाप्त हुए वर्ष के महाराष्ट्र स्मॉल स्केल इंडस्ट्रीज डेव्हलपमेंट कार्पोरेशन लिमिटेड, मुंबई के लेखों पर कंपनी अधिनियम, 1956 की धारा 619 (4) के अंतर्गत भारत के नियंत्रक - महालेखापरिक्षक की टिप्पणियाँ।

महोदय,

मार्च 31, 2014 को समाप्त हुए वर्ष के महाराष्ट्र स्मॉल स्केल इंडस्ट्रीज डेव्हलपमेंट कार्पोरेशन लिमिटेड, मुंबई के लेखों पर कंपनी अधिनियम, 1956 की धारा 619 (4) के अंतर्गत भारत के नियंत्रक - महालेखापरिक्षक की टिप्पणी (Comments) संलग्न हैं।

वार्षिक आमसभा (A.G.M) होने के पश्चात, वार्षिक रिपोर्ट की पांच मुद्रित प्रतियाँ कृपया इस कार्यालय को भेज दें।

भवदीया,

(डी. के. शेखर)

महालेखाकार

लेखापरीक्षा - III

संलग्न : यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai** for the year ended **31 March 2014** in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India.

The Statutory Auditors vide their Audit Report dated 13 June 2016 have expressed an adverse opinion that the Financial Statements of the Company do not give true and fair view.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai** for the year ended **31 March 2014**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary Audit, I would like to highlight the following significant matters under Section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

COMMENTS ON PROFITABILITY

Profit and Loss Account

Provision for Bad and Doubtful Debts Rs. 1.21 crore

The above does not include provision of Rs. 64.33 lakh on account of old advances which have not been settled till date.

This has resulted in understatement of Provision for Bad and Doubtful Debts by Rs. 64.53 lakhs and overstatement of Profit to that extent.

**For and on behalf of
The Comptroller and Auditor General of India**

D. K. Sekar
**ACCOUNTANT GENERAL
(AUDIT) – III**

Place : Mumbai

Date :

Reply to comments of the comptroller and Accountant General u/s 619(4) of the companies Act, 1956 on the accounts of MSSiDC for the year ended 31st March 2014

Comments	Corporation's Reply
<p>COMMENTS ON PROFITABILITY</p> <p>Profit and Loss Account</p> <p>Provision for Bad and Doubtful Debts Rs. 1.21Crore</p> <p>The above does not include provision of Rs. 64.53 lakh on account of old advances which have not been settled till date.</p> <p>This has resulted in understatement of Provision for Bad and Doubtful Debts by Rs. 64.53 lakhs and overstatement of Profit to that extent.</p>	<p>1) Advance Against Bank Gurantee at H. O. Rs. 10,49,638/- Pune, Rs. 5,00,000/- Thane 29,869/-</p> <p>2) Advance against Accepted Deliveries at HO Rs. 20,35,551/-, Thane Rs. 24,31,399/- and Pune Rs. 4,07,603/-</p> <p>The above balance is prior to 1990-91. The Corporation is making suitable provision in books of accounts in FY 2014-15</p>

**THE MAHARASHTRA SMALL SCALE INDUSTRIES
DEVELOPMENT CORPORATION LTD.**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2014**

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**A) BASIS OF PREPARATION**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provision of the Companies Act, 1956 along with the rules of allocation, classification, recognition of revenue and expenditure adopted by the Corporation as are relevant and applicable.

B) USE OF ESTIMATES

The preparation of the financial statements are in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised Prospectively.

C) Fixed Assets

- a. Fixed Assets are stated at cost including all incidental expenses till the date, asset is put to use.
- b. In case of lease-hold lands, original cost revalued by the valuer is considered in the accounts.

D) Depreciation

Depreciation on fixed assets is charged on straight line method at rates prescribed under Schedule XIV of the Companies Act, 1956 subject to following deviations:

- * Individual items of assets costing up to Rs. 5,000 are depreciated 100%.
- * Lease-hold Lands, where revalued, are amortized in the balance period of lease.

E) Government Grants

Government grants related to Leasehold land are treated as deferred income which are recognized in the profit and loss statement on a systematic and rational basis over the useful life of the

asset, i.e., such grants are allocated to income over the periods and in the proportions in which depreciation on those assets is charged.

Govt. grants in related to other fixed assets are presented in the balance sheet by showing the grant as a deduction from the gross value of the asset concerned in arriving at their book value. Further, Government grants which are receivable as compensation for expenses or losses incurred in a previous accounting period or for the purpose of giving immediate financial support to the enterprise with no further related costs, are recognized and disclosed in the statement of profit and loss.

F) Investments

Investments are stated at cost.

G) Inventory

i) Raw material and stock in transit are valued at cost, Stock in process is valued at cost, Finished Goods are valued at cost and Trading goods are valued at lower of cost or market value.

(H) Revenue Recognition

All income and expenses have been accounted on accrual basis in accordance with generally accepted accounting principles in India & relevant provision of the Companies Act, 1956 except following:

- In marketing Govt. department purchases and corresponding rebate on purchases are accounted as purchases on receipt of invoice from sundry creditors and corresponding sales are accounted in books by raising bills.
- Grants in Aid under various schemes, Dividends on investments and interest on Income Tax refunds are accounted for on receipt basis.

(I) Employees Retirement Benefits:

- Provident Fund: Corporation's contribution to Recognized provident fund, pension fund paid/ payable during the year is debited to Profit & Loss account.
- Gratuity: Corporation has covered gratuity liability with LIC under Employees Group Gratuity cum Life Assurance Scheme. A liability towards the same is recognized and accounted on the basis of actuarial valuation done by LIC.
- Leave encashment is recognized and accounted on the basis of actuarial valuation.

(J) Transactions pertaining to previous years:

Prior period expenses paid during the year and income received during the year which were not accounted for on accrual basis are shown as transactions pertaining to previous years.

(K) Taxation:

- i. Tax expense comprises both deferred and current taxes. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- ii. Deferred Tax is based on tax rates and the tax laws effective at the Balance Sheet date. The effect of deferred tax assets and liabilities of the change in tax rates is recognized in Profit & Loss Account at the year end and corresponding effect is given to Deferred Tax Assets / Liabilities in the Balance Sheet.
- iii. Deferred Tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(L) Provisions, Contingent Liabilities And Contingent Assets:

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

A disclosure of contingent liability is made when there is:

- i. A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non occurrence of one or more uncertain future events not within the control of the Bank; or
- ii. A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually.

MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED
Balance Sheet as at 31st March 2014

Particulars	Note no.	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
1. Shareholder's fund			
(a) Share Capital	2	145,009,900	145,009,900
(b) Reserves and surplus	3	453,135,278	380,731,515
2. Non-current liabilities			
(a) Long-term borrowings	4	19,545,038	19,545,038
3. Current Liabilities			
(a) Trade Payable	5	934,278,053	1,291,419,596
(b) other current liabilities	6	742,481,659	1,065,486,776
(c) Short-term provisions	7	333,831,314	294,367,338
Total		26282,81,242	31965,60,163
II) ASSETS			
1. Non Current assets			
a) Fixed assets			
i) Tangible assets	8	126,926,412	129,049,890
b) Non-current investments	9	103,250	103,250
c) Other non-current assets	10	22,737,623	28,006,229
d) Deferred tax assets (Net)	11	1,17,44,430	8,637,255
2) Current assets			
a) Inventories	12	88,05,659	11,943,737
b) Trade receivable	13	8,855,42,503	1,392,941,358
c) Cash & bank balance	14	1,046,581,868	1,125,044,763
d) Short-term loans and advances	15	336,610,535	352,994,901
e) Other Current Assets	16	189,228,962	147,838,779
Total		2,628,281,242	3,196,560,163
Significant accounting policies	1		

See accompanying notes forming part of financial statements

As per our report of even date

For and on behalf of the Board

For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN 000127C

Partner
(M. No. 415552)

Director

Managing Director

Place : Mumbai
Date : 13.06.2016

Chief Financial Officer Company Secretary

MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in Rs.)

	Particulars	Note no.	FY 2013-14	FY 2012-13
I.	Revenue from Operations	17	16729,96,977	24288,82,176
	Total		16729,96,977	24288,82,176
II.	Other income	18	1571,64,008	1433,98,700
III.	Total Revenue (I + II)		18301,60,985	25722,80,876
IV.	Expenses :			
	Cost of material consumed	19	15885,75,239	23062,95,731
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	20	15,72,308	(28,12,488)
	Employee benefit expense	21	750,87,395	779,35,762
	Finance cost	22	1,34,206	3,61,339
	Depreciation and amortization expense	8	22,88,017	31,36,528
	Other expenses	23	520,57,662	525,56,083
	Debit balances written off	24	47,25,605	-
	Provision for Bad & doubtful debts	25	120,62,018	-
			17365,02,450	24374,72,955
V.	Profit before exceptional and extraordinary Items and tax (III-IV)		936,58,535	1348,07,921
VI.	Exceptional Items			
	(a) Prior Period Items (Net)	26	(195,40,313)	273,06,215
	(b) Other exceptional Item		-	-
VII	Profit before tax (V-VI)		1131,98,848	1075,01,706
VIII	Tax expense :			
	(a) Current tax		390,24,596	447,46,829
	(b) Deferred tax	11	(31,07,175)	(10,64,561)
IX	Profit for the period (VII-VIII)		772,81,427	638,19,438
X	Earning per equity share (face value Rs.10/- each)			
	1. Basic (Rs.)		53.29	44.01
	2. Diluted (Rs.)		53.29	44.01
	Singnificat Accounting Policies	1		

See accompanying notes forming part of financial statements

As per our report of even date
For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN 000127C

For and on behalf of the Board**Director****Managing Director**

Partner
(M. No. 415552)

Place : Mumbai
Date : 13.06.2016

Chief Financial Officer**Company Secretary**

MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION

CASH FLOW STATEMENT AS ON 31st MARCH 2014

	FY 2013-14	FY 2012-13
1. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional and extraordinary items & tax	936,58,535	1348,07,921
Adjustment for		
Depreciation	22,88,017	31,36,528
Grant in Aid taken to P & L Account	(42,338)	(42,338)
Transfer to Marketing Risk reserve	79,583	95,567
Interest & Dividend Income	(913,57,460)	(851,05,849)
Provision for doubtful debts	120,62,018	-
Grant in Aid Paithani Compound wall	(37,79,450)	-
Less/Aid – Profit on sale of Assets/Dividend Dist.Tax	-	-
Operating profit before working capital charges	129,08,906	528,91,824
(Increase)/Decrease in Sundry Debtors	5073,98,855	(1832,85,979)
(Increase)/Decrease in Inventories	31,38,078	(39,12,833)
(Increase)/Decrease in Deposits/Loans-Advances	(317,99,229)	2997,08,917
Increase/(Decrease) in Sundry Creditors	(3571,41,544)	12,11,83,014
Increase/(Decrease) in other Liabilities	(3230,05,116)	(519,69,766)
Increase/(Decrease) in Retirements benefit provisions	4,39,381	73,15,737
Increase/(Decrease) in Dtl	-	-
Cash flow from Operations	(1880,60,670)	2419,30,914
Income tax paid	-	-
Cash flow Before Extra Ordinary items	(1880,60,670)	2419,30,914
Extra ordinary items	195,40,313	(273,06,215)
Net cash flow from Operating Activities	(1685,20,357)	2146,24,699
2. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in fixed Assets	(12,99,998)	(58,145)
Interest & Dividend received	913,57,460	851,05,849
Net cash flow from investing Activities	900,57,462	850,47,704
3. CASH FLOW FROM FINANCING ACTIVITIES		
Net increase in Cash or Cash Equivalent	(784,62,895)	2996,72,403
Cash or Cash Equivalent At the beginning of Period	11250,44,763	8253,72,359
Cash or Cash Equivalent At the End of Period	1046581868	11250,44,763
Note		
Cash in Hand	1,39,412	98,480
Fixed Deposit	9106,86,000	9995,36,261
Bank Accounts	1357,56,456	1254,10,022
Margin Money	-	-
	10,465,81,868	11250,44,763

Significant Accounting Policies Note 1

See accompanying notes forming part of financial statements

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on This is the Cash Flow Statement referred to in our Report of even date.

For and on behalf of the Board

For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN 000127C

Director

Managing Director

Partner
(M. No. 415552)

Place : Mumbai
Date : 13.06.2016

Chief Financial Officer

Company Secretary

Note 2. SHARE CAPITAL

Particulars	As at 31st March 2014	As at 31st March 2013
Equity Share Capital		
(a) Authorised		
20,00,000 Equity Shares of Rs. 100/- each (Previous year 20,00,000 shares of Rs.100/- each)	200,000,000	200,000,000
	200,000,000	200,000,000
(b) Issued		
14,50,099 Equity Shares of Rs. 100/-each (Previous year 1450099 shares of Rs.100/- each)	145,009,900	145,009,900
(c) Subscribed & Fully paid - up		
14,50,099 Equity shares of Rs.100/- each (Previous year 1450099 shares of Rs.100/- each)	145,009,900	145,009,900
Total	145,009,900	145,009,900

Reconcillation of the number of equity shares :

Particulars	2013-14		2012-13	
	Number	(Amount in Rs.)	Number	(Amount in Rs.)
Shares outstanding at the beginning of the period	1,450,099	145,009,900	1,450,099	145,009,900
Shares outstanding at the end of the period	1,450,099	145,009,900	1,450,099	145,009,900

Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.100/- each. Each shareholders is eligible for one vote per one share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

List of shareholders holding more than 5% of total number of shares issued by the Company.

Sr. no.	Name of share holder	As at 31st March 2014		As at 31st March 2013	
		No. of shares held	% of shares held	No. of shares held	% of shares held
		1.	Shri V. B. Latke, Dy. Secretary, Industries and Representative of the Governor of Maharashtra	1,440,093	99.31
	Total	1,440,093	99.31	1,440,093	99.31

3. RESERVE & SURPLUS

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
a. CAPITAL RESERVE	44,785	44,785
b. EXPORT INCENTIVE RESERVE		
Opening balance	375,000	375,000
Add : Transferred from profit & loss A/c	-	-
Closing Balance	375,000	375,000
c. GRANT IN AID		
Opening Balance	1,023,143	1,065,481
Transferred to Profit & Loss A/c (3.1)	(42,338)	(42,338)
Closing Balance	9,80,805	1,023,143
d. GRANT RECD FOR PAITHANI		
Opening Balance	10,299,000	10,299,000
Less: Utilised in construction of fixed Assets	(37,79,450)	-
Closing Balance (3.2)	65,19,550	10,299,000
e. MARKETING RISK & DEVELOPMENT RES.		
Opening Balance	4,996,056	4,900,489
Transferred from Profit & Loss A/c	79,583	95,567
Closing Balance (3.3)	5,075,639	4,996,056
f. REVALUATION RESERVE		
Opening Balance	57,637,989	64,213,449
Transferred from Profit & Loss A/c	(1,135,459)	(6,575,460)
Closing Balance (3.4)	56,502,530	57,637,989
g. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening Balance	306,355,542	242,536,104
Add : Net profit for the current year	77,281,427	63,819,438
Closing Balance	383,636,969	306,355,542
Total :	453,135,278	380,731,515

3.1 Corporation has purchased leasehold rights of premises "World Trade Centre" for 60 years for Rs.25,40,250. The same is being written off over a period of 60 years (Rs.42,338 every year). Against this, Grant has been received for Rs.25,40,250. The same is shown under "Reserve and Surplus - Grant in Aid" & Rs. 42,338 is being transferred to the statement of Profit & Loss every year.

3.2 Corporation had received grant of Rs.1,26,94,000 in the earlier years for construction of Paithani Development Centre. The Corporation has purchased looms amounting to Rs. 49,95,000 by utilising this grant and deducted the said amount of Rs.49,95,000 from the grant received. The Corporation has also received subsidy of Rs.21,00,000 in FY 2010 -11 for purchase of 100 looms. Since this subsidy pertains to utilisation of Rs.49,95,000 (deducted from Govt.grants in the year 2009-10)

towards purchase of looms, the said subsidy of Rs.21,00,000 was added to Govt. Grants. The Corporation has also added Rs.5,00,000 to Govt. Grants towards unutilized grants given to Paithan division for training of labourers on Paithani Sarees. During FY 2013-14 corporation has utilised Rs. 37,79,450 on account of construction of compound wall in paithani Development Centre. The balance of Rs. 65,19,950 is shown under the head Gov. Grants.

3.3 The Corporation is crediting 0.1% of rebate earned on marketing business to Marketing Risk Reserve as per the Board resolution passed earlier.

3.4 The Corporation has amortised Rs.11,35,460 from Revaluation Reserve and Corresponding amount has been credited to leasehold land to reduce the value thereon.

4. LONG TERM BORROWINGS

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Unsecured		
a. IND & LAB. DEPT. MAH. GOVT. EDU. UNEMP. H. P. A/C	13,18,000	13,18,000
INTEREST PAYABLE ON MAHA GOVT LOAN*	27,74,408	27,74,408
b. IND & LAB.- GOVT. OF MAHA - SEED CAPITAL	64,03,332	64,03,332
INTEREST PAYABLE EPP GOVT of MAHA*	90,49,299	90,49,299
Total	195,45,038	195,45,038

* Interest amount is more than the principal amount in respect of above loans. Hence, no provision for interest payable from the year 2007-08 is made in the accounts. Management is of the opinion that the scheme amounts reflected in books of accounts are very old one and not reconciled since long back and are not payable to the Govt. has not also claimed these amounts from MSSIDC. Hence, Corporation has not provided interest since 2007-08

5. TRADE PAYABLES

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
- Micro, Small and Medium Enterprises (5.1)	-	-
- Others (5.2)	934,278,053	1,291,419,596
Total	934,278,053	1,291,419,596

5.1 Amount overdue as on 31st March, 2014 to Micro, Small and Medium Enterprises on account of principal amount with interest in aggregate is Rs. Nil (Previous year Rs. Nil). No interest during the year has been paid to Micro, Small and Medium Enterprises on delayed payments.

5.2 This amount is subject to scrutiny, reconciliation and consequential adjustment.

6. OTHER CURRENT LIABILITES

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
1. Other Payables :		
(a) Other Statutory Liabilities (6.1)	23,33,523	55,18,586
(b) Raw material Dues & Refund Payable	14,708,431	14,825,750
(c) Marketing Advance Received	241,615	241,615
(d) Retention Money	238,867	238,867
(e) Security Deposits/Earnest Money Deposits (6.2)	187,187,294	185,270,105
(f) Miscellaneous Liabilities (6.3)	75,631,719	72,695,264
(g) Contributions Received (6.4)	13,484,688	17,765,460
(h) Employee Benefits (6.5)	2,469,014	913,853
(i) Dues to outside parties (6.5)	411,795,780	737,188,481
(j) Sundry creditors for expenses	34,390,729	30,828,796
Total	742,481,659	1,065,486,776

6.1 Includes Service Tax Liability of Rs.22,87,663, TDS deducted on contractors Rs. 779,129 CST debit balance of Rs. 11,86,215 and MST & VAT Debit balance of Rs.10,51,516 which are subject to scrutiny, reconciliation and consequential adjustment.

6.2 Includes Deposit Received of Rs.17,29,49,114 which is subject to scrutiny, reconciliation and consequential adjustment.

6.3 Liability for Expenses of includes old liability of Mumbai Port Trust of Rs. 2,72,64,845.

6.4 Grant received for Exhibition Handicraft & Training 2013-14 was Rs. 48,00,000 while expenditure against it amounted to Rs. 52,98,919.

During the year balances receivable of IITF 2010 & IITF 2011 were adjusted against balance payable of IITF 2012. Surplus in IITF 2013 account as compared to the amount as per Audited Certificate has been transferred to Statement of Profit & Loss.

6.5 This amount is subject to scrutiny, reconciliation and consequential adjustment.

7. SHORT TERM PROVISIONS

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
(a) Provision for Employees' Benefits		
Provision for Gratuity (7.1)	98,280,125	94,580,391
Leave Encashment (7.2)	21,555,685	24,670,567
Vth Pay Arrears	-	145,470
(b) Provision for Taxation		
Provision for taxation F. Y. 2009-10	18,482,030	18,482,030
Provision for taxation F. Y. 2010-11	37,413,379	37,413,379
Provision for taxation F. Y. 2011-12	74,328,672	74,328,672
Provision for taxation F. Y. 2012-13	44,746,827	44,746,829
Provision for taxation F. Y. 2013-14	39,024,596	-
Total	333,831,314	294,367,338

7.1 The Corporation has made a provision of Rs.36,99,734 during the year towards gratuity on the basis of LIC demand (Projected unit Credit Method has been used for valuation by LIC). The Corporation has invested Rs.15,91,50,380 towards the gratuity fund maintained by LIC against the Provision of Rs.9,82,80,125.

7.2 The Corporation has made provision of Rs.2,15,55,685 towards leave encashment on the basis actuarial valuation.

Note 8 : Fixed Assets											
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost 1.4.13	Additions	Sales adjustments	Balance as at 31.3.14	Accumulated Depreciation	Depreciation for the year	Adjustments	Total Depr. 31.3.14	WDV 31.3.14	WDV 31.3.13	WDV 31.3.13
Free hold land - Wada	76,426	-	-	76,426	-	-	-	-	76,426	76,426	76,426
Lease hold land -Cost	11,300,038	-	-	11,300,038	46,54,498	178,152	-	48,32,650	64,67,388	66,45,540	66,45,540
Leasehold land-Revaluation	199,216,368	-	-	199,216,368	1415,78,376	11,35,459	-	1427,13,835	565,02,533	576,37,992	576,37,992
Compound Wall - Paithani	-	3,779,460	3,779,459	1	-	-	-	-	1	-	-
Office Premises	8,613,596	-	-	8,613,596	33,00,014	132,875	-	34,32,890	51,80,706	53,13,581	53,13,581
Building on leasehold land	553,47980	-	-	55,347,980	71,95,472	9,00,694	-	80,96,165	472,51,814	481,52,508	481,52,508
Residential flats	4,103,472	-	-	4,103,472	16,52,698	62,753	-	17,15,451	23,88,021	24,50,774	24,50,774
Leasehold rights WTC	2,540,250	-	-	2,540,250	15,17,101	42,339	-	15,59,439	9,80,811	10,23,150	10,23,150
Plant & Machinery	3,679,991	-	-	3,679,991	36,58,379	5,510	-	36,63,890	16,101	21,611	21,611
Furniture & Fixture	11,387,983	-	-	113,87,983	100,15,694	1,03,740	-	101,19,434	12,68,549	13,72,289	13,72,289
Office Equipments	94,26,136	32,164	-	9,458,300	63,75,648	4,49,021	-	68,24,669	26,33,631	30,50,488	30,50,488
Computers	21,093,323	12,800	-	211,06,123	186,25,009	3,60,425	-	189,85,434	21,20,689	24,68,314	24,68,314
Electrical fittings	817,710	-	-	817,710	1,44,900	38,841	-	1,83,741	6,33,969	6,72,810	6,72,810
Vehicles	2,749,230	1,245,633	-	3,994,863	27,49,229	1,297	-	27,50,526	12,44,337	1	1
Assets Costing less than 5000	802,452	9,400	-	811,852	8,02,452	9,400	-	8,11,852	-	-	-
Paithani Dev. Center (MVVM)	182,226	-	-	182,226	17,820	2,970	-	20,791	1,61,435	1,64,406	1,64,406
Total	3313,37,181	5,079,457	3,779,459	3326,37,179	2022,87,290	34,23,476	-	2057,10,766	1269,26,412	1290,49,890	1290,49,890
Previous Year (31-03-2013)	3312,79,036	58,145	-	3313,37,181	1925,75,306	97,11,984	-	2022,87,290	1290,49,890	1387,03,729	1387,03,729

Notes :

- A) Amortisation has been provided in proportion to Lease Period from the year in which possession of lands is taken, although the agreements to lease suitable that they will come into force after the execution of lease agreements.
- B) The Corporation has charged depreciation on the Lease Hold Rights of the premises in World Trade Center and amortised it over its useful life of 60 years.
- C) Depreciation for the year of Rs. 2288016 (Rs.3423476 - 1135460).

9. NON-CURRENT INVESTMENTS

(Amount in Rs.)

	Nos.	Face Value Rs.	As at 31-03-2014	As at 31-03-2013
1. (Unquoted) :				
1. All India Fabricks Mkt. Co-op. Soc. Ltd.	1	1,000	1,000	1,000
2. Mah. Ind. & Tech Consultancy Org. Ltd.	400	100	40,000	40,000
3. Mah. State Handloom Coop Fed. Ltd.	1	250	250	250
4. Krupanidhi Ltd.	620	100	62,000	62,000
		Total	103,250	103,250

10. OTHER NON - CURRENT ASSETS

(Amount in Rs.)

		As at 31-03-2014	As at 31-03-2013
DEPOSIT PAID *	98,29,347	-	103,42,516
Less : Provision for Bad & Doubtful Debts	(52,96,427)	45,32,920	-
DEPOSIT - TELEPHONE		25,300	22,000
DEPOSIT - COURT		17,169,496	17,169,496
EMD PAID		10,19,907	4,72,218
Total		227,37,623	28,006,229

11. DEFERRED TAX ASSETS (NET)

The break-up of net deferred tax assets on account of timing differences as at 31st March 2014 is as under

(Amount in Rs.)

	As at 31-03-2014		As at 31-03-2013	
	Assets	Liability	Assets	Liability
Opening Balance (DTA)	86,37,255		75,72,694	
Depreciation				2,90,678
P L Encashment		12,68,177	13,11,242	
Disallowance u/s 40 (a)	43,75,352		43,997	
Total	130,12,607	12,68,177	89,27,933	2,90,678
Net Deferred Tax Assets *	117,44,430		86,37,255	

* During the year, there is increase in deferred tax assets of **Rs.31.07 Lakhs.**

12. INVENTORIES

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Raw material and Components		
(a) Stock at Paithan	5,49,293	21,84,252
(b) Work-in-progress (Paithan)	8,61,406	7,92,217
(c) Finished Goods		
Stock at Yeola	2,43,667	21,88,287
Stock at Paithan	2,84,893	7,62,973
Stock in trade-wtc	61,73,621	53,13,819
Stock in trade-TME Delhi	6,03,438	6,90,340
Window display at HO	89,341	11,849
Total	88,05,659	119,43,737

13. TRADE RECEIVABLES

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
Outstanding for a period exceeding six months from the due date :		
Secured	-	-
Unsecured Considered Good (a)	5778,97,554	9426,96,764
Less - Provision for Bad and Doubtful debts	(264,85,000)	
	5514,12,554	9426,96,764
Outstanding for a period not exceeding six months from the due date:		
Secured	-	-
Unsecured - Considered Good	3341,29,949	4502,44,594
Total*	8855,42,503	13929,41,358

13. a) Sundry debtors amounting to Rs.577897554/- are outstanding for over three years . The management is of opinion that since Doubtful debts pertaining to marketing activity are backed by creditors and the amounts involved in legal cases are subject to decision thereof, the provision regarding doubtful debts is not considered.

Debtors & Creditors records are very old one and a large no. of parties are involved (no. of units 4796 & No. of consignee 5838) with voluminous transactions. Considering this issue, Management had directed all Divisions & HO to carry out Debtors & Creditors scrutiny. Accordingly Divisions & HO have scrutinized Marketing Debtors & Creditors account and

passed the scrutiny JV on account of identified wrong posting, Short deduction, penalties, TDS etc. The scrutiny JV have reduced :

- i) Sundry debtors debit balances by Rs. 207037111/-
- ii) Sundry debtors credit balances by Rs. 124430461/-
- iii) Sundry creditors credit balances by Rs. 85824528/-
- iv) Sundry creditors debit balances by Rs. 5162163/-

b) Sundry Debtors include Rs. 873.05 Lakhs due from M/S. Metal Tube Rolling Mills (MTRM). The matter is under arbitration. Advocate of the Corporation has finally completed argument before the Arbitrator in April, 2011. The arbitrator has passed the award on 30.06.2011 in favor of the Corporation directing the other party to deposit Rs. 19.00 Crores plus interest. The MTRM has challenged the said award by way of Arbitration Petition before Hon. Bombay High Court. Hon. Bombay High Court has directed to list the petition before appropriate bench of High Court as the present bench has no pecuniary jurisdiction.

c) Corporation has filed civil suit against the Industries of Mehta Group of Industries in the District Court at Nagpur for recovery of Rs. 563.59 lakhs. The cases are pending for hearing at court. For all relevant cases and their application hearing has been done from Corporation's side. The matter is in process. The party has not deposited Rs.50.00 lakhs as per the order of High Court. Corporation has also filed criminal complaint u/s 138 against M/s Holurn & Steel (one of the company of Mehta Group) for recovery of outstanding of Rs. 50 lacs.

d) M/s Khutale Steel Rolling Mills Pvt. Ltd., Satara, debtor who unauthorisedly removed raw material supplied under Warehousing Credit Scheme, has an outstanding of Rs. 47.52 Lakhs. The judgment delivered in favour of MSSIDC in civil suit filed by MSSIDC in Satara Court against M/ s Khutale for recovery and the original decree execution papers were submitted to Hon'ble High Court, Mumbai(as the immovable property of Director is situated at Mumbai)The Decree execution application came up before Hon. Bombay High Court hearing on 21.03.2012. The matter was dismissed in default for want of prosecution due to absence of advocate. The corporation has filed a notice of motion to restore the matter and the matter is yet to be admitted.

* This amount is subject to scrutiny, reconciliation and consequential adjustment.

14. CASH AND BANK BALANCES

(Amount in Rs.)

	As at 31-03-2014	As at 31-03-2013
A Cash and Cash Equivalents :		
Balances with Bank :	1357,56,456	1254,10,022
Cash on hand	1,39,412	98,480
Deposit with Bank (FDRs)	9106,86,000	9995,36,261
Total	10465,81,868	11250,44,763

15. SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

		As at 31-03-2014	As at 31-03-2013
Loans to Employees		6,95,982	10,17,693
Prepaid Expenses		1,40,055	1,37,191
Advance payment of income tax (15.1)		359,66,897	167,59,900
Tax deducted at source (15.1)		1329,70,726	1105,81,342
Security Deposits (15.1)		67,98,994	96,61,748
Other Loans and Advances (15.2)	1600,81,905		2148,37,027
Less : Provision for Bad & doubtful debts	(44,024)	1600,37,881	
Total		3366,10,535	3529,94,901

15.1 This amount is subject to scrutiny, reconciliation and consequential adjustment.

15.2 Includes :

a) Includes Rs. 1,36,074 (Aurangabad Rs.15,139 & HO Mumbai Rs.1,20,935) towards loss incurred due to jumping of franking machine during last 3-4 years. Out of which Rs. 92050/- is recoverable from IGR and we are following the matter and provision has been made for balance amount of Rs. 44024/-

b) Debit balances in sundry Creditors of Rs.10,98,93,609 which are pending for adjustment for more than 3 years.

c) Includes Advance of Rs.29.42 lakhs which was paid on 24.11.2003 to M/s Inter National Steel Industries (ISI), Mumbai, towards raw material transaction. Since the amount was outstanding and FIR was lodged with Economic Offence Wing (EOW) on 22.12.2004, the matter is under investigation. Further, the Corporation has also filed 2 criminal complaints against ISI and the same are pending before Metropolitan Magistrate Court (Esplanade), Mumbai. We have submitted fresh addresses of accused to the Hon'ble Court. Hon'ble Court issued non-bailable warrant on fresh addresses. The next date is 01.10.2015, Hon' Court awaiting report of non-bailable warrant.

16. OTHER CURRENT ASSETS

(Amount in Rs.)			
		As at 31.03.2014	As at 31.03.2013
TDS Under W.C.T		19,33,641	17,58,532
I tax on salary 87-88 onwards		12,551	71,200
Tds ded by consignee under wtc 2002-03		9,45,190	9,32,892
Tds consignee 2003-04		8,01,991	-
Tds consignee 2013-14		27,691	-
Godown & office rent recoverable (16.1)	264,79,628		188,21,942
Less : Provision for Bad & Doubtful Debts	(2,85,544)	261,94,084	
Advance against seed capital*	34,08,936		34,09,751
Less : Provision for Bad & Doubtful Debts	(34,08,936)		
Indian Oil Corporation Ltd.*	7,95,822		7,95,822
Less : Provision for Bad & Doubtful Debts	(7,95,822)		
I.P.C.L *	10,22,167		10,22,167
Less : Provision for Bad & Doubtful Debts	(8,92,987)	1,29,180	
I.P.C.L. credit sale to mkt. units at adj. a/c*	1,90,539		1,90,539
Less : Provision for Bad & Doubtful Debts	(1,90,539)		
Kerala state ind. Products trading corpn ltd. *			4,668
Leather industry delp. Corpn of Mah. Ltd.*	2,13,868		2,13,868
Less : Provision for Bad & Doubtful Debts	(2,13,868)		
National craft complex, New Delhi*	1,39,763		1,39,763
Less : Provision for Bad & Doubtful Debts	(1,39,763)		
International craft selling Exhibition at Milan	7,94,107		
Less : Provision for Bad & Doubtful Debts	(7,94,107)		
Gratuity fund		1591,50,380	1201,74,787
IITF Security Deposit		34,254	
Total		1892,28,962	1478,38,779

16.1 Includes Rs.38,30,462 receivable from a few parties which is long overdue but not provided for since

(a) The Corporation is confident of recovering the same in near future.

(b) The Corporation is to receive Rs.35,44,919 towards rent receivable from Hindustan Zinc Ltd. The case went to Arbitration. And Arbitration Award was passed in the favor of the Corporation asking Hindustan Zinc Ltd. to pay Rs.27,40,046.00 to the Corporation against which Hindustan Zinc Ltd. has moved the High Court against the Arbitration Award. The case no. CMM/3/14 is pending before Udaipur Court. The Corporation has filed written statement on dtd. 19.11.2014. The next hearing will be on 27.08.15.

(c) The MSSiDC had given their godowns on rental basis to Thakkar Warehousing Agency (TWA). The party has sublet the said godowns to 5 parties. There was a dispute between the Corporation and TWA and the matter was handed over to the arbitration. The arbitrator has given their award in favor of the Corporation for Rs.2.59 Crores on 08.10.2010 on which TWA has filed petition in the Court of Law challenging the arbitration award, which has been admitted by the Court. The Corporation has filed an appeal before divisional bench to challenge the order of the single bench of admission of the petition of TWA. The appeal of the Corporation is admitted and pending for final hearing.

* These amounts are doubtful of recovery and pending for adjustment for more than 3 years for which Corporation does not have any details and no provision for the same is made in the accounts as they are in the process of reconciliation.

17. REVENUE FROM OPERATION

(Amount in Rs.)

	2013-14		2012-13	
	Rs.	Rs.	Rs.	Rs.
(i) SALE OF PRODUCTS				
(a) MANUFACTURING OPERATIONS :-				
1. Raw material sales	-		11,361,738	
2. Marketing sales	15523,49,494		1,983,378,894	
3. Sales Paithani saree	16,05,323		3,037,797	
4. Sales of silk as Yeola depot	19,59,633		1,044,558	
5. Sales through stock transfer	19,06,054		2,269,192	
6. Sales coal	13,17,487		290,509,665	
7. Sales Kosa Sarees	6,000		-	
8. Sales Others	4,07,880		-	
	15595,51,871		2,291,601,843	
Less : Sales through Stock Transfer	(19,06,054)	15576,45,817	(2,269,192)	2,289,332,651
				2,289,332,651
Total (i)		15576,45,817		2,289,332,651
(ii) OTHER OPERATING REVENUE				
Sale of Scrap			351,112	
Sales franking			774,110	
Sales handicraft	325,00,080		32,151,689	
Other Receipts	828,51,080		106,272,614	
Total (ii)		1153,51,160		139,549,225
Total		16729,96,977		24288,82,176

18. OTHER INCOME

(Amount in Rs.)

	2013-14	2012-13
a) Interest Received	913,07,460	850,55,849
b) Dividend from Non-Current Investments	50,000	50,000
c) Rent received	615,81,153	519,19,031
d) Miscellaneous Income	37,46,254	63,73,820
e) Excess provision written back	4,79,141	-
Total	1571,64,008	1433,98,700

19. COST OF MATERIALS CONSUMED

(Amount in Rs.)

	2013-14	2012-13
	Rs	Rs.
1. Purchase	15904,81,293	23085,64,922
Less : Purchase through Stock Transfer	(19,06,054)	(22,69,192)
Total	15885,75,239	23062,95,731

20. CHANGE IN INVENTORIES OF FINISHED GOODS AND PROCESS STOCK

(Amount in Rs.)

	2013-14	2012-13
Closing Stock Finished Goods	73,94,960	89,67,268
Less : Opening Stock Finished Goods	89,67,268	61,54,780
(Increase)/Decrease	15,72,308	(28,12,488)

21. EMPLOYEE BENEFITS EXPENSE

(Amount in Rs.)

	2013-14	2012-13
	Rs.	Rs.
a) Salaries and Wages	600,80,739	574,73,856
b) Contribution to		
(i) Provident Fund	74,87,158	80,07,456
(ii) P L Encashment	18,60,276	75,30,905
(iii) Gratuity Fund	36,99,734	32,74,306
	130,47,168	188,12,667
c) Staff Welfare Expenses	19,59,488	16,49,239
Total	750,87,395	779,35,762

22. FINANCE COST

(Amount in Rs.)

	2013-14	2012-13
(a) Interest	-	240
(b) Bank Charges	1,34,206	3,61,099
Total	1,34,206	3,61,339

23. OTHER EXPENSES

(Amount in Rs.)

	2013-14	2012-13
Power	1,488,705	1,392,327
Fuel, Natural Gas and Water Charges	275,710	222,924
Repairs, Maintenance and Replacement		
Building	840,569	50,883
Others	8,990,177	16,115,739
	9,830,746	16,166,622
Job Work/Processing Charges	969,539	806,103
Insurance	223,504	242,182
Godown Rent	5,043,750	5,273,542
Office rent	1,573,164	2,265,271
Penalty and Late fees	2,980,806	-
CST assessment 2000-01	2,468,818	-
Rates and taxes	1,581,920	905,455
Printing and Stationary	1,231,358	1,100,840
Postage and Telephone	1,364,690	1,504,323
Vehicle Running and Maintenance Including Hire Charges	1,655,841	2,090,494
Director's Fees	13,000	9,000
Auditor's Remuneration and Expenses	449,365	449,365
Membership and Subscription Fees	41,230	40,000
Travelling and Conveyance	1,499,300	2,273,666
Legal and Professional Charges	6,788,311	4,643,719
General Expenses	10,324,920	12,267,527
Marketing Expenses	1,441,747	530,734
Other Marketing Expenses	731,655	193,657
Marketing Risk and Development reserve	79,583	95,567
Coal expenses	-	55,937
Total	52,057,662	52,556,090

24. DEBIT BALANCE WRITTEN OFF

(Amount in Rs.)

	FY 2013-14	FY 2012-13
	Rs.	Rs.
Godown rent receivable from IOCL (24.1)	44,79,030	-
Suspense Account	85,723	-
Small Debit balances w/off	1,60,852	-
Total	47,25,605	-

Note : (24.1) Claims against IOCL were settled as per Hon'ble Bombay High Court order dt. 15.01.2013. Balance outstanding of IOCL Rs.44,79,030 written off by Board Approval in 34th BM held on 16.03.2016.

25. PROVISION FOR BAD & DOUBTFUL DEBTS.

(Amount in Rs.)

	FY 2013-14	FY 2012-13
	Rs.	Rs.
Long Pending Deposits	52,96,427	-
Other Advances		
Advance against seed capital	34,08,936	-
Indian Oil Corp.	7,95,822	-
IPCL	8,92,988	-
IPCL Credit sale mktg. unit	1,90,539	-
Lidcom	2,13,868	-
National craft complex	1,39,763	-
	56,41,916	-
Godown rent recoverable		
Hindustan Copper ltd.	1,03,094	-
Hindustan organic chem.	39,643	-
Texcom	1,42,807	-
	2,85,544	-
Jumping of Wrong Franking		
Receivable at HO	28,885	-
Less : Claimed with AGR Pune		
Receivable at Aurangabad	15,139	-
	44,024	-
Contribution received		
International Craft selling exhibition	7,94,107	-
Total	120,62,018	-

26. PRIOR PERIOD ADJUSTMENT (NET)

(Amount in Rs.)

	FY 2013-14	FY 2012-13
	Rs.	Rs.
INCOME		
Sales	310,83,298	3,12,803
Interest	13,54,801	-
Rent Income	4,68,885	-
Registration Income	4,500	-
Miscellaneous Income	57,46,611	2,01,098
	386,58,095	5,13,901
EXPENDITURE		
Purchases	153,20,372	-
Office & Administrative expenses	7,61,232	14,94,757
Legal fees	1,23,840	-
Marketing expenses	10,99,670	-
Rates & Taxes	9,75,099	-
Employee Benefit Expenses	3,46,012	-
Miscellaneous Expenses	33,501	-
Rent Expenses	4,58,057	-
Additional Lease premium	-	263,25,359
	191,17,783	278,20,116
Net Debit / (Credit) Total :	(195,40,313)	273,06,215

Note 27 : CONTINGENT LIABILITIES

Sr. No.	Particulars	FY 2013-14	FY 2012-13
		Rs.	Rs.
1	Claims against the Corporation not acknowledged as debts a) Snehdeep Structural Pvt. Ltd. Appeal no. 555 of 2006 Rs. 4,18,04,825 & Appeal no. 260 of 2013 of Rs.2,36,63,430 b) Mumbai Port Trust* (Rs. 16,03,51,088) c) Savatram Polymers, Akola (Rs. 24,65,320)	23,97,21,588	22,58,19,343

	d) WIST – Wadala Godown Mumbai (Rs. 1,08,32,189)		
	e) M/s Ajay Entp. Yavatmal (Rs.6,04,736)		
2.	Tax Liability not acknowledged as debt and pending in Appeal with higher authority (exclusive of the effect if similar matters in Respect of Assessment remaining to be completed) In respect of		
	i) Sales tax	1,42,79,323	1,49,95,907
	ii) Income tax	1,07,06,402	1,07,06,402
	iii) Value added tax	77,50,73,958	53,17,73,142
3.	Penalty u/s 271B of the Income Tax Act for non-filing of Tax Audit Report u/s 44 AB of the Income Tax Act for last 3 years (FY 2011-12 to 2013-14)	4,50,000	8,50,000

Mumbai Port Trust vide letter dt. 17.12.2012 raised demand towards pending regulation / rectification of breaches and liquidation of Port Trust arrears of Rs. 16,03,51,088 in respect of TW-2 shed at Cotton Green. In this regard vide our letter dt. 27.12.2012 the Corporation has requested to provide details of outstanding/arrears amount to BPT. However, the details are yet to be received.

Note 28 : Corporation has appointed Warehousing Agent in Year 2009 for Kolhapur Godown M/S Lollygrow Markserve Pvt. Ltd. and M/S Gangavihar Buildcon Pvt. Ltd. for Ahmednagar Godown. The Corporation has given repair work to M/s Design & Décor in April 2011 and the work is not executed. The corporation has taken possession of both godown on March 2012. We have raised License fees of Rs. 43.83 lacs (June 2011 to March 2012) & 36.23 lacs (July 2010 to May 2011) for Ahmednagar & Kolhapur godowns respectively. Further corporation has encashed Bank Guarantee of Rs. 12.26 lacs. Corporation has issued demand notice for above recovery from units.

Note 29 : Corporation has rented Kalamboli Godown to Central Warehousing Corporation from Sept 2004 on leave & license basis. Corporation has not received rent since 2011. However we have accounted accrued income upto FY 2012-13 of Rs. 45,39,070 in books of accounts. Income for FY 2013-14 is not booked since CWC is not paying rent.

Note 30 : The Corporation has allotted 2863 sq. ft. space at Krupanidhi Building, Ground floor, Mumbai to MIDC for running IPFC (Investor Promotion & Facilitation Cell) wef 27.08.2013 @ 130 per sq. ft. The rent from 27.08.2013 to 31.03.2014 of Rs. 26,65,360 is outstanding from MIDC. The Corporation is written a letter to Authority on 30.03.2015 and 09.07.2015 for recovery of outstanding Rent.

Note 31 : In the absence of details of status of pending Sales Tax and WCT assessments and other legal cases, the contingent liability, if any, in respect thereto cannot be ascertained as cases of various years are under process with the concerned Appellate Authorities and the quantum of the same cannot be ascertained.

Note 32 : The first Audit Committee Meeting was held on 7th November 2013.

Note 33 : Segment Reporting : AS – 17

a) Primary Segment

Particulars	(Rs. In Crs.)			
	Trading	Emporia	CWH/Oth.	Total
Revenue	173.25	3.61	6.16	183.02
Segment Cost	160.98	3.94	0.99	165.91
Result	12.27	-0.33	5.16	17.10
Less : Unallocated Expenses				7.74
Profit Before Tax				9.37
Less : Income Tax / Deferred Tax				-3.59
Net Profit After Tax				5.77
Less:Proposed dividend				
Less:Prior Period Adjustments(Net)				1.95
Net Profit				7.72
Other Information				
Segment Assets	240.93	1.22	6.80	248.95
Unallocated Assets				13.88
Total Assets	240.93	1.22	6.80	262.83
Segment Liabilities	165.91	0.57	1.20	167.67
Unallocated liabilities				95.15
Total Liabilities	165.91	0.57	1.20	262.83

b) Secondary Segment :

The entire operation is being treated as a single reportable segment.

Note 34 : Related Party Disclosure / Transactions AS 18 :

The Corporation has considered the following as the related parties for disclosure under AS 18 issued by ICAI.

Mrs. Radhika Rastogi (IAS) was deputed as Managing Director of MSSIDC Ltd. by the State Government on 16.05.2011 and her services were transferred on 20.01.2014. MSSIDC paid her Rs. 16,93,621 & Rs. 1,68,315 towards remuneration & other expenses respectively from period 01.04.2013 to 20.01.2014.

Mr. Shivaji Daund (IAS) was deputed as Managing Director of MSSIDC Ltd. by the State Government on 20.01.2014. MSSIDC paid him Rs. 3,32,603 and Rs. 44,200 towards remuneration & other expenses respectively from period 20.01.2014 to 31.03.2014.

Mr. Avinash Rankhamb was deputed as Joint M. D. of MSSIDC Ltd. by the State Government on 05.08.2013. MSSIDC paid him a total remuneration of Rs. 4,82,345 from period 05.08.2013 to 31.03.2014

Note 35 : Consolidated Financial Statements : AS 21

The compliance of AS 21 is not mandatory for Corporation since it is not the listed company.

Note 36 : Additional Information

Additional information pursuant to provision of sub-paras 3, 4, 4-C & 4-D of Para II of schedule VI to the Companies Act 1956.

i) Earnings and Expenditure in Foreign Exchange

(Rs. In Lakhs)

Particulars	2013-14	2012-13
Earnings in Foreign Exchange	NIL	NIL
Expenditure in Foreign Exchange	NIL	NIL

CIF Value of imported and indigenous raw material consumed.

(Rs. In Lakhs)

Particulars	2013-14		2012-13	
	%	Value	%	Value
Imported	-	NIL	-	NIL
Indigenous	100%	24.24	100%	20.82
Total	100%	24.24	100%	20.82

ii) Payment to Auditors.

(Rs. in Lakhs)

Particulars	2013-14	2012-13
Audit Fees	2.75	2.75
Tax Audit fees	1.25	1.25
Other Services	-	-

Note 37 : The previous year's figures have been regrouped/reclassified wherever necessary to correspond with current year's classification / disclosure. All figures have been rounded off to the nearest rupee.

As per our report of even date

For and on behalf of the Board of Directors

For Om Prakash S. Chaplot & Co.

Chartered Accountants

FRN 000127C

(Yash Panjawat)

Partner

M. No. 415552

Place : Mumbai

Date : 13-03-2016

Chief Financial Officer

Managing Director

Company Secretary

Director