

55th ANNUAL REPORT 2016-17



MSSIDC

**MAHARASHTRA SMALL SCALE INDUSTRIES
DEVELOPMENT CORPORATION LIMITED**

Krupanidhi, 9, Walchand Hirachand Marg,
Ballard Estate, Mumbai - 400 001.
Phone : (022) 22611121-22-23
<http://www.mssidc.maharashtra.gov.in>





MSSIDC

THE FOLLOWING CUSTOMER FRIENDLY SERVICES ARE BEING PROVIDED TO SMALL SCALE INDUSTRIES

MAHACOIR

- Maharashtra coir production, exhibition and training centre

RAW MATERIAL

- Warehousing Facilities

MARKETING ASSISTANCE

- Participation in tenders on behalf of units in government / semi-government bodies tenders.

HANDICRAFT DEVELOPMENT & EXHIBITIONS

- Conducting Training and arranging Exhibitions for Handicraft items.

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**55th ANNUAL REPORT
FOR THE YEAR 2016-17**

COMPANY INFORMATION

BOARD OF DIRECTORS	SHRI. SANTOSH KUMAR, IAS DR. MARY N. KERKETTA, IAS DR. HARSHDEEP KAMBLE, IAS SHRI. A. B. MISAL, IAS
MANAGING DIRECTOR	SHRI. SANTOSH KUMAR, IAS
CHIEF FINANCIAL OFFICER	SHRI. SUDHAKAR SIDHEWAD
COMPANY SECRETARY	SHRI. KUSH KESHRI
BANKERS	STATE BANK OF INDIA
STATUTORY AUDITORS	SARA & ASSOCIATES CHARTERED ACCOUNTANT, MUMBAI
REGISTERED OFFICE	KRUPANIDHI, 9, WALCHAND HIRACHAND MARG, BALLARD ESTATE, MUMBAI - 400 001.

Director's Report

To,
The Members,
Maharashtra Small Scale Industries Development Corporation Limited,
Mumbai

On behalf of the Board of Directors, We have great pleasure in presenting the 55th Annual report on the working of the MSSIDC Limited, together with the Audited Accounts for the year ended on 31st March, 2017.

1. CONSOLIDATED FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY :

The financial results for the year ended 31st March 2017 and the corresponding figures for the last year are as under:

	(Amount in Lacs)	
Particulars	2016 – 2017	2015 – 16
Profit Before interest, Depreciation & Tax	(58.84)	591.55
Less: Finance Cost	19.96	5.28
Less: Depreciation & Amortization Expense	41.53	28.24
Profit before Tax	(120.33)	625.07
Provision for Tax	--	2.06
Deferred Tax	9.23	(6.19)
Tax Adjustment earlier year	--	467.25
Profit after Tax	(160.22)	(0.82)
Less : Proposed Dividend & Tax thereon	--	--
Balance carried to Balance Sheet	(1.60)	(0.82)

2. RESERVE & SURPLUS:

The total loss of Rs.1,60,22,288.00 for the financial year ended on 31st March, 2017, is to be adjusted from the General Reserve.

3. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR, STATE OF COMPANY'S AFFAIR, ITS OPERATIONS AND FUTURE PROSPECTS:

Your Directors inform you that gross loss has occurred of Rs. 1.60 Cr in the F.Y. 2016-17 as compared to gross loss of Rs.0.82 Cr in F.Y. 2015-16.

4. CHANGE IN THE NATURE OF BUSINESS:

The Corporation has entered into a new business activity of extraction of coir (coconut fibbers) from coconut husk. It's a natural activity where the fibres is extracted from the

coconut husk and are converted into coir ropes, coir mats and into coir handicrafts. This activity was undertaken with a view to generate employment in the entire state of Maharashtra. Looking to the initiative taken by MSSIDC and potential in coir activity, the Government of Maharashtra has introduced Maharashtra Coir Policy, 2018 and MSSIDC as implementing agencies.

5. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

The substantial change in the procurement policy of Government of Maharashtra gave a huge set back to MSSIDC as its major source of the revenue generation was no longer in existence.

6. DIVIDEND :

In order to conserve the resources of the Company, the Directors do not recommend any dividend for the Financial Year 2016 – 17.

7. MEETINGS :

Five meeting of the Board of Directors were held during the financial year.

Sr.No.	Date of Meeting	Serial No of meeting
1.	13.06.2016	343rd Board Meeting
2.	29.09.2016	344th Board Meeting
3.	07.02.2017	345th Board Meeting

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

► The details of the Directors in the financial year 2016 -17 to till date are as follows :

Sr. No.	Name of Directors	Designation	Date of Appointment	Date of Cession
1.	Shri Anand Kulkarni, IAS	Nominee Director	30.05.2013	31.01.2016
2.	Shri Ramesh Devkar, IAS	Director	30.05.2013	04.05.2016
3.	Shri Shivaji Daund, IAS	Managing Director	20.01.2014	02.05.2018
4.	Shri Surendrakumar Bagde, IAS	Director	26.08.2014	02.05.2016
5.	Shri A L Jarhad, IAS	Director	21.01.2015	29.10.2016
6.	Mrs Richa Bagla, IAS	Nominee Director	04.05.2016	09.03.2018
7.	Shri Vijay Singhal, IAS	Director	06.09.2016	06.06.2017
8.	Shri A.B. Misal, IAS	Nominee Director	29.10.2016	continuing
9.	Shri Harshdeep Kamble, IAS	Nominee Director	08.06.2017	continuing
10.	Shri Santosh Kumar, IAS	Managing Director	04.05.2018	continuing
11.	Mrs. Mary Neelima Kerketta, IAS	Nominee Director	04.05.2018	continuing

- The details of the Key Managerial Personnel from 2016 -17 to till date are as follows :

Sr. No.	Name of Key Managerial Personnel	Designation	Date of Appointment	Resignation
1	Shri Sudhakar Siddewad	CFO	14.06.2018	Continuing
1	Shri Manesh Waghirkar	CFO	01.09.2017	14.06.2018
2	Shri Rajendra Madke	CFO	19.08.2014	19.07.2017
2	Shri Kush Keshri	CS	19.08.2014	Continuing

9. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES :

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company, since it is a State Government undertaking incorporated under Companies Act, and the Directors are appointed by the Government. Hence the Company has not devised any policy relating to appointment of Directors, payment of Director's remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013

10. DECLARATION OF INDEPENDENT DIRECTORS :

The provision of Section 149 pertaining to the appointment of Independent Directors does not apply to our Company.

11. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link

<https://mssidc.maharashtra.gov.in/wp-content/uploads/2014/03/CSR-Policy-Revised.pdf>

No CSR activity was undertaken

12. INTERNAL CONTROL SYSTEM :

The Company's internal control system comprises of audit and compliance by a team of efficient and effective Internal Auditors. The internal auditors independently evaluate the adequacy of internal control and concurrently audit the transactions. Moreover, we are further taking steps to strength the internal control system.

13. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS :

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

14. CHANGES IN SHARES CAPITAL :

During the year under review, there has been no change in Authorized Share Capital of the Corporation.

15. STATUTORY AUDITORS :

Sara and Associate, Chartered Accountants, Mumbai were appointed as Statutory Auditors for the Financial Year by C&AG.

16. REPLY TO QUALIFICATIONS AND ADVERSE COMMENTS OF AUDITORS' REPORT :

Attached in Annexure - 1

17. REVIEW BY THE COMPTROLLER AND AUDITOR GENERAL :

Comment on the working result of the Corporation by the Comptroller and Auditor General of India form's a part of this Annual Report.

18. EXTRACT OF ANNUAL RETURN :

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 9 as a part of this Annual Report as **ANNEXURE 'II'**.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 :

No loans, investment or guarantee or security has been provided by the Company under the provisions of Section 186 of the Companies Act, 2013.

20. DEPOSIT :

The Company has neither accepted nor renewed any deposits during the year under review.

21. PARTICULARS OF EMPLOYEE :

There are no employees in receipt of remuneration exceeding the limits specified under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

No agreement was entered with related parties by the Company during the current year. No related party transactions were entered by the Company in ordinary course of business.

23. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES :

Krupanidhi Limited is a subsidiary company of MSSIDC. MSSIDC holds 62% of its shares. MSSIDC do not have any Joint venture or an Associate company.

24. FRAUD REPORTING :

During the year under review, neither the management nor the auditors have observed and reported any frauds.

25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The company has a sexual harassment committee for prevention of sexual harassment in accordance with the requirement of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressed) Act, 2013. The Company did not receive any complain during the year 2016 – 17.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREGIN EXCHANGE EARNING AND OUTGO :

NIL

27. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF)

28. DIRECTORS'S RESPONSIBILITY STATEMENT :

The Directors' Responsibility Statement referred to in clause (c) of Sub- section (3) of Section 134 of the Companies Act, 2013 shall state that :

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures :

The director had 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 company at the end of the financial year and of the loss of the company for that period;

- b. the director had taken 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 company and for preventing and detecting fraud and other irregularities;
- c. the directors had prepared the annual accounts on a going concern basis; and
- d. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

29. ACKNOWLEDGEMENTS :

The Directors gratefully acknowledge the valuable guidance and support extended by the State Government, Company's Bankers, Suppliers, and Dealers for their assistance, cooperation and encouragement they extend to the Corporation.

The Directors also acknowledge the contribution made by the dealers, suppliers, retailers/ distributors of the corporations towards improving the service as well as for the overall performance of the Corporation.

Your directors also thank all Government Agencies and Employees of the Corporation for their support during the year and look forward to their continued support in the future.

For and on behalf of the Board of Directors of

Managing Director

Director

Place : Mumbai.

Date : 26.12.2018

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31/03/2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i.	CIN	U74999MH1962SGC012501
ii.	Registration Date	19/10/1962
iii.	Name of the Company	Maharashtra Small Scale Industries Development Corporation Limited
iv.	Category / Sub-Category of the Company	LIMITED BY SHARES / GOVERNMENT COMPANY
v.	Address of the Registered office and contact details	Krupanidhi, 9, W.H Marg, Ballard Estate, Mumbai-400001.
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Retail Trading	G	100%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Krupanidhi Limited	U70101MH1964SGC013078	Subsidiary	62%	2(87)

III. SHARE HOLDING PATTERN (Equity & Preference Share Capital Breakup as percentage of Total Equity) :

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.0001 one nominees were changed
b) Central Govt	Nil	10,000	10,000	0.689	Nil	10,000	10,000	0.689	
c) State Govt(s)	Nil	14,40,093	14,40,093	99.310	Nil	14,40,093	14,40,093	99.999	
d) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f) Any Other	Nil	6	6	0.001	Nil	6	6	0.0001	
g) (Nominees of govt. of Maharashtra)									
Sub-total (A) (1) :-	Nil	14,50,099	14,50,099	100	Nil	14,50,099	14,50,099	100	
2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
h) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
j) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
k) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
l) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
B. Public Shareholding									

1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
g) FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Grand Total (A+B+C)	Nil	14,50,099	14,50,099	100	Nil	14,50,099	14,50,099	100	NO Change

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	The Governor Of Maharashtra Represented by Shri V.B Latke	14,40,093	99.30	0	14,40,093	99.30	0	0
2.	The State Trading Corporation Of India	10,000	0.68	0	10,000	0.68	0	0
3.	Mrs. S. D. Kochrekar	01	0.0000006	0	01	0.0000006	0	0
4.	Shri Sanjay Degaonkar	01	0.0000006	0	01	0.0000006	0	0
5.	Shri Mahesh Narendra Vaishnav	01	0.0000006	0	01	0.0000006	0	0
6.	Shri A N More	01	0.0000006	0	01	0.0000006	0	0
7.	Shri V H Kulkarni	01	0.0000006	0	01	0.0000006	0	0
8.	Shri Nandu R Mistry	01	0.0000006	0	01	0.0000006	0	0
Total		14,50,099	100	0	14,50,099	100	0	0

*Shareholders from Sr. No. 3 to 8 are the nominees of the Government of Maharashtra and are Government employees working in Industries, Energy & Labour Department of the Government of Maharashtra , Mantralaya , Mumbai-400032

iii. Change in Promoters' Shareholding (please specify, if there is no change)

There are No changes in the Promoters Shareholding during the financial year 2016-17.

IV. **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
- Addition	Nil	Nil	Nil	Nil
- Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

SR. No.	Particulars of Remuneration	Name of MD Shri Shivaji Daund, IAS	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,51,259	23,51,259
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
6.	Total (A)	23,51,259	23,51,259
	Ceiling as per the Act		

B. Remuneration to other directors :

SR. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u>					
	• Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
	<u>Other Non-Executive Directors</u>					
	• Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD :

SR. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO Shri Rajendra Madke	Company Secretary Shri Kush Keshri	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		12,32,801	5,06,893	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		N.A	N.A	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		N.A	N.A	
2.	Stock Option		N.A	N.A	
3.	Sweat Equity		N.A	N.A	
4.	Commission				
	- as % of profit		N.A	N.A	
	- others, specify...		N.A	N.A	
5.	Others, please specify		N.A	N.A	
6.	Total		12,32,801	5,06,893	

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
B. Directors					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
C. Other Officers In Default					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A

Details for change in the names of the nominees :

8/2016	29.09.2016	EF-12	Shri S L Bhoi	18	Equity	1	88629	100/-	EF-17	Shri M N Vaishnav
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For and on behalf of the Board of Directors of

Managing Director

Director

Place : Mumbai.

Date : 26.12.2018

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements :

We have audited the accompanying consolidated financial statements of Maharashtra Small Scale Industries Development Corporation Limited ("hereinafter referred to as the Holding Company) and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2017 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements :

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

Auditor's Responsibility :

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and

the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's 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 on the consolidated financial statements.

Basis for Adverse Opinion

1. (i) As certified by the Management, the Holding Company has unsecured trade receivables of Rs. 36,69,56,348/- and debit balance in trade payables of Rs. 5,49,14,798/- which are pending for adjustment for more than three years. The Holding Company has made Provision of only Rs. 2,64,85,000/- against these receivable. Hence, there is short provision of Rs. 39,53,86,146/-. (Refer Note No. 16.1 and 18.1 of notes to accounts)

(ii) Rent receivable includes Rs. 4,98,78,048/- receivable from the lessee which has not paid any rent since last years. The Holding Company has made Provision of only Rs. 48,24,614 against these receivable. Hence, there is short provision of Rs. 4,50,53,434/-. (Refer Note No. 19.1 of notes to accounts)

(iii) The Holding Company has made accounting error by reporting payment made to employee by showing advance to gratuity fund resulting overstatement of balance with gratuity trust fund by Rs. 11,62,35,023/-. The above balance needs to be written off as gratuity expenses of earlier years. The Holding Company has also overstated gratuity liability by Rs. 3,02,24,584/- by crediting amount received from LIC as liability towards gratuity. The above excess balance needs to be written back. The net impact of the above is of Rs. 8,60,10,439/- which needs to be accounted as gratuity expenses of earlier years. (Refer Note No. 14.1 of notes to accounts).

(iv) The Holding Company has shown security deposits of Rs. 5,70,55,211/- as unsecured, considered good out of which Rs.1,77,67,346/- neither reconciled nor any balance confirmation available. There is no corresponding income/expenses transaction also against these deposits. In our view the same is doubtful nature and provision against the same needs to be provided for. (Refer Note No. 13.1 of notes to accounts).

(v) The Holding Company has shown Exhibition and training advance of Rs. 62,26,982/-. The above amount is not reconciled. There is no balance confirmation available of this amount. Hence the above amount is doubtful nature and needs to be provided for. (Refer Note No. 18.1 of notes to accounts)

The cumulative effect of not providing for items (i) to (v) in point 1 mentioned above would have resulted in the group incurring a loss of Rs. 5664.66 lakhs as against the

reported Loss of Rs. 160.22 lakhs.

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

(i) Holding 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 & Loss gives an unfair view of Profit for the year. The Corporation has not fully complied with AS 9 and AS 5 and the effect of the same cannot be quantified.

(ii) The Holding Company has not made certain disclosures as required by AS 15 – Employee Benefits & AS 19 – Leases.

3. 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.	13,18,000.00
Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%)	64,03,332.00

4. Internal control system of the Holding Company is very weak and not commensurate with the size and volume of business of the Corporation. The system is also susceptible to fraud, manipulation and misappropriation at various levels.
5. 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.

Adverse Opinion

In our opinion, and due to the significance of the matters stated in the Basis for Adverse Opinion paragraph, the consolidated financial statements do not give the information required by the Companies Act, 2013 in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Corporation as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.

Other Matter

1. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 3,35,52,369/- as at 31st March, 2017, total revenue and expense of Rs.17,36,441/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
2. We would draw your attention to Notes No. 4, 5, 7, 8, 11, 12, 14, 15, 16, 17, and 19 of Notes to Accounts.
3. 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.
4. In the absence of details of status of pending Sales Tax, Service Tax, Income Tax, TDS, Professional 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that :
 - (a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Group so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - (c) Except for the matter described in the Basis for Adverse Opinion paragraph above, The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the matter described in the Basis for Adverse Opinion paragraph above, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
 - (e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation.

- (f) As per Notification issued by MCA on 05.06.2015 none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act. As per information and detail available only three Board Meeting taken place during F.Y. 2016-17.
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- (h) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Group has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 35 (a) to the financial statements;
- (ii) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There has not been any occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
- (iv) The Company has provided requisite disclosure in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to December, 2016, on the basis of information available with the Company. Based on audit procedure, and relying on management's representation, we report that disclosure are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer note 37.

For S A R A & Associates
Chartered Accountants
(Firm Registration No. 120927W)

(Manoj Agarwal)
Partner
Membership No. 119509

Place : Mumbai,
Date : 26.12.2018

Annexure – A to the Auditors Report

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

We have audited the internal financial controls over financial reporting of Maharashtra Small Scale Industries Development Corporation Limited (“hereinafter referred to as the Holding Company) and its subsidiary (the Holding Company and its subsidiaries together referred to as “the Group”) as of 31st March 2016 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Holding Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Disclaimer of Opinion

According to the information and explanation given to us, the Holding Company has not established its internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Holding Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2016.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company and our disclaimer does not affect our opinion on the consolidated financial statements of the Holding Company.

For S A R A & Associates
Chartered Accountants
(Firm Registration No. 120927W)

(Manoj Agarwal)
Partner
Membership No. 119509

Place : Mumbai
Date : 26.12.2018

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Maharashtra Small Scale Industries Development Corporation Limited ("the Corporation"), which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Corporation has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 on the standalone financial statements.

Basis for Adverse Opinion

1.

(i) As certified by the Management, the Corporation has unsecured trade receivables of Rs. 36,69,56,348/- and debit balance in trade payables of Rs. 5,49,14,798/- which are pending for adjustment for more than three years. The Corporation has made Provision of only Rs. 2,64,85,000/- against these receivable. Hence, there is short provision of Rs. 39,53,86,146/-. (Refer Note No. 15.1 and 17.1 of notes to accounts)

(ii) Rent receivable includes Rs.4,98,78,048/- receivable from the lessee which has not paid any rent since last years. The Corporation has made Provision of only Rs. 48,24,614 against these receivable. Hence, there is short provision of Rs.4,50,53,434/-. (Refer Note No. 18.1 of notes to accounts)

(iii) The Corporation has made accounting error by reporting payment made to employee by showing advance to gratuity fund resulting overstatement of balance with gratuity trust fund by Rs. 11,62,35,023/-. The above balance needs to be written off as gratuity expenses of earlier years. The Corporation has also overstated gratuity liability by Rs.3,02,24,584/- by crediting amount received from LIC as liability towards gratuity. The above excess balance needs to be written back. The net impact of the above is of Rs.8,60,10,439/- which needs to be accounted as gratuity expenses of earlier years. (Refer Note No. 5 and 13.1 and of notes to accounts).

(iv) The Corporation has shown security deposits of Rs.5,70,55,211/- as unsecured, considered good out of which Rs.1,77,67,346/- neither reconciled nor any balance confirmation available. There is no corresponding income/expenses transaction also against these deposits. In our view the same is doubtful nature and provision against the same needs to be provided for. (Refer Note No. 12.1 of notes to accounts)

(v) The Corporation has shown Exhibition and training advance of Rs. 62,26,982/-. The above amount is not reconciled. There is no balance confirmation available of this amount. Hence the above amount is doubtful nature and needs to be provided for. (Refer Note No. 17.1 of notes to accounts)

The cumulative effect of not providing for items (i) to (v) in point 1 mentioned above would have resulted in the Corporation incurring a loss of Rs. 5664.66 lakhs as against the reported Loss of Rs. 160.22 lakhs.

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

(i) Corporation 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 & Loss gives an unfair view of Profit for the year. The Corporation has not fully complied with AS 9 and AS 5 and the effect of the same cannot be quantified.

(ii) The Corporation has not made certain disclosures as required by AS 15 – Employee Benefits & AS 19 – Leases.

3. 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.	13,18,000.00
Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%)	64,03,332.00

4. Internal control system of the Corporation is very weak and not commensurate with the size and volume of business of the Corporation. The system is also susceptible to fraud, manipulation and misappropriation at various levels.
5. 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.

Adverse Opinion

In our opinion, and due to the significance of the matters stated in the Basis for Adverse Opinion paragraph, the standalone financial statements do not give the information required by the Companies Act, 2013 in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Corporation as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.

Other Matter

1. We would draw your attention to Notes No. 4, 5, 7, 8, 11, 12, 14, 15, 16, 17, 19 of Notes to Accounts.
2. 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.
3. The Corporation has not reconciled income and TDS with Form 26AS for the current year.
4. The Corporation has not booked rental income of its go-downs at thane for current financial year.
5. Investment in equity shares are subject to demat confirmation.
6. In the absence of details of status of pending Sales Tax, Service Tax, Income Tax, TDS, Professional 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Corporation so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - (c) Except for the matter described in the Basis for Adverse Opinion paragraph above, The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the matter described in the Basis for Adverse Opinion paragraph above, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;

- (e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation.
- (f) As per Notification issued by MCA on 05.06.2015 none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act. As per information and detail available only three Board Meeting taken place during F.Y. 2016-17.
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- (h) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 35 (a) to the financial statements;
 - (ii) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, the Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has not been any occasion in case of the Corporation during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
 - (iv) The Company has provided requisite disclosure in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to December, 2016, on the basis of information available with the Company. Based on audit procedure, and relying on management’s representation, we report that disclosure are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer note 35.

For S A R A & Associates
Chartered Accountants
(Firm Registration No. 120927W)

(Manoj Agarwal)
Partner
Membership No. 119509

Place : Mumbai,
Date : 26.12.2018

Annexure to the Independent Auditors' Report

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

- i) In respect of its Fixed Assets:
 - a) The Corporation has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - b) The Corporation 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 Corporation 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 Corporation has not been physically verified by the management during the year.
 - b) Systematic procedures reasonable and adequate in relation to the size of the Corporation 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 Corporation has neither granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 nor has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the act").

- iv) In our opinion and according to the information and explanation given to us, the Corporation has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Corporation has not issued any guarantee nor provided any security.

- v) The Corporation has not accepted deposits from the public. Hence provisions of section 58 A and 58 AA of the Companies Act, 2013 and Rules framed there under are not applicable.

- vi) The Central Government has prescribed maintenance of cost record for the company under sub section (1) of section 148 of the Companies Act, 2013 and such accounts have been made and maintained by the company.

- vii)
 - a) According to the records of the Corporation and according to the information and explanation given to us, the Corporation is regular in depositing with appropriate authorities, undisputed Statutory dues, including Provident Fund, Investor 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 (amount unascertainable).

According to the records of the Corporation and according to the information and explanation 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, 2017 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	Period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
Income Tax	Income tax demand	F.Y. 2010-11	8,25,24,620	CIT, Appeals
		F.Y. 2011-12	46,62,390	
		F.Y. 2014-15	1,20,23,830	
MVAT/ CST	Tax, interest & penalty	2005-06	1,24,69,644	JC Appeal-IV Bandra
		2007-08	21,03,81,183	JC Appeal-LTP-3 Mazgaon
		2008-09	4,20,07,119	JC Appeal-IV Bandra
		2009-10	21,06,62,310	JC Appeal-II D-13, Mazgaon
		2010-11	12,48,35,973	JC Appeal-II D-13, Mazgaon
		2011-12	1,25,53,196	Dy. Comm of Sales Tax
		2013-14	6,48,10,033	Dy. Comm of Sales Tax

- viii) According to the information, explanations & representation given to us, the Corporation has not defaulted in repayment of its dues to banks or financial institutions. The Corporation does not have any borrowings by way of debentures.
- ix) The Corporation did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanation given to us, no material fraud by the Corporation or on the Corporation by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Corporation is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii) According to the information and explanation given to us and based on our examinations of the records of the Corporation, transaction has been entered into by the Corporation with related parties are in compliance with the sections 177 to 188 of the Act where applicable. The above details are accurately disclosed in the financial statement as required by the applicable Accounting Standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanation given to us and based on our examination of the records of the Corporation, the Corporation has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi) According to the information and explanation given to us and based on our examination of the records of the Corporation, The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For S A R A & Associates,
Chartered Accountants,
(Firm Registration No. 120927W),

(Manoj Agarwal),
Partner,
Membership No. 119509,

Place : Mumbai

Date : 26.12.2018

Annexure – B to the Auditors Report

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

We have audited the internal financial controls over financial reporting of Maharashtra Small Scale Industries Development Corporation Limited (**“the Corporation”**) as of 31st March 2017 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Corporation’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

According to the information and explanation given to us, the Corporation has not established its internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Corporation had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2017.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Corporation and our disclaimer does not affect our opinion on the financial statements of the Corporation.

For S A R A & Associates
Chartered Accountants
(Firm Registration No. 120927W)

(Manoj Agarwal)
Partner
Membership No. 119509

Place : Mumbai

Date : 26.12.2018

Reply to Auditors Report FY 2016-17 (ANNEXURE – 1)

Sr No	Comment of Auditor	Comment of Management								
1	<p>Basis for Adverse Opinion</p> <p>1. (i) As certified by the Management, the Corporation has unsecured trade receivables of Rs. 36,69,56,348/- and debit balance in trade payables of Rs. 5,49,14,798/- which are pending for adjustment for more than three years. The Corporation has made Provision of only Rs. 2,64,85,000/- against these receivables. Hence, there is short provision of Rs. 39,53,86,146/. (Refer Note No. 15.1 and 17.1 of notes to accounts)</p>	<p>The total trade receivable is Rs. 41,03,13,635.00, out of that provision is made in books of account is Rs. 2,64,85,000/-. More than 3 years Trade Receivables is Rs. 36,69,56,348/-. The breakup of this outstanding activity wise is as under,</p> <table border="1" data-bbox="667 141 900 745"> <thead> <tr> <th>Activity</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Marketing</td> <td>12,31,49,581</td> </tr> <tr> <td>Coal</td> <td>2,33,62,560</td> </tr> <tr> <td>Raw Material & others</td> <td>22,04,44,206</td> </tr> </tbody> </table> <p>In Raw material transaction, the legal case amount involved is Rs. 19,20,42,859/. In Marketing transactions, we have undertaken scrutiny in FY 2017-18, however due to non-availability of old records, the scrutiny has not undertaken.</p> <p>In Trade Payable, amount involved is Rs. 5,49,14,798/-. This is a debit balance in party account and not reconciled since all transactions are very old one.</p> <p>Therefore, we have not made any provision in books of accounts.</p>	Activity	Amount	Marketing	12,31,49,581	Coal	2,33,62,560	Raw Material & others	22,04,44,206
Activity	Amount									
Marketing	12,31,49,581									
Coal	2,33,62,560									
Raw Material & others	22,04,44,206									

	<p>(ii) Rent receivable includes Rs.4,98,78,048/- receivable from the lessee which has not paid any rent since last years. The Corporation has made Provision of only Rs. 48,24,614 against these receivables. Hence, there is short provision of Rs.4,50,53,434/- .(Refer Note No. 18.1 of notes to accounts)</p>	<p>In Thane division outstanding is Rs.2,53,71,685/-and tenant has filed case against MSSIDC. The outstanding amount receivable by HZL is Rs.35,44,918/- which has received on 21.12.2018 along with interest. Rest of the outstanding is old one and we will make efforts for recovery. Therefore, we have not made any provision in books of accounts.</p>
	<p>(iii) The Corporation has made accounting error by reporting payment made to employee by showing advance to gratuity fund resulting overstatement of balance with gratuity trust fund by Rs. 11,62,35,023/-. The above balance needs to be written off as gratuity expenses of earlier years. The Corporation has also overstated gratuity liability by Rs.3,02,24,584/- by crediting amount received from LIC as liability towards gratuity. The above excess balance needs to be written back. The net impact of the above is of Rs. 8,60,10,439/- which needs to be accounted as gratuity expenses of earlier years. (Refer Note No. 5 and 13.1 and of notes to accounts).</p>	<p>The reconciliation undertaken from FY 2002-03 to FY 2016-17 for gratuity trust account in MSSIDC books. We are searching prior records which are old one. After completing reconciliation, reconciliation statement will be forwarded to CA Firm for taking proper opinion and accounting entries will be passed in books of accounts.</p>
	<p>(iv) The Corporation has shown security deposits of Rs.5,70,55,211/- as unsecured, considered good out of which Rs.1,77,67,346/- neither reconciled nor any balance confirmation available. There is no corresponding income/expenses transaction also against these deposits. In our view the same is doubtful nature and provision against the same needs to be provided for. (Refer Note No. 12.1 of notes to accounts)</p>	<p>The Security Deposit Rs.4.14 Cr. and out of that we have made payment of Rs.2.38 Cr. to High court towards Snehadeep Structures, Nagpur and the matter is in Supreme Court. Balance deposit will be reconciled since it is an old transaction.</p>

	<p>(v) The Corporation has shown Exhibition and training advance of Rs. 62,26,982/- . The above amount is not reconciled. There is no balance confirmation available of this amount. Hence the above amount is doubtful nature and needs to be provided for. (Refer Note No. 17.1 of notes to accounts)</p> <p>The cumulative effect of not providing for items (i) to (v) in point 1 mentioned above would have resulted in the Corporation incurring a loss of Rs. 5664.66 lakhs as against the reported Loss of Rs. 160.22 lakhs.</p>	<p>In IITF Exhibition account, the outstanding Amount is Rs.45.89 lacs and the same will be adjusted in IITF 2018 since, the excess fund received from Govt.</p> <p>Regarding Chanda to Banda, the fund received is Rs.8.00 Crs in FY 2017-18.</p> <p>The Corporation has not booked the above provisions in books of accounts i.e. i to v. Further, making provisions will affect P & L Account and provision amount value is on higher side.</p>
2	<p>2. The Corporation has not fully complied with certain Accounting Standards issued by ICAI as detailed below:</p> <p>(i) Corporation 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 & Loss gives an unfair view of Profit for the year. The Corporation has not fully complied with AS 9 and AS 5 and the effect of the same cannot be quantified.</p> <p>(ii) The Corporation has not made certain disclosures as required by AS 15 – Employee Benefits & AS 19 – Leases.</p>	<p>Our marketing turnover with Govt. Dept. Sale invoices are raised to Govt. Dep. In the month of Jan, Feb, March every year however, their delivery effected in subsequent year (delivery challan date is in subsequent year). Further, Govt Dept. follow the cash basis system of accounting whereas Corporation follows Mercantile system of accounting. Considering above mentioned two different accounting systems, this issue is arise. Due to this practical difficulty with respect to accounting standards, we are not able to follow.</p>
		<p>Noted the content and we will try to comply in FY 2017-18.</p>

3	<p>No provision for interest payable on the following unsecured loans is made in the books from the year 2007-08</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Account</th> <th style="text-align: right;">Amount outstanding (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P.</td> <td style="text-align: right;">13,18,000.00</td> </tr> <tr> <td>Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%)</td> <td style="text-align: right;">64,03,332.00</td> </tr> </tbody> </table>	Name of the Account	Amount outstanding (Rs.)	Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P.	13,18,000.00	Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%)	64,03,332.00	<p>The Govt. of Maharashtra has given assistance to beneficiaries through MSSIDC. Accordingly MSSIDC disbursed loan to beneficiaries in the Year 1980-82. The principle amount lying in books of account, since transaction are very old one and Govt. has also not demanded the same for repayment. Further, Corporation has provided interest up to 2007-08. This interest amount is also not payable to Govt. therefore, provision is not made.</p>
Name of the Account	Amount outstanding (Rs.)							
Ind. & Lab. Dept. Mah. Govt. Edu. Unempl. H.P.	13,18,000.00							
Ind. & Lab. Dept. Mah. Govt- Seed Capital (3.5%)	64,03,332.00							
4	<p>Internal control system of the Corporation is very weak and not commensurate with the size and volume of business of the Corporation. The system is also susceptible to fraud, manipulation and misappropriation at various levels.</p>	<p>We will streamline the internal control. We have prepared accounts and internal audit manuals which were already forwarded to respective places for the same for taking proper step/action for internal control. Further, Budget controls has been imposed from 01-04-2018.</p>						
5	<p>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>On the basis of records, we have booked all godown rent. Further, we are following for recovery for the same.</p>						
	<p>Other Matter</p>							
	<p>1. We would draw your attention to Notes No. 4, 5, 7, 8, 11, 12, 14, 15, 16, 17, 19 of Notes to Accounts.</p>	<p>Based on available records, we have disclosed notes.</p>						
	<p>2. 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>The interest on delayed payments payable to SSI unit is not applicable in FY 2016-17.</p>						
	<p>3. The Corporation has not reconciled income and TDS with Form 26AS for the current year.</p>	<p>We have reconciled 26AS with books of accounts and Rs.79,120/- is not reconciled due to absence of details from various divisions.</p>						

	<p>4. The Corporation has not booked rental income of its go-downs at thane for current financial year.</p>	<p>In D-10 Thane godown, there are 7 parties involved. Out of that, only one party has executed the agreement in April 2018, therefore we have not accounted the godown rent in books of accounts and all the parties has gone into court against MSSIDC.</p>
	<p>5. Investment in equity shares are subject to demat confirmation.</p>	<p>The De-mat process will be done soon by opening separate bank account.</p>
	<p>6. In the absence of details of pending Sales Tax, Service Tax, Income Tax, TDS, Professional 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.</p>	<p>The cases of MVAT, Income Tax is in appeal with concerned authority and we are following matter with respective authority for the same.</p>
	<p>Report on Other Legal and Regulatory Requirements</p>	
	<p>1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.</p>	<p>As per Sec. 143, it is the declaration of the auditor.</p>
	<p>2. As required by Section 143 (3) of the Act, we report that:</p> <p>(a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;</p> <p>(b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Corporation so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;</p> <p>(c) Except for the matter described in the Basis for Adverse Opinion paragraph above, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.</p>	<p>Noted and necessary action will be taken on the adverse opinion.</p> <p>Noted and necessary action will be taken on the adverse opinion.</p> <p>Noted and necessary action will be taken on the adverse opinion.</p>
		<p>Nil.</p>
		<p>Noted and necessary action will be taken on the adverse opinion.</p>

	<p>(d) Except for the matter described in the Basis for Adverse Opinion paragraph above, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;</p>	<p>Noted and necessary action will be taken on the adverse opinion.</p>
	<p>(e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation.</p>	<p>Noted.</p>
	<p>(f) As per Notification issued by MCA on 05.06.2015 none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act. As per information and detail available only three Board Meeting taken place during F.Y. 2016-17.</p>	<p>Yes.</p>
	<p>(g) with respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and</p>	<p>Noted.</p>
	<p>(h) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.</p>	<p>Noted and necessary action will be taken on the adverse opinion.</p>

	<p>(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <p>(i) The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 35 (a) to the financial statements;</p> <p>(ii) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, the Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;</p> <p>(iii) There has not been any occasion in case of the Corporation during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.</p> <p>(iv) The Company has provided requisite disclosure in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November 2016 to December 2016, on the basis of information available with the Company. Based on audit procedure, and relying on management's representation, we report that disclosure is in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer note 35.</p>	<p>Yes.</p> <p>Noted and disclosed.</p> <p>Noted.</p> <p>Noted.</p>
	<p>Annexure to the Independent Auditors' Report</p>	
	<p>i) In respect of its Fixed Assets :</p> <p>a) The Corporation has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;</p> <p>b) The Corporation 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.</p> <p>c) According to the information, explanations and representation given to us, the Corporation has not disposed off any substantial part of its Fixed Assets during the year.</p>	<p>In FY 2014-15, all Fixed Assets verification work has done by independent CA firm and the addition to fixed asset was included in FY 2016-17. Hence, we are maintaining fixed assets Register. Further, our divisional manager is always verifying fixed assets as on March 2017</p>

	<p>ii) In respect of its inventories :</p> <p>a) The inventory of the Corporation has not been physically verified by the management during the year.</p> <p>b) Systematic procedures reasonable and adequate in relation to the size of the Corporation and nature of its business need to be implemented for physical verification of inventory by the management.</p> <p>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>The inventory of Paithan, Delhi, WTC, Ahmednagar and Kudal has verified by respective persons as on March 2017.</p>
	<p>iii) As explained to us, the Corporation has neither granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 nor has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (“the act”).</p>	<p>No transaction was executed therefore information is NIL.</p>
	<p>iv) In our opinion and according to the information and explanation given to us, the Corporation has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Corporation has not issued any guarantee nor provided any security.</p>	<p>Noted.</p>
	<p>v) The Corporation has not accepted deposits from the public. Hence provisions of section 58 A and 58 AA of the Companies Act, 2013 and Rules framed there under are not applicable.</p>	<p>This information is NIL.</p>
	<p>vi) The Central Government has prescribed maintenance of cost record for the company under sub section (1) of section 148 of the Companies Act, 2013 and such accounts have been made and maintained by the company.</p>	<p>Noted.</p>

	<p>vii)</p> <p>a) According to the records of the Corporation and according to the information and explanation given to us, the Corporation is regular in depositing with appropriate authorities, undisputed Statutory dues, including Provident Fund, Investor 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 (amount unascertainable).</p> <p>According to the records of the Corporation and according to the information and explanation 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 2017 for a period of more than six months from the date they became payable.</p>	<p>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 :</p> <table border="1" data-bbox="730 757 1257 2067"> <thead> <tr> <th>Name of Statute</th> <th>Nature of Dues</th> <th>Period to which the amount relates</th> <th>Amount</th> <th>Forum where dispute is pending</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Income Tax</td> <td rowspan="3">Income tax demand</td> <td>F.Y. 2010-11</td> <td>8,25,24,620</td> <td rowspan="3">CIT, Appeals</td> </tr> <tr> <td>F.Y. 2011-12</td> <td>46,62,390</td> </tr> <tr> <td>F.Y. 2014-15</td> <td>1,20,23,830</td> </tr> <tr> <td rowspan="7">MVAT/ CST</td> <td rowspan="7">Tax, interest & penalty</td> <td>2005-06</td> <td>1,24,69,644</td> <td>JC Appeal-IV Bandra</td> </tr> <tr> <td>2007-08</td> <td>21,03,81,183</td> <td>JC Appeal-LTP-3 Mazgaon</td> </tr> <tr> <td>2008-09</td> <td>4,20,07,119</td> <td>JC Appeal-IV Bandra</td> </tr> <tr> <td>2009-10</td> <td>21,06,62,310</td> <td>JC Appeal-II D-13, Mazgaon</td> </tr> <tr> <td>2010-11</td> <td>12,48,35,973</td> <td>JC Appeal-II D-13, Mazgaon</td> </tr> <tr> <td>2011-12</td> <td>1,25,53,196</td> <td>JC Appeal-II D-13, Mazgaon</td> </tr> <tr> <td>2013-14</td> <td>6,48,10,033</td> <td>Dy. Comm of Sales Tax</td> </tr> </tbody> </table> <p>The cases of Sale Tax, Income Tax, MVAT is in appeal with concerned authority and we are following matter with respective authority for their saying.</p>	Name of Statute	Nature of Dues	Period to which the amount relates	Amount	Forum where dispute is pending	Income Tax	Income tax demand	F.Y. 2010-11	8,25,24,620	CIT, Appeals	F.Y. 2011-12	46,62,390	F.Y. 2014-15	1,20,23,830	MVAT/ CST	Tax, interest & penalty	2005-06	1,24,69,644	JC Appeal-IV Bandra	2007-08	21,03,81,183	JC Appeal-LTP-3 Mazgaon	2008-09	4,20,07,119	JC Appeal-IV Bandra	2009-10	21,06,62,310	JC Appeal-II D-13, Mazgaon	2010-11	12,48,35,973	JC Appeal-II D-13, Mazgaon	2011-12	1,25,53,196	JC Appeal-II D-13, Mazgaon	2013-14	6,48,10,033	Dy. Comm of Sales Tax
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		<p>viii) According to the information, explanations & representation given to us, the Corporation has not defaulted in repayment of its dues to banks or financial institutions. The Corporation does not have any borrowings by way of debentures.</p>	<p>Noted.</p>																																				

	ix) The Corporation did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.	Not applicable.
	x) According to the information and explanation given to us, no material fraud by the Corporation or on the Corporation by its officers or employees has been noticed or reported during the course of our audit.	Noted.
	xi) According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.	Noted.
	xii) In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.	Not applicable.
	xiii) According to the information and explanation given to us and based on our examinations of the records of the Corporation, transaction has been entered into by the Corporation with related parties are in compliance with the sections 177 to 188 of the Act where applicable. The above details are accurately disclosed in the financial statement as required by the applicable Accounting Standards.	Noted and disclosed.
	xiv) According to the information and explanations given to us and based on our examination of the records of the Corporation, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	Noted.
	xv) According to the information and explanation given to us and based on our examination of the records of the Corporation, the Corporation has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.	Noted.
	xvi) According to the information and explanation given to us and based on our examination of the records of the Corporation, The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.	Not Applicable.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of Consolidated Financial Statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **26 December 2018**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary Audit of the consolidated Financial Statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai** for the year ended 31 March 2017 under section 143 (6)(a) read with the section 129 (4) of the Act. We conducted a supplementary Audit of the Financial Statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai** but did not conduct supplementary audit of the Financial Statements of **Krupanidhi Limited** (a subsidiary of the Company) for the year ended on that date. 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 143(6)(b) of the Act.

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

**Sd/-
(Y. N. Thakare)
PRINCIPAL ACCOUNTANT GENERAL
(AUDIT)-III**

Place : Mumbai

Date : 09.04.2019

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सत्यमेव जयते

प्रधान महालेखाकार (लेखापरीक्षा)-III महाराष्ट्र यांचे कार्यालय
प्रतिष्ठा भवन, तल मंजिल,
101, महर्षि कर्वे मार्ग, मुंबई - 400 020.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(AUDIT) - III, MAHARASHTRA
PRATISHTHA BHAVAN, GROUND FLOOR,
101, MAHARSHI KARVE MARG, MUMBAI - 400 020.

दिनांक/Date : 08-03-2019

संख्या/No. गोपनीय
प्रमले/लेप-III /वालेप-I/स्माल स्केल/ 2016-17/765

सेवा में,
प्रबंध निदेशक,
महाराष्ट्र स्माल स्केल इंडस्ट्रीज डेव्लपमेंट कार्पोरेशन लिमिटेड,
मुंबई

विषय : 31 मार्च, 2017 को समाप्त हुए वर्ष के महाराष्ट्र स्माल स्केल इंडस्ट्रीज
डेव्लपमेंट कार्पोरेशन लिमिटेड, मुंबई के स्टैंडअलोन लेखों पर कंपनी
अधिनियम, 2013 की धारा 143(६)(b) के अंतर्गत टिप्पणियाँ ।

महोदय,

31 मार्च 2017 को समाप्त हुए वर्ष के महाराष्ट्र स्माल स्केल इंडस्ट्रीज डेव्लपमेंट कार्पो
रेशन लिमिटेड, मुंबई के स्टैंडअलोन लेखों पर कंपनी अधिनियम, 2013 की धारा 143 (6)(b) के
अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की निरंक टिप्पणी (Nil Comment) संलग्न है ।

वार्षिक आमसभा (A.G.M.) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया
इस कार्यालय को भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने
की तिथि को भी इस कार्यालय को सूचित करें ।

भवदीय,

(वाय एन ठाकरे)

प्रधान महालेखाकार - (लेखापरीक्षा)III

संलग्नक यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENT OF THE MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of Standalone Financial Statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai for the year ended 31 March 2017** in accordance with the financial reporting framework prescribed under the Companies act, 2013 is the responsibility of the Management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **26 December 2018**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the Financial Statements of **Maharashtra Small Scale Industries Development Corporation Limited, Mumbai** for the year ended 31 March 2017 under section 143 (6)(a) of the Act. 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 143(6)(b) of the Act.

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

**Sd/-
(Y. N. Thakare)
PRINCIPAL ACCOUNTANT GENERAL
(AUDIT)-III**

Place : Mumbai

Date : 07.03.2019

CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

Maharashtra Small Scale Industries Development Corporation Limited

Consolidated Balance Sheet as at 31 March, 2017

(Amount in Rs.)

	Note	31 March 2017	31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	14,50,09,900	14,50,09,900
Reserves and surplus	4	43,32,35,916	45,15,00,819
Minority interest		38,000	38,000
Non-current liabilities			
Long-term borrowings	5	1,23,51,332	1,23,51,332
Long term provisions	6	13,23,41,626	19,94,39,033
Current liabilities			
Trade payables	7		
-Due to M.S.E.		-	-
-Due to others		39,59,91,547	46,30,44,855
Other current liabilities	8	47,85,71,945	51,74,95,947
Short-term provisions	9	11,04,35,253	11,01,15,776
Total		1,70,79,75,519	1,89,89,95,662
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	10.1	12,85,04,058	13,32,19,020
- Intangible assets	10.2	39,74,103	46,56,649
Non-current investments	11	40,250	40,250
Deferred tax assets (net)	12	1,32,87,030	1,23,63,563
Long term loans and advances	13	6,88,42,706	11,19,10,746
Other non-current assets	14	16,82,14,599	16,44,08,508
Current assets			
Inventories	15	81,46,874	85,76,015
Trade receivables	16	41,07,07,389	45,43,45,068
Cash and bank balances	17	74,05,08,683	84,12,72,108
Short-term loans and advances	18	6,45,43,033	6,69,85,519
Other current assets	19	10,12,06,792	10,12,18,217
Total		1,70,79,75,519	1,89,89,95,662

Significant accounting policies

1

The notes are an integral part of this financial statements

As per our attached report of even date

For S A R A & Associates

For and on behalf of the Board

Chartered Accountants

Firm Reg. No. : 120927W

Chief Financial Officer

Managing Director

DIN:

Manoj Agarwal

Partner

Company Secretary

Director

Membership No. 119509

DIN:

Place : Mumbai

Place : Mumbai

Date : 26.12.2018

Date : 26.12.2018

Maharashtra Small Scale Industries Development Corporation Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(Amount in Rs.)

	Note	31 March 2017	31 March 2016
Revenue			
Revenue from operations	20	16,20,95,667	62,77,83,288
Other income	21	10,03,15,239	14,52,83,462
Total revenue		26,24,10,906	77,30,66,750
Expenses			
Cost of materials consumed	22	6,38,746	5,41,762
Purchases of traded goods	23	14,81,10,344	58,77,61,947
Changes in inventories of finished goods, work-in-progress and stock-in-Trade	24	4,34,562	2,22,178
Employee benefit expenses	25	7,46,89,747	7,15,45,648
Finance costs	26	19,95,854	5,28,464
Depreciation and amortization expense	27	41,52,751	28,24,319
Other expenses	28	4,44,21,996	4,71,35,388
Total Expenses		27,44,43,999	71,05,59,706
Profit / (loss) before exceptional and extraordinary items and tax		(1,20,33,093)	6,25,07,043
Exceptional Items			
Prior period items (net)	29	49,12,663	39,50,548
Other exceptional item		-	-
Profit before tax		(1,69,45,756)	5,85,56,497
Tax expense			
Current tax		-	2,06,14,080
Tax adjustments for earlier years		-	4,67,25,179
Deferred tax	11	9,23,467	(6,19,133)
Profit for the period		(1,60,22,288)	(81,63,630)

Earning per equity share (nominal value Rs.10 (previous year Rs.10))

Basic	(11.05)	(5.63)
Diluted	(11.05)	(5.63)

Summary of significant accounting policies 1

The notes are an integral part of this financial statements

As per our attached report of even date

For S A R A & Associates

Chartered Accountants
Firm Reg. No. : 120927W

Manoj Agarwal
Partner
Membership No. 119509

Place : Mumbai
Date : 26.12.2018

For and on behalf of the Board

Chief Financial Officer Managing Director
DIN:

Company Secretary Director
DIN:

Place : Mumbai
Date : 26.12.2018

Maharashtra Small Scale Industries Development Corporation Limited

Consolidated Cash Flow Statement for the year ended 31 March 2017

(Amount in Rs.)

	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit before exceptional and extraordinary items and tax	(1,20,33,093)	6,25,07,044
Adjustments:		
Depreciation and amortisation	41,52,751	28,26,886
Impairment loss on fixed assets	-	-
Interest and dividend income	(5,78,00,450)	(7,89,68,691)
Provision for doubtful receivables	-	-
Provision for arrears of rent	-	-
Grant in aid taken to statement of profit and loss	(42,338)	(42,338)
Transfer to marketing risk reserve	8,557	35,235
Transfer to contingency charges reserve	(3,49,582)	-
Utilization from marketing risk reserve	-	-
Operating profit/Loss before working capital changes	(6,60,64,155)	(1,36,41,864)
Changes in working capital:		
(Increase) / decrease in trade receivables	4,36,37,678	18,65,47,940
(Increase) / decrease in inventories	4,29,140	4,75,366
(Increase) / decrease in other current assets	11,425	(2,60,08,270)
(Increase) / decrease in short-term loans and advances	24,42,486	1,03,52,859
(Increase) / decrease in long-term loans and advances	4,30,68,040	(4,76,04,595)
(Increase) / decrease in other non-current assets	(38,06,091)	55,17,581
Increase / (decrease) in trade payables	(6,70,53,308)	(21,15,59,672)
Increase / (decrease) in long term provisions	(6,70,97,407)	8,03,71,696
Increase / (decrease) in short term provisions	3,19,476	(1,84,04,059)
Increase / (decrease) in other current liabilities	(3,89,24,002)	(9,14,17,794)
Increase/(decrease) in other liabilities	-	-
Increase / (decrease) in long term borrowings	-	(25,000)
Cash generated from operations	(15,30,36,716)	(12,53,95,812)
Taxes paid (net of refunds)	-	(6,73,39,255)
Net cash generated from operations before exceptional and extraordinary items	(15,30,36,716)	(19,27,35,067)
Exceptional items	(49,12,663)	(39,50,548)
Net cash generated from operating activities	(15,79,49,379)	(19,66,85,615)
Cash flow from investing activities		
Purchase of tangible, capital work in progress	(6,14,495)	(43,01,536)
Sale of investments	-	1,29,700
Interest and dividend income	5,78,00,450	7,89,68,691

Net cash flow from investing activities	5,71,85,955	7,47,96,855
Cash flow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalent	(10,07,63,424)	(12,18,88,760)
Cash and cash equivalents at the beginning of the year	84,12,72,108	96,31,60,868
Cash and cash equivalents at the end of the year (refer note 19)	74,05,08,684	84,12,72,108
Summary of significant accounting policies	1	

The notes are an integral part of this financial statements

As per our attached report of even date

For S A R A & Associates
Chartered Accountants
Firm Reg. No. : 120927W

For and on behalf of the Board

Chief Financial Officer

Managing Director
DIN:

Manoj Agarwal
Partner
Membership No. 119509

Company Secretary

Director
DIN:

Place : Mumbai
Date : 26.12.2018

Place : Mumbai
Date : 26.12.2018

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the Consolidated financial statements

1 Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to Maharashtra Small Scale Industries Development Corporation (the Company) and its Subsidiaries (the Company and its subsidiaries together referred to as "the Group"). The CFS have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21), on the following basis:

- (a) The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of items like assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits/losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve on consolidation, as the case may be. Minority Interest's share in net profit/loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration:
 - (i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - (ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - (iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 - (iv) The excess of loss over the minority interest in the equity, is adjusted against General Reserve of the Company.
- (b) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the Consolidated financial statements

2 Significant Accounting Policies

a. Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). All the assets and liabilities are classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Examples of such estimates include computation of percentage of completion which requires the group to estimate the efforts expended to date as a proportion of the total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefits plans, income taxes, and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

c. Fixed Assets, including intangible assets and capital work-in-progress

- (a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition and any obligatory decommissioning costs for its intended use.
- (b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.
- (c) Certain directly attributable pre-operative expenses during construction period are included under Capital Work-in-Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the Consolidated financial statements

- (d) In case of lease-hold lands, original cost revalued by the valuer is considered in the accounts.

d. Depreciation

- (a) Depreciation on Tangible Fixed Assets are provided using Straight Line Method based on estimated useful life or on the basis of depreciation rates prescribed under schedule II of the Companies Act, 2013. Intangible assets are amortized over their estimated useful lives on straight line basis. Individual low cost assets (acquired for Rs. 5,000/- or less) are depreciated 100%.
- (b) Depreciation on assets acquired under finance lease is spread over the lease term.
- (c) Lease-hold Lands, where revalued, are amortized in the balance period of lease.

e. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount except in the case of goodwill on consolidation for which specific external event of an exceptional nature that caused impairment loss has actually reversed the effect of that event.

f. Leases

- (a) Lease payments under an operating lease are recognized as expense in the profit and loss account as per terms of lease agreement.
- (b) Finance leases prior to 1st April, 2001: Lease rental recognized as expense in the profit and loss account as per terms of lease agreement.
- (c) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and the present value of the minimum lease rental is recorded as fixed assets with corresponding amount shown as unsecured Loan. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account as interest cost.
- (d) Fixed Assets acquired and given on Lease are shown as part of Fixed Assets.

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the Consolidated financial statements

g. 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."

h. Investments

- (a) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- (b) Current investments are stated at lower of cost and fair value.

i. Inventories

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.

j. Revenue Recognition

All incomes and expenses have been accounted on accrual basis in accordance with generally accepted accounting principles in India & relevant provision of the Companies Act 2013 except following:

- (a) In marketing, Government 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.
- (b) Grants in Aid under various schemes, dividends on investments and interest on income tax refunds are accounted for on receipt basis.
- (c) Purchases are stated net of discounts, returns, VAT, Excise and rate differences.
- (d) Sales are stated at net of discounts, returns, VAT, Excise, rebates and rate differences.

k. Employee benefits

a. Provident fund

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the Consolidated financial statements

Corporation's contribution to Recognized provident fund, pension fund paid/payable during the year is debited to Profit & Loss account.

b. 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.

c. Leave encashment

Leave encashment liability occurs due to retirement, superannuation, resignation or death. Leave encashment is recognized and accounted on the basis of actuarial valuation.

I. 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 is shown as transactions pertaining to previous years.

m. Income taxes

Current tax

Current income-tax expense is recognised in accordance with the provisions of Indian Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance to the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it, will flow to the Company and the asset can be measured reliably.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the Balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the period that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the Consolidated financial statements

recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance sheet date.

n. Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources. Provisions are recognised when there is present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the outflow required to settle the obligations at the Balance Sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

o. Preliminary expenses

Preliminary expenses are charged off to the Statement of profit and loss in the year in which they incurred.

p. Share issue expenses

Expenses incurred in connection with fresh issue of share capital are charged off to the Statement of profit and loss in the year in which they are incurred.

3 The list of subsidiaries which are included in the CFS of the Group and the Group's effective ownership interest therein are as under:

- i. Krupanidhi Limited a subsidiary company, incorporated in india, in which groups proportions of ownership interst is 62%.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 3 : Share capital

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Authorised :		
20,00,000 (previous year 20,00,000) equity shares of Rs.100/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
Issued :		
14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each	14,50,09,900	14,50,09,900
Subscribed & fully paid-up :		
14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each	14,50,09,900	14,50,09,900
Total	14,50,09,900	14,50,09,900

Reconciliation of the number of equity shares :

Particulars	31 March 2017		31 March 2016	
	Number	(Amount in Rs.)	Number	(Amount in Rs.)
Shares outstanding at the beginning of the year	14,50,099	14,50,09,900	14,50,099	14,50,09,900
Shares issued / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,50,099	14,50,09,900	14,50,099	14,50,09,900

Rights, preferences and restrictions attached to shares

The corporation has one class of equity shares having a par value of Rs.100/- each. Each shareholder 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 corporation 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 Corporation:

Sr. No.	Name of Share holder	31 March 2017		31 March 2016	
		No. of shares	% of shares	No. of shares	% of shares
		held	held	held	held
1.	Dr. N. K. Bhosle, Dy. Secretary, Industries and Representative of the Governor of Maharashtra	14,40,093	99.31	-	-
2.	Shri V. V. Latke, sized to be the member of MSSiDC and representative of Governor of Maharashtra vide letter dated 22.07.2016	-	-	14,40,093	99.31
Total		14,40,093	99.31	14,40,093	99.31

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 4: Reserves and surplus

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Capital reserve		
At the commencement of the year	44,785	44,785
Add : Transferred from surplus	-	-
At the end of the year	44,785	44,785
Export incentive reserve		
At the commencement of the year	3,75,000	3,75,000
Add : Transferred from statement of profit and loss	-	-
Written back in current year	-	-
At the end of the year	3,75,000	3,75,000
Grant in aid		
At the commencement of the year	8,96,129	9,38,467
Less : Transferred from statement of profit and loss (refer note 4.1)	(42,338)	(42,338)
At the end of the year	8,53,791	8,96,129
Grant received for paithani		
At the commencement of the year	65,19,550	65,19,550
Less: Utilised in construction of fixed assets	-	-
At the end of the year (refer note 4.2)	65,19,550	65,19,550
Marketing risk & development reserve		
At the commencement of the year	40,38,309	40,03,074
Add : Transferred from statement of profit and loss (refer note 4.3)	8,557	35,235
Less: Utilization for payment	-	-
At the end of the year	40,46,866	40,38,309
Revaluation reserve		
At the commencement of the year	5,35,66,578	5,53,67,063
Less : Transferred from statement of profit and loss (refer note 4.4)	(18,59,252)	(18,00,485)
At the end of the year	5,17,07,326	5,35,66,578
Contingency reserves		
At the commencement of the year	6,59,522	6,59,522
Add : Transferred from statement of profit and Loss	(3,49,582)	-
At the end of the year	3,09,940	6,59,522
Surplus in statement of profit and loss		
At the commencement of the year	38,54,00,946	39,35,64,577
Add: Transferred from statement of profit and loss	(1,60,22,288)	(81,63,631)
At the end of the year	36,93,78,658	38,54,00,946
Total	43,32,35,916	45,15,00,819

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

- 4.1 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 “Reserves and Surplus – Grant in Aid” & Rs. 42,338/- is being transferred to the statement of Profit & Loss every year.
- 4.2 Corporation had received grant of Rs. 1,26,94,000/- in the earlier years for construction of Paithani Development Centre. The Corporation had 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 had received Grant of Rs. 5,00,000 in F.Y 2008-09 & 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. 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 Govt. Grants.
- 4.3 The Corporation is crediting 0.1% of rebate earned on marketing business to Marketing Risk Reserve as per the Board resolution passed earlier.
- 4.4 The Corporation has amortised Rs.18,59,252/- from Revaluation Reserve and corresponding amount has been credited to leasehold land to reduce the value thereon.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 5 : Long-term borrowings

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Unsecured :		
Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme (Refer Note 5.1)	13,18,000	13,18,000
Industries & Labour Dept., Maharashtra Govt. Seed Capital (Refer Note 5.1)	64,03,332	64,03,332
Deposit received from unit holders (5.2)	46,30,000	46,30,000
Total	1,23,51,332	1,23,51,332

- 5.1 The above loans are outstanding since long back. Management is of the opinion that the scheme amounts reflected in books of accounts are very old and neither reconciled nor payable. Government Department has also not claimed these amounts from Corporation. Hence, Corporation has not provided interest expenses since 2007 - 08. The interest expenses provided but not paid till 2007-08 of Rs. 1,18,23,707/- is shown in the current liabilities. Interest expenses from 2007-08 to 2016-17 of Rs. 30,31,966 is shown as contingent liability.
- 5.2. Deposit received from Unit holders includes Rs.29,15,763/-shown as receivable from MSSIDC Ltd in the standalone statements of Krupanidhi Ltd. In the absence of sufficient information, the inter company amount cannot be eliminated.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 6 : Long term provisions

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Provision for employees' benefits		
- Gratuity (refer note 6.1 and note 31(A))	10,13,92,485	10,13,92,485
- Leave encashment (refer note 31(B))	1,72,97,646	1,73,10,951
Provision for Income Tax	1,36,51,495	8,07,35,597
Total	13,23,41,626	19,94,39,033

6.1 The above account is not reconciled. The above account includes payment received from LIC for payment of gratuity. The payment made against this amount is debited to advance to gratuity trust.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 7 : Trade payables

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Due to micro, small and medium enterprises (Also, refer note (7.1))	-	-
Due to others (refer note 7.2)	39,59,91,547	46,30,44,855
Total	39,59,91,547	46,30,44,855

7.1 Information related to Micro and Small Enterprises, as defined in the Micro, Small and Medium enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Corporation:

(Amount in Rs.)

		31 March 2017	31 March 2016
(i)	Principal Amount Outstanding	-	-
(ii)	Interest on Principal amount due	-	-
(iii)	Interest and Principal amount paid beyond appointment day	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act	-	-

7.2 The trade payables are subject to scrutiny, reconciliation and consequential adjustments.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 8 : Other current liabilities

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Interest accrued and due on borrowings (refer note 5.1 and note 8.1)	1,18,23,707	1,18,23,707
Advance from customers (refer note 8.2)	16,61,36,227	17,56,58,749
Raw material dues and refund payable (refer note 8.3)	1,47,08,431	1,47,08,431
Book overdraft (refer note 8.4)	2,55,782	7,81,830
Retention money	34,64,216	5,80,058
Security and other deposits (refer note 8.5)	9,62,28,001	11,53,38,653
Contributions received (refer note 8.6)	58,53,790	58,53,790
Employee benefits (refer note 8.7)	39,49,948	27,97,258
Statutory dues (refer note 8.8)	68,08,951	1,21,78,739
Other miscellaneous liabilities (refer note 8.9)	16,93,42,892	17,77,74,732
Total	47,85,71,945	51,74,95,947

- 8.1 Interest accrued and due on borrowings represent unsecured loans taken long back and not repaid till date. The Corporation has provided interest till FY 2007-08. (refer note 5.1)
- 8.2 Advance from customers, raw material and refund payable, security and other deposits are subject to scrutiny, reconciliation and consequential adjustment.
- 8.3 Raw material dues and refund payable neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 8.4 The Corporation is maintaining accounts with State Bank of India at WTC Emporia. As on 31st March, 2017 some cheques issued to suppliers but these cheques physically not delivered to suppliers. Due to this practice bank balance of SBI gone negative in the books. However, all the cheques reconciled in the subsequent period and no instances of cheque bounce in noticed by the Corporation.
- 8.5 Security and other deposit payable neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 8.6 Contribution received from Government Department neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.
- 8.7 Employee benefits neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

- 8.8 Statutory dues are not reconciled and shown net of payable and receivable. The same is subject to Assessment & Appeals on various statutory matters. There are various statutory matters outstanding on which demands are outstanding.
- 8.9 The amount includes Rs. 15,50,00,000 payable to Mohit Minerals Pvt. Ltd. The Corporation has appointed Mohit Minerals Pvt. Ltd. as handling agent for distribution of coal. He has submitted Bank Guarantee of Rs.15,00,00,000 and deposited Rs. 50,00,000 as Security Deposit. Due to some dispute, the corporation has encashed this bank guarantee. The dispute went for Arbitration and the arbitration award passed by authority went against the corporation. The corporation has filed appeal against the award in Bombay High Court. The Corporation has deposited Rs.22,00,00,000 with High Court on 11.01.2018. Balance amount is subject to reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 9 : Short-term provisions

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Provision for employees' benefits		
- Leave encashment (refer note 31(B))	54,61,437	60,96,300
- Salary payable	17,000	36,051
Other provisions		
- Provision for arrears of rent (refer note 9.1)	4,66,45,049	4,66,45,049
Less : Inter Company transactions	-	-
- Provision for expenses (refer note 9.2 and 9.3)	5,83,11,766	5,73,38,376
Total	11,04,35,253	11,01,15,776

9.1 "Krupanidhi Limited" is subsidiary of MSSIDC Limited. HO building premises is taken on lease from BPT.

Case History

Mumbai Port Trust has filed suit against the Krupanidhi Limited in the year 1985, on the allegation that this company had committed breach of terms and conditions of the indenture of lease by assigning a major portion of the demised premises to Maharashtra Small Scale Industries Development Corporation Ltd., without the consent of Mumbai port Trust. The suit was decided by his Honour Learned Judge Shri M. B. Mali on 31st August, 2001, and the same was decreed in favour of Mumbai port Trust and the Company were ordered to handover vacant possession of the suit premises within a period of three months from the date decree and it was directed that mesne profit should be ascertained. The Company being aggrieved by the said Judgement and decree dated 31.08.2001 preferred an appeal no. 704 of 2001 in Small Causes Court, Mumbai through Advocate Shri. Amin Nathani.

Meantime, Krupanidhi Ltd. has received a statement of Accounts from Mumbai Port Trust through their Advocate. In the Court during the hearing on 13.03.2008, showing the arrears of Rent etc., amounting to Rs. 2,95,20,970 payable to Mumbai Port Trust for the period from 01.01.1971 to 31.03.2008. Krupanidhi Ltd, have forwarded the said statement to all our unit holders/ members requesting them to make the payment of arrears as per their share. The corporation has share of expenses of Rs. 1,83,03,001/-, hence the same has been provided earlier.

BPT has raised demand of arrears to Krupanidhi Limited of Rs. 2,95,20,970/- in 2007-08. This subject matter is in Court and Krupanidhi Limited, is perusing matter to respective authority. Krupanidhi Limited has issued arrears of demand to respective shareholders and we are the major shareholders in Krupanidhi Limited, and at present 62 percent shareholding with MSSIDC.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

As per the accounting standard (AS) 21 we have to consolidate the balance sheet of MSSIDC, Limited and Krupanidhi Limited, as per the Company Act 2013. The Krupanidhi Limited raised the demand of arrears to MSSIDC, therefore we have to make provision in books of accounts FY-2014-15. The 62 percent share of 2,95,20,970/- is work out Rs. 1,83,03,001.00/- The Corporation has booked provision in books of accounts in FY-2014-15."

- 9.2 Provision for expenses includes Rs.2,63,25,359/- towards additional lease premium payable to CIDCO for non-fulfillment of condition of minimum construction at Kalamboli Godown, Thane. The provision was provided in books of accounts in F.Y.2012-13.
- 9.3 Provision for expenses includes Rs.2,72,64,845/- towards arrear of rent payable to Mumbai Port Trust. The provision was provided in books of account in F.Y. 2009-10. This provision is kept in the books of accounts since Mumbai Port Trust has raised fresh demand vide their letter dated 02.08.2017 for Rs.45,88,82,204/-

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 10 : Fixed Assets

Note 10.1 : Tangible assets

(Amount in Rs.)

	ORIGINAL COST			DEPRECIATION			NET BOOK VALUE	
	Balance as at 01 April 2016	Additions	Disposals	Balance as at 31 March 2017	Depreciation	Impairment loss	Balance as at 31 March 2017	Balance as at 31 March 2016
Freehold land	76,426	-	-	76,426	-	-	76,426	76,426
Leasehold land	21,56,44,075	-	-	21,56,44,075	18,59,252	-	6,31,19,095	6,49,78,345
Building on leasehold land	5,71,82,891	-	-	5,71,82,891	15,70,821	-	4,50,15,238	4,65,86,059
Residential flats	41,03,472	-	-	41,03,472	69,020	-	21,89,462	22,58,482
Office premises	1,11,55,807	2,64,000	-	1,14,19,807	2,84,957	-	73,77,848	73,98,804
Paithani Dev. centre	1,82,226	-	-	1,82,226	25,641	-	1,11,463	1,37,104
Plant and machinery	73,51,674	51,040	65,150	73,37,564	2,33,962	-	32,14,056	34,62,212
Office Equipments	1,02,98,687	-	-	1,02,98,687	2,20,446	-	7,94,742	10,15,188
Furniture and fixtures	1,19,83,554	6,40,671	-	1,26,24,225	1,05,936	-	20,08,804	14,74,068
Electrical fitting	25,16,342	-	-	25,16,342	3,45,180	-	18,18,375	21,63,555
Vehicles	53,22,038	-	-	53,22,038	3,74,660	-	16,77,275	20,51,935
Computers	2,21,53,978	43,850	-	2,21,97,828	5,59,414	-	11,01,276	16,16,840
Tangible assets	34,79,71,170	9,99,561	65,150	34,89,05,581	56,49,288	-	12,85,04,058	13,32,19,020
Assets less then Rs. 5,000	8,11,852	6,550	-	8,18,402	6,550	-	-	-
Total Tangible Assets	34,87,83,022	10,06,111	65,150	34,97,23,983	56,55,838	-	12,85,04,058	13,32,19,020
Previous year	34,40,88,831	85,24,746	-	35,26,13,577	45,89,840	-	13,69,74,732	13,30,39,825

Note 10.2 : Intangible assets

	ORIGINAL COST			DEPRECIATION			NET BOOK VALUE	
	Balance as at 01 April 2016	Additions	Disposals	Balance as at 31 March 2017	Depreciation	Impairment loss	Balance as at 31 March 2017	Balance as at 31 March 2016
Leasehold rights	63,70,805	-	-	63,70,805	6,82,546	-	39,74,103	46,56,649
Intangible assets	63,70,805	-	-	63,70,805	6,82,546	-	39,74,103	46,56,649
Previous year	25,40,250	-	-	25,40,250	37,530	-	9,00,938	9,38,468

Notes :

- Amortisation has been provided in proportion to Lease Period from the year in which possession of lands is taken, although the agreements to lease stipulate that they will come into force after the execution of lease agreements.
- The Corporation has charged depreciation on the Lease Hold Rights of the premises in World Trade Centre and amortised it over its useful life of 60 years.
- Total Depreciation (including amortisation of lease hold right) for the year of Rs.63,34,819/- includes amortisation of revaluation reserve of Rs.18,00,640 and amount charged to Debit pertaining to previous year of Rs.3,24,171/(as per CAG observation).
- Spare parts of Rs.65,150 wrongly taken in Fixed assets in P.Y. 2015-16, no depreciation was charged in P.Y. 2015-16. During Current Year 2016-17 rectification made and spare parts transferred to Direct Expenses.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 11 : Non-current investments (Valued at cost unless stated otherwise)

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Quoted investments		
Investment in equity instruments		
1,60,000 (previous year:1,60,000) equity shares of Mah. Ind & Tech Consultancy Org. Ltd., of Rs.10/- each, fully paid up	40,000	40,000
Unquoted investments		
Investment in equity instruments		
1 (previous year: 1) equity share of Mah. State Handloom Co-op Fed. Ltd., of Rs.250/- each, fully paid up	250	250
620 (previous year: 620) equity shares of Krupanidhi Limited of Rs.100/- each, fully paid up	62,000	62,000
Less: Krupanidhi inter-company shareholding	(62,000)	(62,000)
6.75% UTI bonds face value of Rs.100/-	-	-
Total	40,250	40,250

11.1 Original Shares 400 purchased @100 per share (Rs. 40,000), thereafter bonus share 600 allotted to the Corporation. Total no. of share 1000 is subdivided @ 10/- each per share and fresh 9000 share @ 10/- per share allotted to the corporation. Around F.Y. 2001-02 fresh bonus share 150,000 allotted to the corporation, Thus total no. of Share is 160,000.

11.2 During the Year 2013-2014 MITCON listed its share on recognised stock exchange in India, therefore investment in the shares of Mitcon is quoted shares after their listing.

11.3 Market Value per share is Rs. 64.10 as on 31.3.2017, thus value of investment is Rs.10,256,000.(1,60,000 share @64.10 each)

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 12 : Deferred tax assets (net)

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Deferred tax liability		
Opening balance	15,49,994	12,68,177
Timing difference on tangible assets depreciation and impairment		2,81,817
PL Encashment		-
Total	15,49,994	15,49,994
Deferred tax assets		
Opening balance	1,39,13,557	1,30,12,607
Disallowance U/s 40(a)	23,382	-
Disallowance U/s 43(b)	4,54,207	9,00,950
Timing difference on tangible assets depreciation and impairment	4,45,878	
Total	1,48,37,024	1,39,13,557
Net deferred tax assets/(liability)	1,32,87,030	1,23,63,563
Profit & Loss Impact	9,23,467	6,19,133

12.1 During the year, Deferred Tax Assets are not recognized in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 13 : Long term loans and advances

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
(Unsecured, Considered Good, unless otherwise stated)		
Capital Advances (Unsecured considered Good)		
Security deposits (refer note 13.1)		
- Unsecure, considered Good	5,71,52,881	4,15,28,442
- Unsecure, considered doubtful	52,96,427	52,96,427
- Less: Provision for doubtful deposits	(52,96,427)	(52,96,427)
	5,71,52,880	4,15,28,441
- Advance tax and TDS (net of provisions)	1,16,89,826	7,03,82,305
Total	6,88,42,706	11,19,10,746

13.1 Deposit paid is subject to scrutiny, reconciliation and consequential adjustment. The above deposits are outstanding since long and no balance confirmation and any income is received.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 14 : Other non-current assets

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Others		
Advance to gratuity trust (refer note 14.1)	16,79,27,629	16,41,40,770
Bank Deposit (Due to Mature after 12 Months from reporting date)	2,86,970	2,67,738
Total	16,82,14,599	16,44,08,508

14.1 The above accounts are not reconciled. As per the balance confirmation available with LIC, the balance with LIC is only of Rs. 5,16,92,606/-. The corporation has not reconciled this account since long and actual payment made for gratuity is also debited to this account. Due to error in accounting, there is excess balance shown in this account by Rs. 11,62,35,023/-.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 15 : Inventories

(Amount in Rs.)

(valued at cost or lower of net realizable value)

Particulars	31 March 2017	31 March 2016
Raw materials	2,33,600	2,28,179
Work-in-progress	5,02,011	5,88,386
Finished goods	9,93,642	7,17,512
Traded goods	64,17,621	70,41,938
Total	81,46,874	85,76,015

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 16 : Trade receivables

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Receivables outstanding for a period exceeding six months from the date they are due for payment		
- Secured, considered Good	-	-
- Unsecured, considered Good (refer note 16.1)	42,42,28,052	46,17,23,051
- Less : Provision for bad and doubtful receivables	(2,64,85,000)	(2,64,85,000)
	39,77,43,052	43,52,38,051
Other receivables		
- Secured, considered Good	-	-
- Unsecured, considered Good (refer note 16.2)	1,29,64,337	1,91,07,016
Total	41,07,07,389	45,43,45,068

16.1 The Trade Receivables are subject to scrutiny, reconciliation, consequential adjustments. The amount includes Rs. 36,69,56,348/- (Previous year Rs. 34,31,14,380/-) less earlier provision Rs. 2,64,85,000 under sundry debtors, which is outstanding for over three years as per ageing using TALLY accounting software. The Management is of opinion that some of the debtors' pertaining to marketing activity which are backed by creditors, and some of the debtors legal cases are filed which result will be favourable, hence no provision is made against these debtors.

Trade Receivables includes Rs. 8,73,05,634/- due from M/S. Metal Tube Rolling Mills (MTRM). The matter was under arbitration. Advocate of the Corporation has finally completed argument before the Arbitrator in April 2011. The arbitrator has passed the award on 14.06.2011 in favour of the Corporation directing the MTRM to deposit Rs. 16,99,56,060 plus interest. The corporation filed execution application dated 27.07.2016 for claim of Rs. 50,64,73,685 at Bombay High Court. The matter is pending before High Court, Arbitration award passed in favour of MSSIDC by Bombay highcourt in arbitration petition. Case disposed off on 27/08/2018.

"Trade Receivables" includes Rs. 5,62,79,307 receivable from Mehta Group of industries. The Corporation has filed civil suit as well as u/s 138 (cheque bouncing) on Mehta Group of Companies (1. Prithavi Espat, 2. Holum Iron Steel, 3. Parshwa Engg., 4. Munish Forge Ltd.). The civil suit filed against Munish Forge is decided in favour of corporation and darkhast was filed on 24.07.2017 for execution of decree. **Holum Iron & Steel:-** Hon'ble High court granted Ad-Interim relief dated 13-12-2017 in terms of Prayer

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

clause (ii) by way of Ad-interim relief further proceeding before Hon'ble Dist Judge Nagpur. In Special (Commercial) Civil suit no. 9/2016 be stayed during the pendency of writ petition until further orders, and this notice for respondent is returnable. Since notice could not be served upon respondent due to non availability of addresses. Paper publication order has been passed by the court. Matter is pending for further step.

Parshwa Engg:- Case is pending with Hon'ble District Judge for framing issues.
Prithvi Ispat, Nagpur:- The corporation had filed special civil suit in Civil Judge, Senior Division, Nagpur. The said suit is dismissed by the court for default(as advocate was absent and nobody was present on behalf of corporation). The Corporation filed civil suit for restoration of dismissed suit. The summons issued to defendant are returned back, the court has directed to issue fresh summon on new address, summons can't be issued as absence of address. Matter is pending before Joint Civil Judge, senior division, Nagpur for further steps."

Sundry Debtor includes receivable from M/s. Khutale Steel Rolling Mills Pvt. Ltd. ("Khutale"), Satara for Rs. 42,52,635. Khutale unauthorisedly removed raw material supplied under Warehousing Credit Scheme and has an outstanding of Rs. 42,52,635 as on date. The judgment delivered in favour of the Corporation in civil suit filed by the Corporation in Satara Court against Khutale for recovery and the original decree execution papers were submitted to Hon'ble High Court, Mumbai. The matter is pending before High Court. Notice of Motion No. 843 of 2013 is filed in High court Judicature at Mumbai. The Notice of Motion which is Filed for restoration with support of affidavit, Hon'ble High Court has kept this matter for rejection. Further steps to be taken by complainant. The Management is of the view that since award is in favour of the corporation, no provision is required for the same. The notice was issued.

16.2 This Amount is subject to scrutiny, reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 17 : Cash and Bank Balances

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Cash and cash equivalents		
Cash on hand	1,09,965	89,331
Cheques, drafts on hand	-	-
Balances with banks		
- in current accounts	3,48,98,718	7,81,82,777
- in deposit account (with maturity upto 3 months)	-	-
Other bank balances		
- Unpaid Dividend	-	-
- Deposits with maturity more than 3 months but less than 12 months	70,57,86,970	76,27,67,738
- Balances with bank held as margin money	-	5,00,000
- Bank deposits with maturity of more than 12 months	-	-
	74,07,95,653	84,15,39,846
- Less : Amounts disclosed as Other non-current assets (Refer note ...)	2,86,970.00	2,67,738
Total	74,05,08,683	84,12,72,108

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 18 : Short-term loans and advances

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Unsecured considered Good, unless otherwise states:		
Loans and advances to employees		
- Housing and other loans	67,071	1,74,703
- Salary advances	33,34,180	30,37,661
Advance to suppliers (refer note 18.1)	5,49,14,798	5,78,76,114
Advance recoverable in cash or in kind or for value to be received		
- Unsecured, considered Good	0	1,43,458
- Unsecured, considered doubtful	1,30,21,406	1,30,74,212
- Less : Provision for doubtful loans and advances	(1,30,21,406)	(1,30,74,212)
	0	1,43,458
Other Advances and Balances		
- Exhibition and Training	62,26,982	57,53,583
- Balance with Government Authorities	-	-
Total	6,45,43,033	6,69,85,519

18.1 Advance to suppliers are subject to scrutiny, reconciliation and consequential adjustments.

Advance to Suppliers 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. The Corporation have submitted fresh addresses of accused to the Hon'ble Court. Hon'ble Court issued non-bailable warrant on fresh addresses. Application filed for adjournment of the case is allowed subject to cost of Rs. 1000 per case to the Governemnt.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 19 : Other current assets

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Unsecured considered Good, unless otherwise states		
Interest Accrued on fixed deposits	3,57,28,012	3,91,98,711
Claim recoverable (refer note 19.2)	10,82,542	10,82,542
Rent receivable (refer note 19.1)	6,87,80,578	6,56,82,768
- Less : Provision for doubtful rent receivable	(48,24,614)	(48,24,614)
	6,39,55,964	6,08,58,154
Dividend receivable	-	-
Prepaid expenses	4,40,274	78,810
Preoperative Expenses	-	-
Loan to employee	-	-
Total	10,12,06,792	10,12,18,217

19.1 The Corporation is to receive Rs.35,44,918/- towards rent receivable from Hindustan Zinc Ltd. The case went to Arbitration and Arbitration Award was passed in the favour of the Corporation asking Hindustan Zinc Ltd. to pay Rs.27,40,046/- to the Corporation. Hindustan Zinc Ltd. has moved Udaipur District Court against the Arbitration Award. Hindustan Zinc has shown willingness to settle the matter. Final settlement will be done as per their email dated 20-11-2018 and before 15 December the final settlement amount will be received from Hindustan Zinc Limited 15.12.2018.

The Corporation 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 favour 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.

The Corporation has allotted 2863 sq.ft space at Krupanidhi Building, First floor, Mumbai, to MIDC for running IPFC (Investor Promotion & Facilitation Cell) w.e.f. 27.08.2013 @ 130 per sq.ft. The rental income booked in FY 2016-17 Rs. 22.68 lacs, however same has been recovered in FY 2016-17 and 2017-18.

Rent receivable includes Rs. 523,39,381 outstanding from last years and not recovered during the year and in addition to that Rs. 12,56,511 rent income out of total booked during F.Y. 2016-17 not received during the year.

19.2 Claim amount recoverable is not reconciled and there is no recovery of this amount since long.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 20 : Revenue from operations

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Sale of products		
- Finished goods	48,44,798	43,72,217
- Traded goods	15,72,50,869	62,34,11,071
Total	16,20,95,667	62,77,83,288
Breakup of revenue from sale of products		
	31 March 2017	31 March 2016
Manufactured goods		
- Cotton paithani sarees	47,74,722	43,72,217
- Coir Product	70,076	-
Traded goods		
- Marketing sales	13,86,71,288	60,09,36,345
- Handicraft sales	1,85,79,582	2,24,74,727
Total	16,20,95,667	62,77,83,288

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 21 : Other income

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Interest income	5,76,40,450	7,88,08,691
Dividend income from - long tem investments	1,60,000	1,60,000
Rental income	3,89,78,646	6,36,19,998
Liabilities written back to the extent no longer required	1,05,622	5,58,440
Other non-operating income	27,68,960	14,87,449
Contribution from shareholders	17,21,719	14,28,061
less : Inter company transaction	(10,67,466)	(8,85,398)
Other receipts	19,232	2,79,528
less : Inter company transaction	(11,924)	(1,73,307)
Total	10,03,15,239	14,52,83,462

21.1 Rent income booked without valid rent agreement of two parties. Renal Income of godown no. D-10 including 7 Parties at Thane not booked in current financial year since agreement is executed in Financial Year 2018-19.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 22 : Cost of materials consumed

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Raw material consumed		
- Opening inventory	2,28,179	4,81,367
- Add : Purchases	6,44,167	2,88,574
- Less : Inventory at the end of the year	2,33,600	2,28,179
Cost of raw materials consumed during the year	6,38,746	5,41,762

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 23 : Purchases of traded goods

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Marketing and handicraft purchases (net)	14,81,10,344	58,77,61,947
	14,81,10,344	58,77,61,947

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 24 : Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Increase/Decrease in stocks		
Stock at the end of the year:		
- Finished goods	9,93,642	7,17,512
- Work-in progress	5,02,011	5,88,386
- Stock in trade	64,17,621	70,41,938
Total A	79,13,274	83,47,836
Less : Stock at the beginning of the year:		
- Finished goods	7,17,512	4,66,169
- Work-in progress	5,88,386	8,24,743
- Stock in trade	70,41,938	72,79,102
Total B	83,47,836	85,70,014
Increase/Decrease in stocks (A-B)	4,34,562	2,22,178

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 25 : Employee benefit expenses

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Salaries, wages and bonus	6,80,81,643	6,42,83,804
Contribution to provident and other funds	60,35,289	60,64,467
Gratuity	-	-
Staff welfare expenses	9,33,026	15,00,423
less : Inter company transaction	(3,60,211)	(3,03,045)
Total	7,46,89,747	7,15,45,648

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 26 : Finance costs

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Bank charges	1,45,863	1,06,564
Interest paid others	18,50,062	4,21,962
less : Inter company transaction	(71)	(62)
Total	19,95,854	5,28,464

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 27 : Depreciation and amortization expense

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Depreciation of tangible assets (Also, refer note 10)	56,55,838	45,89,841
Amortisation of Intangible Assets	6,82,546	37,530
	63,38,384	46,27,371
less: Debit pertaining to previous year (short Amort. Of Last year)	(3,24,171)	-
less: Transfer to Revaluation reserve	(18,59,252)	(18,00,485)
	41,54,961	28,26,886
Less: Inter company transaction	(2,210)	(2,567)
Total	41,52,751	28,24,319

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 28 : Other expenses

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Power and fuel	25,43,602	20,58,834
Freight, clearing and forwarding	61,160	45,00,031
Rent (Also, refer note 33)	73,80,685	76,54,460
Repairs and maintenance		
- Building,	86,49,546	24,12,890
- plant and equipment	4,07,281	3,60,241
- Other	2,39,733	4,09,906
Insurance	3,35,288	2,75,766
Rates and taxes	22,57,199	22,87,387
Travelling and conveyance	42,78,825	43,76,765
Directors' fees	14,000	24,000
Payments to auditors (Also, refer note 28.1)	5,49,134	6,25,926
Legal and professional charges	50,41,769	89,83,972
Advertisement expenses	8,20,917	8,13,069
Printing and stationery	3,37,262	11,98,790
Communication expenses	10,93,790	11,85,394
Office maintenance	24,39,507	19,03,523
Vehicle running and maintenance charges	1,64,809	2,71,345
Corporate social responsibility	-	2,41,250
Provision for doubtful receivables		-
Mkt Risk & Development Res.	8,557	35,235
Bad debts written off	22,272	4,27,298
Impairment loss on fixed assets	-	-
Dues paid on assessment	-	-
Security expenses	54,14,531	48,06,394
Miscellaneous expenses	30,79,026	30,35,942
less : Inter company transaction	(7,16,897)	(7,53,030)
Total	4,44,21,996	4,71,35,388
28.1 Payment to auditors	31 March 2017	31 March 2016
As auditor		
- Statutory audit	3,61,800	3,65,864
- Tax audit	1,50,000	1,50,000
Reimbursement of expenses	37,334	1,10,062
Total	5,49,134	6,25,926

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Note 29 : Prior period items (net)

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Income :		
Sales	-	3,88,515
Interest	1,16,021	7,14,980
Rent Income	-	4,91,250
Registration income	-	5,000
Services Charges/Rebate	15,187	-
Electricity Charges (Reimbursed)	7,14,115	-
Refund National Information centre	43,479	-
Reversal of Excess provision	1,31,043	-
Deposit Forfeited	1,008	-
Miscellaneous Income	33,986	2,36,293
Total A	10,54,839	18,36,038
Expenditure :		
Purchases	-	-
Service charges	1,45,138	5,27,170
Office and administrative expenses	-	4,66,952
Marketing expenses	-	28,56,358
Miscellaneous expenses	5,02,176	6,565
Professional Fee	1,05,267	-
Travelling Exp	41,005	-
Rent and interest expenses	4,56,747	19,29,541
Office expenses	8,524	-
Rates & Taxes	13,13,197	-
Spare Parts	65,160	-
Expenses on Prawasi Divas	11,27,922	-
Depreciation / Amortisation	3,24,171	-
Water Charges	18,39,522	-
Staff Welfare	5,930	-
Wages	13,543	-
Annual Maintenance Charges	19,200	-
Total B	59,67,502	57,86,586
Total (A+B)	49,12,663	39,50,548

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

(Amount in Rs.)

Note 30 : Earning per share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share' - (AS-20), notified by the Company's (Accounting Standards) Rules, 2006 (as amended)

Particulars	31 March 2017	31 March 2016
Net profit after taxes as per statement of profit and loss attributed to equity shareholders	(1,60,22,288)	(81,63,630)
Weighted average number of equity shares used as denominator for calculating EPS	14,50,299	14,50,099
Basic and diluted	(11.05)	(5.63)
Face value per share in rupees	100	100

Note 31 : Segment reporting

Primary segment reporting (by business segment)

The Corporation has identified its reportable segment for Segment Reporting, in accordance with Accounting Standard 17, as Marketing, Emporium & CWH Activity which are primary segment. In addition, the following policies have been followed for Segment Reporting.

(i) Segment Revenue includes sales and other income directly identifiable with /allocable to the segment with bifurcation of inter segment revenue.

(ii) Expenses that are directly identifiable with/allocable segments are considered for determining the segment results. Expenses which relate to the corporation as a whole and not allocable to segments are included under "Unallocable Expenditure".

(iii) Income which relates to the Corporation as whole and not allocable to segments is included in " Unallocable Segment"

(iv) Segment assets & liabilities include those directly identifiable with the respective segments, Unallocable Corporate assets and liabilities represents the assets and liabilities that relate to the corporation as a whole and not allocable to any segment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Particulars	Marketing Activity	Emporium	CWH	Production activity	Total
	31 March 2017	31 March 2017	31 March 2017	31 March 2017	
Revenue					
Total revenues	13,79,67,252	2,38,30,776	3,89,78,646	70,076	20,08,46,749
Internal revenue (sales through stock transfer)	-	4,27,304	-	4,47,406	8,74,710.00
Direct attributable income to segment	87,42,409	1,92,738	-	-	89,35,147
Other unallocable income	-	-	-	-	-
Total revenues	14,67,09,660	2,44,50,818	3,89,78,646	5,17,482	21,06,56,606
Attributable expenses to segment	13,79,67,251	1,84,38,096	-	6,44,167	15,74,78,654
Unallocated expenses	-	-	-	-	11,85,88,771
Operating profit	87,42,410	60,12,722	3,89,78,646	(1,26,686)	(6,54,10,820)
Interest expenses	-	-	-	-	18,50,062
Interest income	-	-	-	-	5,76,40,450
Other income	-	-	-	-	27,68,960
Profit before tax and extraordinary items	87,42,410	60,12,722	3,89,78,646	(1,26,686)	(68,51,471)
Income taxes/deferred taxes	-	-	-	-	-
Prior Period Adjustment (Net)	-	-	-	-	49,12,663
Net Profit	87,42,410	60,12,722	3,89,78,646	-	(1,17,64,134)
Other information					
Segment assets	55,88,67,787	1,30,14,804	6,87,80,578	29,49,578	64,36,12,747
Unallocated corporate assets	-	-	-	-	1,25,53,82,915
Total assets	55,88,67,787	1,30,14,804	6,87,80,578	29,49,578	1,89,89,95,662
Segment liabilities	93,97,37,204	6,61,38,396	45,53,879	12,26,831	1,01,16,56,310
Unallocated corporate liabilities	-	-	-	-	88,73,39,352
Total liabilities	93,97,37,204	6,61,38,396	45,53,879	12,26,831	1,89,89,95,662

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

32 Disclosure as required by Accounting Standard (AS)-15 (Revised) on “Employee Benefits”:

A. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

The Corporation pays gratuity to the employees whoever has completed five years of service with the Corporation at the time of resignation/superannuation. The gratuity is paid @15 days salary Gratuity Act 1972.

The Corporation has invested in LIC under employees group gratuity cum life assurance scheme. The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees’ services.

The Corporation has obtained gratuity valuation certificate from the actuary, As per actuary valuation certificate, the liability on account of gratuity as on 31.03.2017 is of Rs. 7,11,67,901/-. Since the corporation has already provided excess liability in the books of account and on conservative view excess liability is not reversed.

B. In respect of Leave Encashment, a Defined Benefit Scheme (based on actuarial valuation) :

(Amount in Rs.)

	31 March 2017	31 March 2016
Benefit type	Privilege leave	Privilege leave
Method of valuation	Projected unit credit method	Projected unit credit method
Valuation results		
Discontinuance liability	2,40,61,997	2,55,70,171
Projected benefit obligation	2,27,56,083	2,34,07,251
Other Results		
Average future service	5 years	5 years
Current & non-current liability		
Funding status	Unfunded	Unfunded
Fund balance	NA	NA
Current liability	54,61,437	60,96,300
Non-current liability	1,72,97,646	1,73,10,951

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

Valuation Assumption	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table
Mortality Rate		
Discount Rate	6.77%	7.72%
Salary escalation rate	5.00%	5.00%
Attrition rate	2.00%	2.00%
Retirement Age	58 years	58 years
Maximum accumulation	240 days	240 days

C. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

	31 March 2017	31 March 2016
Benefit type	Privilege leave	Privilege leave
Method of valuation	Projected unit credit method	Projected unit credit method
Valuation results		
Discontinuance liability	7,52,18,718	8,88,76,638
Projected benefit obligation	7,11,67,901	8,13,99,949
Other Results		
Average future service	5 years	5 years
Current & non-current liability		
Funding status	Funded	Funded
Fund balance	5,16,92,606	6,51,21,451
Current liability	31,10,888	39,62,614
Non-current liability	1,63,64,407	1,23,15,884
Valuation Assumption		
Discount Rate	6.77%	7.72%
Salary escalation rate	5%	5%
Attrition rate	2%	2%
Retirement Age	60 & 58 Years	60 & 58 Years

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

33 Disclosures in respect of cancellable operating lease

The Corporation has entered into cancellable leasing arrangement for the premises on mutually agreeable terms. The lease rentals of Rs. 73,71,192/- (31 March 2016: Rs. 76,45,036/-) are debited under the head "Other expenses-Rent" under note 27.

34. Contingent liabilities and commitments

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
(a) Claims against the Corporation not acknowledged as debt:		
(i) Snehdeep Structural Private Limited Appeal No.555 (2006) and Appeal No.260 (2013)	-	6,54,68,255
(ii) Mumbai Port Trust (refer note 34.1)	45,88,82,204	45,88,82,204
(iii) Savatram Polymers, Akola	1,08,32,189	1,08,32,189
(iv) WIST – Wadala Godown, Mumbai	24,65,320	24,65,320
(v) M/s Ajay Entp. Yavatmal	6,24,736	6,04,736
(vi) Shri Industries Aurangabad	8,06,971	-
(vii) Assistant Commissioner SPF	6,18,234	-
(viii) Dist Co-operative Industrial Development Society, Nanded	4,39,502	4,39,502
(ix) Grips India, Parbhani	3,82,767	3,82,767
(x) Maruti Wires, Parbhani	4,68,725	4,68,725
(b) Provision for Interest expenses not made of following:		
(i) Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme	7,90,800	7,11,720
(ii) Industries & Labour Dept., Maharashtra Govt. Seed Capital	22,41,166	20,17,044
(iii) Mohit Minerals Pvt. Ltd.	6,50,00,000	6,50,00,000
(c) 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	1,58,50,713	2,91,88,161
(ii) Income Tax	4,43,88,720	9,45,48,447
(iii) Value added tax	85,59,02,278	57,97,71,264
(d) 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 2013-14 to FY 2015-16).	6,00,000	4,50,000

34.1 Mumbai Port Trust vide letter dated 02.08.2017 raised demand towards pending regulation/rectification of breaches and liquidation of Port Trust Arrears of Rs.45,88,822,04/- in respect of TW-2 Shed at Cotton Green. The matter is to be placed in board meeting.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

35 Related party disclosure

a) Names of related parties

As per Accounting Standard 18 – Related Party Transactions, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), the Corporation's related parties and transactions with them are enumerated below:

(a) Enterprises where control exists:

(i) Subsidiaries :

Krupanidhi Limited

(ii) Key Managerial Personnel :

Shri Shivaji Daund - IAS, Managing Director

Smt.R. Vimla-Joint Managing Director

Smt. Leena Bansod- Joint Managing Director

Shri V.D.Kapate-General Manager

Shri R.D.Madke-Chief Financial Officer

Shri Kush Keshri -Company Secretary

b) The transactions with related parties for the year are as follows :

(Amount in Rs)

Transaction during the year	31 March 2017	31 March 2016
Maintenance charges contribution to Subsidiary		
Krupanidhi Limited (Maintenance Charges)	22,61,140	11,10,730
Krupanidhi Limited (Payment made for maintenance charges)	20,11,102	19,88,271
Remuneration to KMP and One level below the board		
Shri Shivaji Daund	23,51,259	21,30,900
Shri Shivaji Daund-Reimbursement of other expenses	1,41,353	1,05,111
Smt.R. Vimla	3,63,399	-
Smt.R. Vimla-Reimbursement of other expenses	7,774	-
Smt. Leena Bansod- Joint Managing Director	3,05,305	-
Shri Kush Keshri	5,06,893	-
Shri R.D.Madke	12,32,801	11,33,023
Shri V.D.Kapate	10,53,899	10,03,326

Maharashtra Small Scale Industries Development Corporation Limited

Notes to Consolidated financial statements for the year ended 31 March 2017

c) Balance outstanding with related parties:

Party name	Receivable/payable	31 March 2017	31 March 2016
Krupanidhi Limited	Maintenance charges contribution payable	1,78,62,570	4,59,54,580

36 The Company has regrouped / reclassified the previous year's figures to confirm to the current year's presentation.

37 Details of Specified Bank Notes (SBN)

Particulars	SBNs	Other Denomination Notes	Total
Cash Deposited During 08.11.2016 to 31.12.2016	4,52,500	2,36,430	6,88,930

For S A R A & Associates
Chartered Accountants
Firm Reg. No. : 120927W

Manoj Agarwal
Partner
Membership No. 119509

Place : Mumbai
Date : 26.12.2018

For and on behalf of the Board

Chief Financial Officer Managing Director
DIN:

Company Secretary Director
DIN:

Place : Mumbai
Date : 26.12.2018

**STANDALONE FINANCIAL STATEMENTS
OF THE COMPANY**

Maharashtra Small Scale Industries Development Corporation Limited

Balance Sheet as at 31 March 2017

(Amount in Rs.)

	Note	31 March 2017	31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	2	14,50,09,900	14,50,09,900
Reserves and surplus	3	43,32,35,916	45,15,00,820
Non-current liabilities			
Long-term borrowings	4	77,21,332	77,21,332
Long term provisions	5	13,23,34,983	19,94,39,033
Current liabilities			
Short-term borrowings		-	-
Trade payables	6		
-Due to Micro, Small Enterprise		-	-
-Due to others		39,58,88,141	46,29,07,048
Other current liabilities	7	47,83,09,234	51,72,33,236
Short-term provisions	8	8,19,85,644	8,14,82,630
Total		1,67,44,85,151	1,86,52,93,999
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	9.1	12,38,42,870	12,85,54,266
- Intangible Assets	9.2	39,74,103	46,56,649
Non-current investments	10	1,02,250	1,02,250
Deferred tax assets (net)	11	1,32,87,030	1,23,63,563
Long term loans and advances	12	6,87,42,903	11,18,13,076
Other non-current assets	13	16,79,27,629	16,41,40,770
Current assets			
Inventories	14	81,46,874	85,76,015
Trade receivables	15	38,38,28,632	42,64,34,054
Cash and bank balances	16	73,89,49,778	84,04,60,645
Short-term loans and advances	17	6,45,42,533	6,69,79,019
Other current assets	18	10,11,40,548	10,12,13,694
Total		1,67,44,85,151	1,86,52,93,999

The notes are an integral part of this financial statements

As per our attached report of even date

For S A R A & Associates

Chartered Accountants

Firm Reg. No. : 120927W

Manoj Agarwal

Partner

Membership No. 119509

Place : Mumbai

Date : 26.12.2018

For and on behalf of the Board

Chief Financial Officer

Company Secretary

Place : Mumbai

Date : 26.12.2018

Managing Director

DIN:

Director

DIN:

Maharashtra Small Scale Industries Development Corporation Limited

Statement of Profit and Loss for the year ended 31 March 2017

(Amount in Rs.)

	Note	31 March 2017	31 March 2016
Revenue			
Revenue from operations	19	16,20,95,667	62,77,83,288
Other income	20	9,96,53,678	14,46,34,578
Total revenue		26,17,49,345	77,24,17,866
Expenses			
Cost of materials consumed	21	6,38,746	5,41,762
Purchases of traded goods	22	14,81,10,344	58,77,61,947
Changes in inventories of finished goods, work-in-progress and stock-in-Trade	23	4,34,562	2,22,178
Employee benefit expenses	24	7,44,68,973	7,13,59,911
Finance costs	25	19,95,810	5,28,426
Depreciation and amortization expense	26	41,51,396	28,22,745
Other expenses	27	4,39,82,607	4,66,73,854
Total Expenses		27,37,82,438	70,99,10,822
Profit / (loss) before exceptional and extraordinary items and tax		(1,20,33,093)	6,25,07,043
Exceptional Items			
Prior period items (net)	28	49,12,663	39,50,548
Profit/Loss before tax		(1,69,45,756)	5,85,56,496
Tax expense			
Current tax		-	2,06,14,080
Tax adjustments for earlier years		-	4,67,25,179
Deferred tax	11	9,23,467	(6,19,133)
Profit/Loss for the period		(1,60,22,288)	(81,63,631)
Earning per equity share (nominal value Rs.10 (previous year Rs.10))	29		
Basic		(11.05)	(5.63)
Diluted		(11.05)	(5.63)

Summary of significant accounting policies 1

The notes are an integral part of this financial statements

As per our attached report of even date

For S A R A & Associates

Chartered Accountants

Firm Reg. No. : 120927W

Manoj Agarwal

Partner

Membership No. 119509

Place : Mumbai

Date : 26.12.2018

For and on behalf of the Board

Chief Financial Officer

Managing Director

DIN:

Company Secretary

Director

DIN:

Place : Mumbai

Date : 26.12.2018

Maharashtra Small Scale Industries Development Corporation Limited

Cash Flow Statement for the year ended 31 March 2017

(Amount in Rs.)

	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit/Loss before exceptional and extraordinary items and tax	(1,20,33,093)	6,25,07,043
Adjustments:		
Depreciation and amortisation	41,51,396.18	28,22,745
Interest and dividend income	(5,78,00,450)	(7,89,68,691)
Grant in aid taken to statement of profit and loss	(42,338)	(42,338)
Transfer to marketing risk reserve	8,557	35,235
Transfer to contingency charges reserve	(3,49,582)	-
Utilization from marketing risk reserve		-
Operating profit/Loss before working capital changes	(6,60,65,510)	(1,36,46,006)
Changes in working capital :		
(Increase) / decrease in trade receivables	4,26,05,422	18,46,82,659
(Increase) / decrease in inventories	4,29,140	4,75,366
(Increase) / decrease in other current assets	73,146	(2,60,10,187)
(Increase) / decrease in short-term loans and advances	24,36,486	1,03,39,361
(Increase) / decrease in long-term loans and advances	4,30,70,173	(4,76,04,791)
(Increase) / decrease in other non-current assets	(37,86,859)	57,85,319
Increase / (decrease) in trade payables	(6,70,18,907)	(21,00,56,737)
Increase / (decrease) in long term provisions	(6,71,04,050)	8,03,71,696
Increase / (decrease) in short term provisions	5,03,013	(1,85,30,667)
Increase / (decrease) in other current liabilities	(3,89,24,002)	(9,12,74,449)
Increase / (decrease) in other long term liabilities	-	-
Increase / (decrease) in other liabilities	-	-
Increase / (decrease) in long term borrowings	-	-
Increase / (decrease) in retirement benefit provisions	-	-
Cash generated from operations	(15,37,81,947)	(12,54,68,435)
Taxes paid (net of refunds)	-	(6,73,39,259)
Net cash generated from operations before exceptional and extraordinary items	(15,37,81,947)	(19,28,07,694)
Prior period items (net)	(49,12,663)	(39,50,548)
Net cash generated from operating activities	(15,86,94,610)	(19,67,58,242)
Cash flow from investing activities		
Purchase of tangible, capital work in progress	(6,16,707)	(43,01,536)
Sale of investments	-	1,000
Interest and dividend income	5,78,00,450	7,89,68,691
Net cash flow from investing activities	5,71,83,743	7,46,68,155

Cash flow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalent	(10,15,10,867)	(12,20,90,087)
Cash and cash equivalents at the beginning of the year	84,04,60,645	96,25,50,731
Cash and cash equivalents at the end of the year (refer note 19)	73,89,49,778	84,04,60,645

Summary of significant accounting policies 1

The notes are an integral part of this financial statements

As per our attached report of even date

For S A R A & Associates
Chartered Accountants
Firm Reg. No. : 120927W

Manoj Agarwal
Partner
Membership No. 119509

Place : Mumbai
Date : 26.12.2018

For and on behalf of the Board

Chief Financial Officer

Company Secretary

Place : Mumbai
Date : 26.12.2018

Managing Director
DIN:

Director
DIN:

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the financial statements

1 Significant Accounting Policies

a. Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). All the assets and liabilities are classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Examples of such estimates include computation of percentage of completion which requires the group to estimate the efforts expended to date as a proportion of the total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefits plans, income taxes, and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates.

c. Fixed Assets, including intangible assets and capital work-in-progress

(a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss/Re-stated Value, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition and any obligatory decommissioning costs for its intended use.

(b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

(c) Certain directly attributable pre-operative expenses during construction period are included under Capital Work-in-Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the financial statements

- (d) In case of lease-hold lands, original cost revalued by the valuer is considered in the accounts.

d. Depreciation

- (a) Depreciation on Tangible Fixed Assets are provided using Straight Line Method based on estimated useful life or on the basis of depreciation rates prescribed under schedule II of the Companies Act, 2013. Intangible assets are amortized over their estimated useful lives on straight line basis. Individual low cost assets (acquired for Rs. 5,000/- or less) are depreciated 100%.
- (b) Amortisation of assets acquired under finance lease is spread over the lease term.
- (c) Lease-hold Lands, where revalued, are amortized in the balance period of lease.

e. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired.

f. Leases

- (a) Lease payments under an operating lease are recognized as expense in the profit and loss account as per terms of lease agreement.
- (b) Finance leases prior to 1st April, 2001: Lease rental recognized as expense in the profit and loss account as per terms of lease agreement.
- (c) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and the present value of the minimum lease rental is recorded as fixed assets with corresponding amount shown as unsecured Loan. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account as interest cost.
- (d) Fixed Assets acquired and given on Lease are shown as part of Fixed Assets.

g. 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

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the financial statements

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."

h. Investments

- (a) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- (b) Current investments are stated at lower of cost and fair value.

i. Inventories

Raw material and stock in transit are valued at lower of cost or replacement value, stock in process is valued at lower of cost or Net Realisable Value, finished goods are valued at lower of cost or Net Realisable Value and trading goods are valued at lower of cost or market value.

j. Revenue Recognition

All incomes and expenses have been accounted on accrual basis in accordance with generally accepted accounting principles in India & relevant provision of the Companies Act 2013 except following:

- (a) In marketing, Government 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.
- (b) Grants in Aid under various schemes, dividends on investments and interest on income tax refunds are accounted for on receipt basis.
- (c) Purchases are stated net of discounts, returns, VAT, Excise and rate differences.
- (d) Sales are stated at net of discounts, returns, VAT, Excise, rebates and rate differences.

k. Employee benefits

a. Provident fund

Corporation's contribution to Recognized provident fund, pension fund paid/payable during the year is debited to Profit & Loss account.

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the financial statements

b. 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.

c. Leave encashment

Leave encashment liability occurs due to retirement, superannuation, resignation or death. Leave encashment is recognized and accounted on the basis of actuarial valuation.

l. 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 is shown as transactions pertaining to previous years.

m. Income taxes

Current tax

Current income-tax expense is recognised in accordance with the provisions of Indian Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance to the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it, will flow to the Company and the asset can be measured reliably.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the Balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the period that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance sheet date.

Maharashtra Small Scale Industries Development Corporation Limited

Notes forming part of the financial statements

n. Provisions and contingencies

The Corporation creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources. Provisions are recognised when there is present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the outflow required to settle the obligations at the Balance Sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

o. Preliminary expenses

Preliminary expenses are charged off to the Statement of profit and loss in the year in which they incurred.

p. Share issue expenses

Expenses incurred in connection with fresh issue of share capital are charged off to the Statement of profit and loss in the year in which they are incurred.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 2 : Share capital

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Authorised : 20,00,000 (previous year 20,00,000) equity shares of Rs.100/- each	20,00,00,000 20,00,00,000	20,00,00,000 20,00,00,000
Issued : 14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each	14,50,09,900	14,50,09,900
Subscribed & fully paid-up : 14,50,099 (previous year 14,50,099) equity shares of Rs.100/- each	14,50,09,900	14,50,09,900
Total	14,50,09,900	14,50,09,900

Reconciliation of the number of equity shares :

Particulars	31 March 2017		31 March 2016	
	Number	(Amount in Rs.)	Number	(Amount in Rs.)
Shares outstanding at the beginning of the year	14,50,099	14,50,09,900	14,50,099	14,50,09,900
Shares issued / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,50,099	14,50,09,900	14,50,099	14,50,09,900

Rights, preferences and restrictions attached to shares :

The Corporation has one class of equity shares having a par value of Rs.100/- each. Each shareholder 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 Corporation 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 Corporation:

Sr. No.	Name of Share holder	31 March 2017		31 March 2016	
		No. of shares	% of shares	No. of shares	% of shares
		held	held	held	held
1	Dr. N. K. Bhosle, Dy. Secretary, Industries and Representative of the Governor of Maharashtra. Shri. V.V. Latke sized to be member of MSSiDC & representative of Governor of Maharashtra vide letter Dated 22.07.2016	14,40,093	99.31	14,40,093	99.31
Total		14,40,093	99.31	14,40,093	99.31

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 3 : Reserves and surplus

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Capital reserve		
At the commencement of the year	44,785	44,785
Add : Transferred from surplus	-	-
At the end of the year	44,785	44,785
Export incentive reserve		
At the commencement of the year	3,75,000	3,75,000
Add : Transferred from statement of profit and loss	-	-
Written back in current year	-	-
At the end of the year	3,75,000	3,75,000
Grant in aid		
At the commencement of the year	8,96,129	9,38,467
Less : Transferred from statement of profit and loss (refer note 3.1)	(42,338)	(42,338)
At the end of the year	8,53,791	8,96,129
Grant received for paithani		
At the commencement of the year	65,19,550	65,19,550
Less : Utilised in construction of fixed assets	-	-
At the end of the year (refer note 3.2)	65,19,550	65,19,550
Marketing risk & development reserve		
At the commencement of the year	40,38,309	40,03,074
Add : Transferred from statement of profit and loss (refer note 3.3)	8,557	35,235
Less : Utilization for payment	-	-
At the end of the year	40,46,866	40,38,309
Revaluation reserve		
At the commencement of the year	5,35,66,578	5,53,67,063
Less: Transferred from statement of profit and loss (refer note 3.4)	(18,59,252)	(18,00,485)
At the end of the year	5,17,07,327	5,35,66,578

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Contingency reserves		
At the commencement of the year	6,59,522	6,59,522
Add : Transferred from statement of profit and Loss	(3,49,582)	-
At the end of the year	3,09,940	6,59,522
Surplus in statement of profit and loss		
At the commencement of the year	38,54,00,946	39,35,64,577
Add : Transferred from statement of profit and loss	(1,60,22,288)	(81,63,631)
At the end of the year	36,93,78,658	38,54,00,946
Total	43,32,35,916	45,15,00,820

- 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 “Reserves 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 had 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 had received Grant of Rs. 5,00,000 in F.Y 2008-09 & 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. 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. 18,59,252/- from Revaluation Reserve and corresponding amount has been credited to leasehold land to reduce the value thereon.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 4 : Long-term borrowings

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Unsecured :		
Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme (Refer Note 4.1)	13,18,000	13,18,000
Industries & Labour Dept., Maharashtra Govt. Seed Capital (Refer Note 4.1)	64,03,332	64,03,332
Total	77,21,332	77,21,332

4.1 The above loans are outstanding since long back. Management is of the opinion that the scheme amounts reflected in books of accounts are very old and neither reconciled nor payable. Government Department has also not claimed these amounts from Corporation. Hence, Corporation has not provided interest expenses since 2007-08. The interest expenses provided but not paid till 2007-08 of Rs. 1,18,23,707/- is shown in the current liabilities interest expenses from 2007-08 to 2016-17 of Rs. 30,31,966/- is shown as contingent liability.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 5 : Long term provisions

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Provision for employees' benefits		
- Gratuity (refer note 5.1 and note 31(A))	10,13,92,485	10,13,92,485
- Leave encashment (refer note 31(B))	1,72,97,646	1,73,10,951
Provision for Income Tax	1,36,44,852	8,07,35,597
Total	13,23,34,983	19,94,39,033

5.1 The above account is not reconciled. The above account includes payment received from LIC for payment of gratuity. The payment made against this amount is debited to advance to gratuity trust.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 6 : Trade payables

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Due to micro, small and medium enterprises (Also, refer note (6.1))	-	-
Due to others (refer note 6.2)	39,58,88,141	46,29,07,048
Total	39,58,88,141	46,29,07,048

6.1 Information related to Micro and Small Enterprises, as defined in the Micro, Small and Medium enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Corporation:

(Amount in Rs.)

	31 March 2017	31 March 2016
(i) Principal Amount Outstanding	-	-
(ii) Interest on Principal amount due	-	-
(iii) Interest and Principal amount paid beyond appointment day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act	-	-

6.2 The trade payables are subject to scrutiny, reconciliation and consequential adjustments.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 7 : Other current liabilities

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Interest accrued and due on borrowings (refer note 4.1 and note 7.1)	1,18,23,707	1,18,23,707
Advance from customers (refer note 7.2)	16,61,36,227	17,56,58,749
Raw material dues and refund payable (refer note 7.3)	1,47,08,431	1,47,08,431
Book overdraft (refer note 7.4)	2,55,782	7,81,830
Retention money	32,01,505	28,04,526
Security and other deposits (refer note 7.5)	9,62,28,001	11,28,51,474
Contributions received (refer note 7.6)	58,53,790	58,53,790
Employee benefits (refer note 7.7)	39,49,948	27,97,258
Statutory dues (refer note 7.8)	68,08,951	1,21,78,739
Other miscellaneous liabilities (refer note 7.9)	16,93,42,892	17,77,74,732
Total	47,83,09,234	51,72,33,236

7.1 Interest accrued and due on borrowings represent unsecured loans taken long back and not repaid/utilised till date. The Corporation has provided interest till FY2007-08. (refer note 4.1)

7.2 Advance from customers, raw material and refund payable, security and other deposits are subject to scrutiny, reconciliation and consequential adjustment.

7.3 Raw material dues and refund payable neither reconciled nor any balance confirmation available. Hence, the same is subject to reconciliation and consequential adjustment.

7.4 The Corporation is maintaining accounts with State Bank of India at WTC Emporia. As on 31st March, 2017 some cheques issued to suppliers but these cheques physically not delivered to suppliers. Due to this practice bank balance of SBI gone negative in the books. However, all the cheques reconciled in the subsequent period and no instances of cheque bounce is noticed by the Corporation.

7.5 Security and other deposit payable neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.

7.6 Contribution received from Government Department neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.

7.7 Employee benefits neither reconciled nor any balance confirmation available. Hence the same is subject to reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

- 7.8 Statutory dues are not reconciled and shown net of payable and receivable. The same is subject to Assessment & Appeals on various statutory matters. There are various statutory matters outstanding on which demands are outstanding.
- 7.9 The amount includes Rs. 15,50,00,000 payable to Mohit Minerals Pvt. Ltd. The Corporation has appointed Mohit Minerals Pvt. Ltd. as handling agent for distribution of coal. He has submitted Bank Guarantee of Rs.15,00,00,000 and deposited Rs. 50,00,000 as Security Deposit. due to some dispute, the corporation has encashed this bank guarantee. The dispute went for Arbitration and the arbitration award passed by authority went against the corporation. The corporation has filed appeal against the award in Bombay High Court. The Corporation has deposited Rs. 22,00,00,000 with High Court on 11.01.2018. Balance amount is subject to reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 8 : Short-term provisions

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Provision for employees' benefits		
- Leave encashment (refer note 31(B))	54,61,437	60,96,300
Other provisions		
- Provision for arrears of rent (refer note 8.1)	1,83,03,001	1,83,03,001
- Provision for expenses (refer note 8.2 and 8.3)	5,82,21,205	5,70,83,329
Total	8,19,85,644	8,14,82,630

8.1 "Krupanidhi Limited is subsidiary of MSSIDC Limited. HO building premises is taken on lease from BPT.

Case history

Mumbai port Trust has filed suit against Krupandhi Limited in the year 1985, on the allegation that this company had committed breach of terms and conditions of the indenture of lease by assigning a major portion of the demised premises to Maharashtra Small Scale Industries Development Corporation Ltd., without the consent of Mumbai port Trust. The suit was decided by his Honour Learned Judge Shri M B Mali on 31st August, 2001 and the same was decreed in favour of Mumbai Port Trust and the Company were ordered to handover vacant possession of the suit premises within a period of three months from the date decree and it was directed that mesne profit should be ascertained. The Company being aggrieved by the said Judgement and decree dated 31.08.2001 preferred an appeal no. 704 of 2001 in Small Causes Court, Mumbai through Advocate Shri. Amin Nathani.

Meantime Krupanidhi Ltd. has received a statement of Accounts from Mumbai Port Trust through their Advocate, in the Court during the hearing on 13.03.2008, showing the arrears of Rent etc., amounting to Rs. 2,95,20,970 payable to Mumbai Port Trust for the period from 01.01.1971 to 31.03.08. Krupanidhi Ltd have forwarded the said statement to all our unit holders/ members requesting them to make the payment of arrears as per their share. The Corporation has share of expenses of Rs. 1,83,03,001/, hence the same has been provided earlier.

BPT has raised demand of arrears to Krupanidhi Limited of Rs. 2,95,20,970/- in 2007-08. This subject matter is in Court and Krupanidhi Limited is perusing matter to respective authority. Krupanidhi Limited has issued arrears of demand to respective shareholders and we are the major shareholder in Krupanidhi Limited. and at present 62 percent shareholding with MSSIDC.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

As per the accounting standard (AS) 21, we have to consolidate the balance sheet of MSSIDC Limited and Krupanidhi Limited, as per the Company Act 2013. Krupanidhi Limited raised the demand of arrears to MSSIDC, therefore we have to make provision in books of accounts FY-2014-15. The 62 percent share of 2,95,20,970/- is work out Rs. 1,83,03,001/- The Corporation has booked provision in books of accounts in FY-2014-15."

- 8.2 Provision for expenses includes Rs.2,63,25,359/- towards additional lease premium payable to CIDCO for non-fulfillment of condition of minimum construction at Kalamboli Godown, Thane. The provision was provided in books of accounts in F.Y.2012-13.
- 8.3 Provision for expenses includes Rs.2,72,64,845/- towards arrears of rent payable to Mumbai Port Trust. The provision was provided in books of account in F.Y. 2009-10. This provision is kept in the books of account since Mumbai Port Trust has raised fresh demand vide their letter dated 02.08.2017 for Rs.45,88,82,204/-.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 9 : Fixed Assets Note 9.1 : Tangible Assets

(Amount in Rs.)

	ORIGINAL COST			DEPRECIATION			NET BOOK VALUE		
	Balance as at 01 April 2016	Additions	Disposals	Balance as at 31 March 2017	Balance as at 01 April 2016	Depreciation	Impairment loss	Balance as at 31 March 2017	Balance as at 31 March 2016
Freehold land	76,426	-	-	76,426	-	-	-	76,426	76,426
Leasehold land	21,10,05,076	-	-	21,10,05,076	15,06,65,730	18,59,252	-	5,84,80,095	6,03,39,346
Building on leasehold land	5,71,82,892	-	-	5,71,82,892	1,05,96,833	15,70,821	-	4,50,15,238	4,65,86,059
Residential flats	41,03,472	-	-	41,03,472	18,44,990	69,020	-	21,89,462	22,58,482
Office premises	1,11,55,807	2,64,000	-	1,14,19,807	37,57,003	2,84,957	-	73,77,848	73,98,804
Paithani Dev centre	1,82,226	-	-	1,82,226	45,122	25,641	-	1,11,463	1,37,104
Plant and machinery	71,32,159	51,040	65,150	71,18,049	36,95,577	2,30,397	-	31,91,992	34,36,581
Office Equipments	1,02,98,086	-	-	1,02,98,086	92,82,915	2,20,446	-	7,94,725	10,15,171
Furniture and fixtures	1,19,72,742	6,40,671	-	1,26,13,413	1,04,98,781	1,05,936	-	20,08,697	14,73,961
Electrical fittings	25,16,342	-	-	25,16,342	3,52,787	3,45,180	-	18,18,375	21,63,555
Vehicles	53,22,038	-	-	53,22,038	32,70,103	3,74,660	-	16,77,275	20,51,935
Computers	2,21,53,978	43,850	-	2,21,97,828	2,05,37,138	5,59,414	-	11,01,276	16,16,840
Tangible assets	34,31,01,244	9,99,561	65,150	34,40,35,655	21,45,46,978	56,45,723	-	12,38,42,870	12,85,54,266
Assets less then Rs. 5,000	8,11,852	6,550	-	8,18,402	8,11,852	6,550	-	-	-
Total Tangible Assets	34,39,13,096	10,06,111	65,150	34,48,54,057	-	56,52,273	-	12,38,42,870	12,85,54,266
Previous year	33,92,18,903	85,24,746	-	34,77,43,649	21,08,47,975	45,85,699	-	13,23,09,977	12,83,70,931

Note 9.2 : Intangible Assets

	ORIGINAL COST			DEPRECIATION			NET BOOK VALUE		
	Balance as at 01 April 2016	Additions	Disposals	Balance as at 31 March 2017	Balance as at 01 April 2016	Depreciation	Impairment loss	Balance as at 31 March 2017	Balance as at 31 March 2016
Leasehold rights	63,70,805	-	-	63,70,805	17,14,156	6,82,546	-	39,74,103	46,56,649
Total Intangible Assets	63,70,805	-	-	63,70,805	17,14,156	6,82,546	-	39,74,103	46,56,649
Previous year	25,40,250	-	-	25,40,250	16,01,782	37,530	-	9,00,938	9,38,468

Notes :

- (i) Amortisation has been provided in proportion to Lease Period from the year in which possession of lands is taken, although the agreements to lease stipulate that they will come into force after the execution of lease agreements.
- (ii) The Corporation has Amortised Lease Hold Rights of the premises in World Trade Centre over its useful life of 60 years.
- (iii) Total Depreciation (including amortisation of lease hold right) for the year of Rs.63,34,819/- includes Amortisation of revaluation reserve of Rs.18,00,640 and amount charged to Debit pertaining to previous year of Rs.3,24,171/(as per CAG observation)-.
- (iv) Spare parts of Rs.65,150/- wrongly taken in Fixed assets in P.Y. 2015-16, no depreciation was charged in P.Y. 2015-16. During Current Year 2016-17, rectification made and spare parts transferred to Direct Expenses.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 10 : Non-current investments

(Amount in Rs.)

(Valued at cost unless stated otherwise)

Particulars	31 March 2017	31 March 2016
Quoted investments		
Investment in equity instruments		
1,60,000 (previous year:1,60,000) equity shares of Mah. Ind & Tech Consultancy Org. Ltd., of Rs.10/- each, fully paid up (refer note 10.1 & 10.2)	40,000	40,000
Unquoted investments		
Investment in equity instruments		
1 (previous year: 1) equity share of Mah. State Handloom Co-op Fed. Ltd., of Rs.250/- each, fully paid up	250	250
620 (previous year: 620) equity shares of Krupanidhi Limited of Rs.100/- each, fully paid up	62,000	62,000
Total	1,02,250	1,02,250

10.1 Original Shares 400 purchased @100 per share (Rs. 40,000), thereafter bonus share 600 allotted to the Corporation.Total no. of share 1000 is subdivide @ 10 each per share and fresh 9000 share @ 10 per share allotted to the corporation. Around 2001-02 fresh bonus share 1,50,000 allotted to the corporation, Thus total no. of Share is 1,60,000.

10.2 During the Year 2013-2014, Mitcon listed its share on recognised stock exchange in India, therefore investment in the shares of Mitcon is quoted shares after their listing.

10.3 Market Value per share is Rs. 64.10 as on 31.3.2017, thus value of investment is Rs.10,256,000.(160,000 share @64.10 each)

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 11 : Deferred tax assets (net)

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Deferred tax liability		
Opening balance	15,49,994	12,68,177
Timing difference on tangible assets depreciation and impairment	-	2,81,817
PL Encashment	-	-
Total	15,49,994	15,49,994
Deferred tax assets		
Opening balance	1,39,13,557	1,30,12,607
Disallowance U/s 40 (a)	23,382	-
Disallowance U/s 43 B	4,54,207	9,00,950
Provision for Bad Debts & Rent Receivable	-	-
Timing difference on tangible assets depreciation and impairment	4,45,878	-
Total	1,48,37,024	1,39,13,557
Net deferred tax assets/(liability)	1,32,87,030	1,23,63,563
Profit & Loss impact	9,23,467	6,19,133

11.1 During the year, Deferred Tax Assets are not recognized in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 12 : Long term loans and advances

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
(Unsecured, Considered Good, unless otherwise stated)		
Security deposits (refer note 12.1)		
- Unsecure, considered good	5,70,55,211	4,14,30,772
- Unsecure, considered doubtful	52,96,427	52,96,427
- Less: Provision for doubtful deposits	(52,96,427)	(52,96,427)
	5,70,55,210	4,14,30,771
Other advances and balances		
- VAT receivable	-	-
- Service tax credit receivable	-	-
- Advance tax and TDS	1,16,87,693	7,03,82,305
- Prepaid Expenses	-	-
- Other advances	-	-
Total	6,87,42,903	11,18,13,076

12.1 Deposit paid is subject to scrutiny, reconciliation and consequential adjustment. The above deposits are outstanding since long and no balance confirmation and any income is received.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 13 : Other non-current assets

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Others		
Advance to gratuity trust (refer note 13.1)	16,79,27,629	16,41,40,770
Total	16,79,27,629	16,41,40,770

13.1 The above accounts are not reconciled. As per the balance confirmation available with LIC, the balance with LIC is only of Rs. 5,16,92,606/-. The corporation has not reconciled this account since long and actual payment made for gratuity is also debited to this account. Due to error in accounting, there is excess balance shown in this account by Rs. 11,62,35,023/-.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 14 : Inventories

(Amount in Rs.)

(valued at cost or lower of net realizable value)

Particulars	31 March 2017	31 March 2016
Raw materials	2,33,600	2,28,179
Work-in-progress	5,02,011	5,88,386
Finished goods	9,93,642	7,17,512
Traded goods	64,17,621	70,41,938
Total	81,46,874	85,76,015

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 15 : Trade receivables

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Receivables outstanding for a period exceeding six months from the date they are due for payment		
- Secured, considered good	-	-
- Unsecured, considered good (refer note 15.1)	39,73,49,295	43,38,12,037
- Less : Provision for bad and doubtful receivables	(2,64,85,000)	(2,64,85,000)
	37,08,64,295	40,73,27,037
Other receivables		
- Secured, considered good	-	-
- Unsecured, considered good (refer note 15.2)	1,29,64,337	1,91,07,016
Total	38,38,28,632	42,64,34,054

15.1 The Trade Receivables are subject to scrutiny, reconciliation, consequential adjustments. The amount Includes Rs. 36,69,56,348/- (Previous year Rs. 34,31,14,380/-) less earlier provision Rs.2,64,85,000 under sundry debtors, which is outstanding for over three years as per ageing using TALLY accounting software. The Management is of opinion that some of the debtors pertaining to marketing activity which are backed by creditors, and some of the debtors legal cases are filed which result will be favorable, hence no provision is made against these debtors.

Trade Receivables include Rs. 8,73,05,634 due from M/S. Metal Tube Rolling Mills (MTRM). The matter was under arbitration. Advocate of the Corporation has finally completed argument before the Arbitrator in April 2011. The arbitrator has passed the award on 14.06.2011 in favour of the Corporation directing the MTRM to deposit Rs. 16,99,56,060 plus interest. The Corporation filed execution application dated 27.07.2016 for claim of Rs. 50,64,73,685 at Bombay High Court. The matter is pending before High Court. Arbitration award passed in favour of MSSIDC by Bombay highcourt in arbitration petition. Case disposed off on 27/08/2018.

"Trade Receivables includes Rs. 5,62,79,307 receivable from Mehta Group of industries. The Corporation has filed civil suit as well as u/s 138 (cheque bouncing) on Mehta Group of Companies (1. Prithavi Espat, 2. Holum Iron Steel, 3. Parshwa Engg., 4. Munish Forge Ltd.). The civil suit filed against munish Forge is decided in favor of corporation and darkhast was filed on 24.07.2017 for execution of decree.

Holum Iron & Steel : Hon'ble High Court granted Ad. Interim relief dated 13-12-2017 in terms of Prayer Clause (ii) by way of Ad-interim relief further proceeding before Hon'ble

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Dist Judge Nagpur. In Special (Commercial) Civil suit no. 9/2016 be stayed during the pendency of writ petition until further orders, and this notice for respondent is returnable. Since notice could not be served upon respondent due to non availability of addresses, Paper publication order has been passed by the court. Matter is pending for further step.

Parshwa Engg:- Case is pending with Hon'ble District Judge for framing issues.

Prithvi Ispat, Nagpur:- The corporation had filed special civil suit in civil judge Senior Division Nagpur, the said suit is dismissed by the court for default as advocate was absent and nobody was present on behalf of corporation. The Corporation filed civil suit for restoration of dismissed suit. The summons issued to defendant are returned back, the court has directed to issue fresh summon on new address, summons can't be issued as absence of address. Matter is pending before Joint civil Judge, senior division Nagpur for further steps."

Sundry Debtor includes receivable from M/s. Khutale Steel Rolling Mills Pvt. Ltd. ("Khutale"), Satara for Rs. 42,52,635. Khutale unauthorisedly removed raw material supplied under Warehousing Credit Scheme and has an outstanding of Rs. 42,52,635 as on date. The judgment delivered in favour of the Corporation in civil suit filed by the Corporation in Satara Court against Khutale for recovery and the original decree execution papers were submitted to Hon'ble High Court, Mumbai. The matter is pending before High Court. Notice of Motion No. 843 of 2013 is filled in Highcourt Judicature at Bombay. The Notice of Motion which is Filled for restoration with support of affidavit, Hon'ble High Court has kept this matter for rejection. Further steps to be taken by complainant. The Management is of the view that since award is in favour of the corporation, no provision is required for the same, the notice was issued.

15.2 This Amount is subject to scrutiny, reconciliation and consequential adjustment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 16 : Cash and bank balances

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Cash and cash equivalents		
Cash on hand	1,02,018	70,439
Balances with banks		
- in current accounts	3,33,47,760	7,73,90,206
- in deposit account (with maturity upto 3 months)	-	-
Other bank balances		
- Deposits with maturity more than 3 months but less than 12 months	70,55,00,000	76,25,00,000
- Balances with bank held as margin money	-	5,00,000
Total	73,89,49,778	84,04,60,645

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 17 : Short-term loans and advances

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Unsecured, considered good, unless otherwise states:		
Loans and advances to employees		
- Housing and other loans	66,571	1,68,203
- Salary advances	33,34,180	30,37,661
Advance to suppliers (refer note 17.1)	5,49,14,798	5,78,76,114
Advance recoverable in cash or in kind or for value to be received		
- Unsecured, considered good	0	1,43,458
- Unsecured, considered doubtful	1,30,21,406	1,30,74,212
- Less : Provision for doubtful loans and advances	(1,30,21,406)	(1,30,74,212)
	0	1,43,458
Other Advances and Balances		
- Exhibition and Training	62,26,982	57,53,583
Total	6,45,42,533	6,69,79,019

17.1 Advance to suppliers are subject to scrutiny, reconciliation and consequential adjustments.

Advance to Suppliers 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. The Corporation have submitted fresh addresses of accused to the Hon'ble Court. Hon'ble Court issued non-bailable warrant on fresh addresses. Application filed for adjournment of the case is allowed subject to cost of Rs. 1000 per case to the Government.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 18 : Other current assets

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Unsecured considered good, unless otherwise states		
Interest Accrued on fixed deposits	3,57,28,012	3,91,98,711
Claim recoverable (refer note 18.2)	10,82,542	10,82,542
Rent receivable (refer note 18.1)	6,87,80,578	6,56,82,768
- Less: Provision for doubtful rent receivable	(48,24,614)	(48,24,614)
	6,39,55,964	6,08,58,154
Prepaid expenses	3,74,030	74,287
Preoperative Expenses	-	-
Total	10,11,40,548	10,12,13,694

18.1 The Corporation is to receive Rs. 35,44,918/- towards rent receivable from Hindustan Zinc Ltd. The case went to Arbitration and Arbitration Award was passed in the favour of the Corporation asking Hindustan Zinc Ltd. to pay Rs.27,40,046/- to the Corporation. Hindustan Zinc Ltd. has moved Udaipur District Court against the Arbitration Award. Hindustan Zinc has shown willingness to settle the matter. Final settlement will be done as per their email dated 20-11-2018 and before 15 December the final settlement amount will be received from Hindustan Zinc Limited.

The Corporation 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 favour 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.

The Corporation has allotted 2863 sq.ft space at Krupanidhi Building First floor, Mumbai to MIDC for running IPFC (Investor Promotion & Facilitation Cell) wef 27.08.2013 @ 130 per sq.ft. The rental income booked in FY 2016-17 Rs. 39.79 lacs, however same has been recovered in FY 2016-17 and 2017-18.

Rent receivable includes Rs. 5,23,39,381 outstanding from last years and not recovered during the year and in addition to that Rs. 12,56,511 rent income out of total booked during F.Y. 2016-17 not received during the year.

18.2 Claim amount recoverable is not reconciled and there is no recovery of this amount since long.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 19 : Revenue from operations

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Sale of products		
- Finished goods	48,44,798	43,72,217
- Traded goods	15,72,50,869	62,34,11,071
Total	16,20,95,667	62,77,83,288
Breakup of revenue from sale of products	31 March 2017	31 March 2016
Manufactured goods		
- Cotton paithani sarees	47,74,722	43,72,217
- Coir Products	70,076	-
Traded goods		
- Marketing sales	13,86,71,288	60,09,36,345
- Handicraft sales	1,85,79,582	2,24,74,727
Total	16,20,95,667	62,77,83,288

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 20 : Other income

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Interest income	5,76,40,450	7,88,08,691
Dividend income from - long tem investments	1,60,000	1,60,000
Rental income (refer note 20.1)	3,89,78,646	6,36,19,998
Liabilities written back to the extent no longer required	1,05,622	5,58,440
Other non-operating income	27,68,960	14,87,449
Total	9,96,53,678	14,46,34,578

20.1 Rent income booked without valid rent agreement of two parties. Renal Income of godown no.D-10 including 7 Parties at Thane not booked in current financial year since agreement is executed in Financial Year 2018-19.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 21 : Cost of materials consumed

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Raw material consumed		
- Opening inventory	2,28,179	4,81,367
- Add : Purchases	6,44,167	2,88,574
- Less : Inventory at the end of the year	2,33,600	2,28,179
Cost of raw materials consumed during the year	6,38,746	5,41,762

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 22 : Purchases of traded goods

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Marketing and handicraft purchases	14,81,10,344	58,77,61,947
	14,81,10,344	58,77,61,947

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 23 : Changes in inventories of finished goods, work-in-progress and stock-in-Trade

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
(Increase)/Decrease in stocks		
Stock at the end of the year:		
- Finished goods	9,93,642	7,17,512
- Work-in progress	5,02,011	5,88,386
- Stock in trade	64,17,621	70,41,938
Total A	79,13,274	83,47,836
Less: Stock at the beginning of the year:		
- Finished goods	7,17,512	4,66,169
- Work-in progress	5,88,386	8,24,743
- Stock in trade	70,41,938	72,79,102
Total B	83,47,836	85,70,014
Increase/Decrease in stocks (A-B)	4,34,562	2,22,178

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 24 : Employee benefit expenses

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Salaries, wages and bonus	6,75,02,983	6,37,95,021
Contribution to provident and other funds	60,35,289	60,64,467
Gratuity	-	-
Staff welfare expenses	9,30,701	15,00,423
Total	7,44,68,973	7,13,59,911

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 25 : Finance costs

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Bank charges	1,45,748	1,06,464
Interest paid others	18,50,062	4,21,962
Total	19,95,810	5,28,426

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 26 : Depreciation and amortization expense

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Depreciation of tangible assets (Also, refer note 9)	56,52,273	45,85,700
Amortisation of Intangible Assets	6,82,546	37,530
	63,34,819	46,23,230
less: Transfer to Revaluation reserve	18,59,252	18,00,485
less: Debit pertaining to previous year (short Amort. Of Last year)	3,24,171	-
Total	41,51,396	28,22,745

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 27 : Other expenses

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Power and fuel	24,26,457	19,27,701
Freight, clearing and forwarding	61,160	55,637
Rent	73,71,192	76,45,036
Repairs and maintenance		
- Building,	85,93,938	70,82,366
- plant and equipment	4,07,281	3,60,241
- Other	2,39,233	4,09,906
Insurance	2,47,604	2,75,766
Rates and taxes	20,97,621	21,23,479
Travelling and conveyance	42,78,164	43,75,734
Directors' fees	14,000	24,000
Payments to auditors (Also, refer note 27.1)	5,37,334	6,10,062
Legal and professional charges	50,18,669	89,48,972
Advertisement expenses	8,20,917	8,13,069
Printing and stationery	3,30,385	11,92,083
Communication expenses	10,93,790	11,85,394
Office maintenance	24,39,507	15,91,656
Vehicle running and maintenance charges	1,64,809	2,71,345
Corporate social responsibility	-	2,41,250
Mkt Risk & Development Res.	8,557	35,235
Bad debts written off	22,272	4,27,298
Security expenses	54,14,531	48,06,394
Miscellaneous expenses	23,95,186	22,71,229
Total	4,39,82,607	4,66,73,854
27.1 Payment to auditors	31 March 2017	31 March 2016
As auditor		
- Statutory audit	3,50,000	3,50,000
- Tax audit	1,50,000	1,50,000
Reimbursement of expenses	37,334	1,10,062
Total	5,37,334	6,10,062

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

Note 28 : Prior period items (net)

(Amount in Rs.)

Particulars	31 March 2017	31 March 2016
Income		
Sales	-	3,88,515
Interest	1,16,021	7,14,980
Rent Income	-	4,91,250
Registration income	-	5,000
Services Charges/Rebate	15,187	-
Electricity Charges (Reimbursed)	7,14,115	-
Refund National Information centre	43,479	-
Reversal of Excess provision	1,31,043	-
Deposit Forfeited	1,008	-
Miscellaneous Income	33,986	2,36,293
Total A	10,54,839	18,36,038
Expenditure		
Purchases	-	-
Service charges	1,45,138	5,27,170
Office and administrative expenses	-	4,66,952
Marketing expenses	-	28,56,358
Miscellaneous expenses	5,02,176	6,565
Professional Fee	1,05,267	-
Travelling Exp	41,005	-
Rent and interest expenses	4,56,747	19,29,541
Office expenses	8,524	-
Rates & Taxes	13,13,197	-
Spare Parts	65,160	-
Expenses on Parwasi Divas	11,27,922	-
Depreciation / Amortisation	3,24,171	-
Water Charges	18,39,522	-
Staff Welfare	5,930	-
Wages	13,543	-
Annual Maintenance Charges	19,200	-
Total B	59,67,502	57,86,586
Total (A-B)	49,12,663	39,50,548

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Rs.)

29 Earning per share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share' - (AS-20), notified by the Company's (Accounting Standards) Rules, 2006 (as amended)

Particulars	31 March 2017	31 March 2016
Net profit after taxes as per statement of profit and loss attributed to equity shareholders	(1,60,22,288)	(81,63,631)
Weighted average number of equity shares used as denominator for calculating EPS	14,50,299	14,50,099
Basic and diluted	(11.05)	(5.63)
Face value per share in rupees	100	100

30 Segment reporting

Primary segment reporting (by business segment)

The Corporation has identified its reportable segment for Segment Reporting, in accordance with Accounting Standard 17, as Marketing, Emporium & CWH Activity which are primary segment. In addition, the following policies have been followed for Segment Reporting.

(i) Segment Revenue includes sales and other income directly identifiable with /allocable to the segment with bifurcation of inter segment revenue.

(ii) Expenses that are directly identifiable with /allocable segments are considered for determining the segment results. Expenses which relate to the corporation as a whole and not allocable to segments are included under "Unallocable Expenditure".

(iii) Income which relates to the Corporation as whole and not allocable to segments is included in "Unallocable Segment"

(iv) Segment assets & liabilities include those directly identifiable with the respective segments, Unallocable Corporate assets and liabilities represents the assets and liabilities that relate to the corporation as a whole and not allocable to any segment.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Rs.)

Particulars	Marketing Activity	Emporium	CWH	Production activity	Total
	31 March 2017	31 March 2017	31 March 2017	31 March 2017	
Revenue					
Total revenues	13,79,67,252	2,38,30,776	3,89,78,646	70,076	20,08,46,749
Internal revenue (sales through stock transfer)	-	4,27,304	-	4,47,406	8,74,710
Direct attributable income to segment	87,42,409	1,92,738	-	-	89,35,147
Other unallocable income	-	-	-	-	-
Total revenues	14,67,09,660	2,44,50,818	3,89,78,646	5,17,482	21,06,56,606
Attributable expenses to segment	13,79,67,251	1,84,38,096	-	6,44,167	15,74,78,654
Unallocated expenses	-	-	-	-	11,85,88,771
Operating profit	87,42,410	60,12,722	3,89,78,646	(1,26,686)	(6,54,10,820)
Interest expenses	-	-	-	-	18,50,062
Interest income	-	-	-	-	5,76,40,450
Other income	-	-	-	-	27,68,960
Profit before tax and extraordinary items	87,42,410	60,12,722	3,89,78,646	(1,26,686)	(68,51,471)
Income taxes/deferred taxes	-	-	-	-	-
Prior Period Adjustment (Net)	-	-	-	-	49,12,663
Net Profit	87,42,410	60,12,722	3,89,78,646	(1,26,686)	(1,17,64,134)
Other information					
Segment assets	55,88,67,787	1,30,14,804	6,87,80,578	29,49,578	64,36,12,747
Unallocated corporate assets	-	-	-	-	1,03,08,72,404
Total assets	55,88,67,787	1,30,14,804	6,87,80,578	29,49,578	1,67,44,85,151
Segment liabilities	93,97,37,204	6,61,38,396	45,53,879	12,26,831	1,01,16,56,310
Unallocated corporate liabilities	-	-	-	-	66,28,28,841
Total liabilities	93,97,37,204	6,61,38,396	45,53,879	12,26,831	1,67,44,85,151

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Rs.)

31 Disclosure as required by Accounting Standard (AS)-15 (Revised) on "Employee Benefits":

A. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

The Corporation pays gratuity to the employees whoever has completed five years of service with the Corporation at the time of resignation. The gratuity is paid @15 days salary Gratuity Act 1972.

The Corporation has invested in LIC under employees group gratuity cum life assurance scheme. The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

The Corporation has obtained gratuity valuation certificate from the actuary, as per actuary valuation certificate the liability on account of gratuity as on 31.03.2017 is of Rs. 7,11,67,901/-. Since the corporation has already provided excess liability in the books of account and on conservative view excess liability is not reversed.

B. In respect of Leave Encashment, a Defined Benefit Scheme (based on actuarial valuation):

	31 March 2017	31 March 2016
Benefit type	Privilege leave	Privilege leave
Method of valuation	Projected unit credit method	Projected unit credit method
Valuation results		
Discontinuance liability	2,40,61,997	2,55,70,171
Projected benefit obligation	2,27,56,083	2,34,07,251
Other Results		
Average future service	5 years	5 years
Current & non-current liability		
Funding status	Unfunded	Unfunded
Fund balance	NA	NA
Current liability	54,61,437	60,96,300
Non-current liability	1,72,97,646	1,73,10,951
Valuation Assumption		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table
Discount Rate	6.77%	7.72%
Salary escalation rate	5.00%	5.00%
Attrition rate	2.00%	2.00%
Retirement Age	58 years	58 years
Maximum accumulation	240 days	240 days

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

C. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):

	31 March 2017	31 March 2016
Benefit type	Privilege leave	Privilege leave
Method of valuation	Projected unit credit method	Projected unit credit method
Valuation results		
Discontinuance liability	7,52,18,718	8,88,76,638
Projected benefit obligation	7,11,67,901	8,13,99,949
Other Results		
Average future service	5 years	5 years
Current & non-current liability		
Funding status	Funded	Funded
Fund balance	5,16,92,606	6,51,21,451
Current liability	31,10,888	39,62,614
Non-current liability	1,63,64,407	1,23,15,884
Valuation Assumption		
Discount Rate	6.77%	7.72%
Salary escalation rate	5%	5%
Attrition rate	2%	2%
Retirement Age	60 & 58 Years	60 & 58 Years

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Rs.)

32 Disclosures in respect of cancellable operating lease

The Corporation has entered into cancellable leasing arrangement for the premises on mutually agreeable terms. The lease rentals of Rs. 73,71,192/- (31 March 2016 : Rs. 76,45,036/-) are debited under the head "Other expenses-Rent" under note 27.

33 Contingent liabilities and commitments

Particulars	31 March 2017	31 March 2016
(a) Claims against the Corporation not acknowledged as debt:		
(i) Snehdeep Structural Private Limited Appeal No.555 (2006) and Appeal No.260 (2013)	-	6,54,68,255
(ii) Mumbai Port Trust (refer note 34.1)	45,88,82,204	45,88,82,204
(iii) WIST – Wadala Godown, Mumbai	1,08,32,189	1,08,32,189
(iv) Savatram Polymers, Akola	24,65,320	24,65,320
(v) M/s Ajay Entp, Yavatmal	6,24,736	6,04,736
(vi) Shri Industries Aurangabad	8,06,971	-
(vii) Assistant Commissioner SPF	6,18,234	-
(viii) Dist Cooperative Industrial Development Society, Nanded	4,39,502	4,39,502
(ix) Grips India, Parbhani	3,82,767	3,82,767
(x) Maruti Wires, Parbhani	4,68,725	4,68,725
(b) Provision for Interest expenses not made of following:		
(i) Industries & Labour Dept., Maharashtra Govt. Edu. Unemployment Hire Purchase Scheme	7,90,800	7,11,720
(ii) Industries & Labour Dept., Maharashtra Govt. Seed Capital	22,41,166	20,17,044
(iii) Mohit Minerals Pvt. Ltd.	6,50,00,000	6,50,00,000
(c) 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	1,58,50,713	2,91,88,161
(ii) Income Tax	4,43,88,720	9,45,48,447
(iii) Value added tax	85,59,02,278	57,97,71,264
(d) 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 2013-14 to FY 2016-17).	6,00,000	4,50,000

33.1 Mumbai Port Trust vide letter dated 02.08.2017 raised demand towards pending regulation /rectification of breaches and liquidation of Port Trust Arrears of Rs.45,88,82,204/- in respect of TW-2 Shed at Cotton Green. The matter is to be placed in board meeting.

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

(Amount in Rs.)

34 Related party disclosure :

a) Names of related parties

As per Accounting Standard 18 – Related Party Transactions, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), the Corporation's related parties and transactions with them are enumerated below:

(a)	Enterprises where control exists:
	(i) Subsidiaries:
	Krupanidhi Limited
	(ii) Key Managerial Personnel and one level below the Board
	Shri Shivaji Daund-Managing Director
	Smt.R. Vimla-Joint Managing Director
	Smt. Leena Bansod- Joint Managing Director
	Shri V.D.Kapate-General Manager
	Shri R.D.Madke-Chief Financial Officer
	Shri Kush Keshri-Company Secretary

b) The transactions with related parties for the year are as follows:

Transaction during the year	31 March 2017	31 March 2016
Maintenance charges contribution to Subsidiary		
Krupanidhi Limited (Maintenance Charges)	22,61,140	11,10,730
Krupanidhi Limited (Payment made for maintenance charges)	20,11,102	19,88,271
Remuneration to KMP and one level below the Board		
Shri Shivaji Daund	23,51,259	21,30,900
Shri Shivaji Daund-Reimbursement of other expenses	1,41,353	1,05,111
Smt.R. Vimla	3,63,399	-
Smt.R. Vimla-Reimbursement of other expenses	7,774	-
Smt. Leena Bansod- Joint Managing Director	3,05,305	-
Shri Kush Keshri	5,06,893	-
Shri R.D.Madke	12,32,801	11,33,023
Shri V.D.Kapate	10,53,899	10,03,326

c) Balance outstanding with related parties:

Party name	Receivable/Payable	31 March 2017	31 March 2016
Krupanidhi Limited	Maintenance charges contribution payable	1,78,62,570	1,76,12,532

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

35 Details of Specified Bank Notes (SBN)

Particulars	SBNs	Other Denomination Notes	Total
Cash Deposited During 08.11.2016 to 31.12.2016	4,52,500	2,36,430	6,88,930
Total	4,52,500	2,36,430	6,88,930

(Amount in Rs.)

35 Additional information	31 March 2017	31 March 2016		
A. C.I.F. Value of Imports by the Company:				
Raw materials	-	-		
Coal and fuel	-	-		
Trading goods	-	-		
Stores and spares	-	-		
Capital goods	-	-		
B. Expenditure in foreign currency during the year:				
Technical Know-how and professional or consultation fees	-	-		
Interest	-	-		
Foreign travelling	-	-		
Others	-	-		
C. Value of Raw Materials, and Stores and Spares Consumed during the year ended:				
	Rs. in lacs		Percentage (%)	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Raw materials:				
Imported	-	-	-	-
Indigenous	6.44	2.89	100%	100%
	6.44	2.89		
Stores and spares:				
Imported	-	-	-	-
Indigenous	0.42	-	100%	-
	0.42	-		
D. Earnings in foreign exchange:				
Export of goods on F.O.B. basis	-	-		
Others	-	-		
	-	-		

Maharashtra Small Scale Industries Development Corporation Limited

Notes to financial statements for the year ended 31 March 2017

36 The Company has regrouped/reclassified the previous year figures to confirm to the current year's presentation.

For S A R A & Associates
Chartered Accountants
Firm Reg. No. : 120927W

Manoj Agarwal
Partner
Membership No. 119509

Place : Mumbai
Date : 26.12.2018

For and on behalf of the Board

Chief Financial Officer

Company Secretary

Place : Mumbai
Date : 26.12.2018

Managing Director
DIN:

Director
DIN:



KRUPANIDHI LTD

FINANCIAL STATEMENTS OF THE COMPANY

COMPANY INFORMATION

CHAIRMAN & DIRECTOR	SHRI VIJAY D. KAPATE
DIRECTOR	SHRI R. G. HOTKAR
CHIEF ADMN. OFFICER	SHRI. PRAKASH Y. RAO
ADMN. OFFICER [A/C]	SHRI. CHANDRAKANT WAGHMARE
BANKERS	BANK OF INDIA BALLARD ESTATE BRANCH MUMBAI - 400 001.
AUDITORS	M/S. A.D. LALWANI & ASSOCIATES CHARTERED ACCOUNTANTS 4-A, GROUND FLOOR, D.T.C. GOREGAONKAR LANE ATTACHED TO CENTRAL PLAZA CHARNI ROAD [E] MUMBAI-400 004
REGISTERED OFFICE	"KRUPANIDHI," 9, WALCHAND HIRACHAND MARG, BALLARD ESTATE, MUMBAI - 400 001.

Director's Report

To,

The Members
Krupanidhi Limited
MUMBAI.

1. The Directors take pleasure in presenting the **52nd Annual Report** of your Company along with Profit & Loss Account for the **year ending 31st March, 2017** and the Balance Sheet as on that date along with Auditor's Report, the Director's Report and Comments of CAG on the accounts **for the year 2016-2017**

<u>Accounts & Audit</u>	<p>Your Board is pleased to inform you that the C.A.G. has appointed M/s. A. D. LALWANI & Associates, Mumbai, Chartered Accountants as Statutory Auditor of the Company for the year 2016-2017.</p> <p>Since your company is not a profit making organization all expenses incurred during the year under audit were as per usual practice proposed to be recovered from the members on pro-rata basis.</p>
<u>Directors' Responsibility Statement</u>	<p>Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 the Board of Directors of the Company hereby state and confirm that :-</p> <ol style="list-style-type: none">(1) in the preparation of annual accounts, the applicable accounting standards have been followed.(2) the Directors had 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 Company at the end of the financial year and of the profit of the Company for that period;(3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for preventing and detecting fraud and other irregularities;(4) the Directors had prepared the annual accounts on a going concern basis.

Legal cases

You are aware that Mumbai Port Trust, owner of the lease hold land on which the Building Krupanidhi is situated, filed a case in Small Causes Court against your company on the ground that your company has transferred the said premises to its members without obtaining prior consent of MbPT. The Small Causes Court of the Law has passed judgment against your company on 31.08.2001 and directed to evict the premises. The same has been challenged in the Higher Court by preferring an Appeal. The appeal has been admitted and the same was argued at length in the Court of Small Causes, by our Advocate on record.

You are aware that your company's application for regularization of tenancy is pending with Mbpt.

The company has received the liability statement for Rs.2.96 crores in the Court through the advocate for MbPT, worked out on compromise proposal as per the Supreme Court judgment delivered on 13.01.2004. The Company has already forwarded the copy of statement to its unit holders/members with a request to arrange for payment. Meantime the company was in touch with MbPT through our then Advocate Shri Amin Nathni, for necessary rectification in the liability statement which is yet to forth come. As such company has requested every member that they will have to contribute their share of amount against the liability to be paid by your Company. It is needless to mention here that one of the unit holders/members, M/s. Niyati consultant, have made the part payment of Rs. one lakh towards their liability. The Office of the Seamen's Provident Fund, has remitted entire payment of Rs. 35,42,516.00 [as per their share] towards their liability. Shri Rohan Merchant, one of the unit holders / members has also remitted entire payment of Rs.2,95,210.00 [as per their share] towards liability. **Please note that this liability statement has nothing to do with the Appeal filed by the company against MbPT and all the members are requested to pay contribution of their share.**

Regarding the appeal filed by the company, the Hon.ble court has directed to settle the matter amicably being both the parties are Government Organization. Accordingly we have through our then Advocate written a letter to MbPT for seeking their appointment for the discussion. We have also sent the reminders to MbPT. But till date we have not received any communication from their end.

During the hearing on 16.09.2011 the Hon. Appellate Court has passed an order remanding the matter back to the Trial Court for decision of additional issue no.2, which was not decided by the Trial Court. The Court has been directed to give its finding on the said additional issue and appeal is kept pending. **The Trial Court has decided on the issue no. 2 in favour of Mbpt informing that the this Court is having Jurisdiction.**

After having decided by the Trial Court on the Issue no. 2 in favour of MbPT, our appeal came up for hearing on Board in Appellate Court. Matter was adjourned many a times for some or other reasons. Our Advocate on record Smt. Waghmare could not appear in our matter. She has discharged herself from appearing in our matter as she has joined CBI. Shri Jabra, an Advocate, was appeared in our matter as Counsel, instructed by our Advocate Smt. Waghmare. Shri Jabra had appeared in our matter 4 to 5 times and according to him he had argued at length in our matter before the Hon. Court. Hon. Chairman of this company is an employee of MSSIDC working as General Manager, was transferred to Paithan and thereafter to Delhi resulting no one was attending the Court during his transfer period. Counsel Jabra was also not appearing in our matter as there was no response from Krupanidhi Limited.

Finally our Appeal was DISPOSED by the Hon. Court on 5th July, 2013 and Appeal Dismissed without Judgment for want of prosecution.

	<p>Now our Company has to file an application for RESTORATION of our Appeal. We have requested our Advocate, Shri Jabra to file an application for restoration of Appeal, at the earliest. Shri Jabra, after obtaining Certified copy of the Order / Judgement and in consultation with the Registrar of the Court, has filed an application for restoration of appeal alongwith the affidavit of Shri Kapate, Hon. Chairman, in the year 2016. But unfortunately due to non follow-up of our proceeding, our application was rejected in the office of the Registrar it self. Our Company, once again requested our Advocate Shri Jabra to file revised application for restoration of Appeal in the Court of Small Causes and same is under process.</p>																																				
	<p>Present Status of arrears paid to Mumbai Port Trust</p> <table border="1" data-bbox="539 689 1436 1160"> <thead> <tr> <th data-bbox="539 689 847 779">Name</th> <th data-bbox="847 689 1046 779">Share amount</th> <th data-bbox="1046 689 1238 779">Amount Paid</th> <th data-bbox="1238 689 1436 779">Balance</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 779 847 824">MSSIDC</td> <td data-bbox="847 779 1046 824">1,83,03,002</td> <td data-bbox="1046 779 1238 824">Nil</td> <td data-bbox="1238 779 1436 824">1,83,03,002</td> </tr> <tr> <td data-bbox="539 824 847 869">Seamens' PF</td> <td data-bbox="847 824 1046 869">35,42,516</td> <td data-bbox="1046 824 1238 869">35,42,516</td> <td data-bbox="1238 824 1436 869">Nil</td> </tr> <tr> <td data-bbox="539 869 847 913">BDLB [MBPT]</td> <td data-bbox="847 869 1046 913">35,42,516</td> <td data-bbox="1046 869 1238 913">Nil</td> <td data-bbox="1238 869 1436 913">35,42,516</td> </tr> <tr> <td data-bbox="539 913 847 958">Air India</td> <td data-bbox="847 913 1046 958">26,56,888</td> <td data-bbox="1046 913 1238 958">Nil</td> <td data-bbox="1238 913 1436 958">26,56,888</td> </tr> <tr> <td data-bbox="539 958 847 1003">Niyati Consultant</td> <td data-bbox="847 958 1046 1003">5,90,419</td> <td data-bbox="1046 958 1238 1003">1,00,000</td> <td data-bbox="1238 958 1436 1003">4,90,419</td> </tr> <tr> <td data-bbox="539 1003 847 1048">Fusion Consultancy</td> <td data-bbox="847 1003 1046 1048">5,90,419</td> <td data-bbox="1046 1003 1238 1048">Nil</td> <td data-bbox="1238 1003 1436 1048">5,90,419</td> </tr> <tr> <td data-bbox="539 1048 847 1093">Rohan Merchant</td> <td data-bbox="847 1048 1046 1093">2,95,210</td> <td data-bbox="1046 1048 1238 1093">2,95,210</td> <td data-bbox="1238 1048 1436 1093">Nil</td> </tr> <tr> <td data-bbox="539 1093 847 1160">Total</td> <td data-bbox="847 1093 1046 1160">2,95,20,970</td> <td data-bbox="1046 1093 1238 1160">39,37,726</td> <td data-bbox="1238 1093 1436 1160">2,55,83,244</td> </tr> </tbody> </table>	Name	Share amount	Amount Paid	Balance	MSSIDC	1,83,03,002	Nil	1,83,03,002	Seamens' PF	35,42,516	35,42,516	Nil	BDLB [MBPT]	35,42,516	Nil	35,42,516	Air India	26,56,888	Nil	26,56,888	Niyati Consultant	5,90,419	1,00,000	4,90,419	Fusion Consultancy	5,90,419	Nil	5,90,419	Rohan Merchant	2,95,210	2,95,210	Nil	Total	2,95,20,970	39,37,726	2,55,83,244
Name	Share amount	Amount Paid	Balance																																		
MSSIDC	1,83,03,002	Nil	1,83,03,002																																		
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Rohan Merchant	2,95,210	2,95,210	Nil																																		
Total	2,95,20,970	39,37,726	2,55,83,244																																		
<p>Staff</p>	<p>The relation of your Company with its staff members remained Cordial throughout the year under review.</p> <p>Your Directors take this opportunity to express their thanks to all the members and the staff for their valuable co-operation. Your Directors also take pleasure in placing on record their appreciation of the services rendered by M/s. A. D. Lalwani & Associates, Chartered Accountants, the Statutory Auditors of our Company. The Directors also thank our Banker for their services rendered to us from time to time.</p>																																				

For & On behalf of the Board of Directors

CHAIRMAN

Place : Mumbai

Date : August, 29, 2018

A. D. Lalwani & Associates Chartered Accountants

Branches : Chennai, Kota & Santacruz

PAN : AAEFA 9378 B

TAN : MUMA 34753 F

GSTIN : 27AAEFA9378B2ZE

FRN : 118733 W

SAC : 9982

INDEPENDENT AUDITORS REPORT

To, THE MEMBERS OF KRUPANIDHI LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of KRUPANIDHI LTD (“the Company”) which comprises Balance Sheet as at 31st March 2017, the Statement of Profit and Loss account and 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

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

Auditor’s Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2017 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act(the "order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanation given to us, we enclosed in the annexure a statement on matters specified in paragraph 3 & 4 of the said order.
6. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
 - (c) The Balance Sheet and the Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (e) On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2017 from being appointed as a directors in terms of section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) As informed to us the Company does have any pending litigations which would impact its financial position, it is reported in note A-(c) in financial statement.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For A D LALWANI & ASSOCIATES
CHARTED ACCOUNTANTS**

**AVINASH LALWANI
Partner
M.No. 048715
Firm Registration No. 118733W
Place : MUMBAI
Date : 27.03.2018**

ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph I of our report of even data)

	Reporting on maintaining and verifying and disposing of fixed assets
(i)	A) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
(ii)	b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification
(iii & iv)	Physical verification and maintenance of records of inventories; There is no inventory in the company. Consequently clause ii(a),ii(b) & ii(c) are not applicable to the company .
(v)	Loans granted by the company The company has not granted any loans secured or unsecured to companies, Firms or other parties covered in the register maintained u/s 189 of the companies Act, 2013. Accordingly clauses 4(iii) (a) &(b) of the Order are not applicable.
(vi)	Loans accepted by the company According to the information and explanation given to us, the company has not accepted any loans from financial institutions or bank or debenture holders. According to the information and explanation given to us, the company has not given any guarantee for loan taken from financial institutions or bank
(vii)	Acceptance of Deposits As the company has not accepted any deposit from the public, the provisions of the section 73 to 76 of the companies Act, 2013 and rules there under are not applicable to the company.
(viii)	Cost Records Since the company is providing services to its nature of building maintenance, the sub-section (l) of section 148 of the companies Act, 2013 pertaining to maintenance of cost record, does not apply.
(ix & x)	Payment of Taxes a) According to the records of the company and information and explanation given to us, the company has been generally, regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales tax, service tax, value added tax, duty of custom, wealth tax, income tax and other statutory dues with the appropriate authorities during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as 31st March 2017 for a period of more than six months from the date of becoming payable. b) According to the records of the company and information and explanations given to us, no disputed dues of provident fund, employee' state insurance, sales tax, service tax, value added tax, duty of the custom, wealth tax, Income tax, and other statutory dues were payable during the year.
(xi)	Default in repayment of dues, Guarantee of loan According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. Further the company does not have any dues payable to financial institutions, government or debenture holders.

(xii)	<p>Applicability of Public Offer/Term Loan</p> <p>According to the information and explanation given to us, The company has not raised moneys by way of initial public offer or further public offer (including debt instrument). The moneys were not raised by way of term loans, from related parties, Terms and conditions of utilization of funds raised through loans from related parties have not been mentioned in the respective documents.</p>
(xiii)	<p>Reporting of Fraud</p> <p>To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.</p>
(xiv)	<p>Remuneration</p> <p>Managerial remuneration has not been paid or provided under provisions of section 197 read with schedule V to the companies Act.</p>
(xv)	<p>Nidhi Company</p> <p>The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO, 2017 order is not applicable.</p>
(xvi)	<p>Related Party Transaction</p> <p>According to the information and explanations given to us, The company has entered into transaction with related parties in compliance with the provisions of section 177 and 188 of the Act., where applicable and the details have been disclosed in the Financial Statement etc, as required by the applicable accounting standards.</p>
(xvii)	<p>Allotment</p> <p>According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and not commented upon.</p>
(xviii)	<p>Non Cash Transaction</p> <p>In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.</p>
(xix)	<p>Section 45-1A</p> <p>According to the information and explanation given to us,the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act,1934</p>

**For A D LALWANI & ASSOCIATES
CHARTED ACCOUNTANTS**

AVINASH LALWANI

Partner

M.No. 048715

Firm Registration No. 118733W

Place : MUMBAI

Date : 27.03.2018

KRUPANIDHI LIMITED

Balance Sheet as at 31 March 2017

(Amount in Rs.)

Particulars	Note No	31-Mar-17	31-Mar-16
I. Equity and liabilities			
(1) Shareholder's funds			
(a) Share capital	2	1,00,000	1,00,000
(b) Reserves and surplus	3	-	-
(2) Share Application money pending allotment			
(3) Non-current liabilities			
(a) Long-term borrowings	4	46,30,000	46,30,000
(b) Other long term liabilities	5	2,86,04,759	2,86,04,759
(4) Current liabilities			
(a) Trade payables	6	1,03,406	1,37,806
(b) Other current liabilities	7	6,643	-
(c) Short-term provisions	8	1,07,561	2,91,098
Total Equity & Liabilities		3,35,52,369	3,37,63,663
II. Assets			
(1) Non-current assets			
(a) Fixed assets	9	22,190	25,755
- Tangible assets			
(b) Non-current investments	10	46,39,000	46,39,000
(c) Other non-current assets	11	3,84,640	3,65,408
(2) Current assets			
(a) Trade receivables	12	2,68,78,758	2,79,11,014
(b) Cash and cash equivalents	13	15,58,904	8,11,463
(c) Short-term loans and advances	14	68,877	11,023
Total Assets		3,35,52,369	3,37,63,663
Significant accounting policies	1		

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

For A D Lalwani and Associates

FOR KRUPANIDHI LIMITED

Chartered Accountants

Firm Reg. No.: 118733W

CA Avinash Lalwani

Partner

Mem. No. : 048715

V.D. Kapate

(Chairman)

DIN : 02089898

R.G. Hotkar

(Director)

DIN : 06911352

Place : Mumbai

Date : 27.03.2018

Place : Mumbai

Date : 27.03.2018

Place : Mumbai

Date : 27.03.2018

KRUPANIDHI LIMITED

Statement of Profit and Loss Account for the year ended 31 March 2017

(Amount in Rs.)

Particulars	Note No	31-Mar-17	31-Mar-16
Revenue		-	-
Other income	15	17,36,441	17,07,589
Total Revenue		17,36,441	17,07,589
Expenses :			
Employee benefit expense	16	5,80,985	4,88,783
Finance costs	17	115	100
Depreciation and amortization expense	18	3,565	4,141
Other expenses	19	11,51,776	12,14,565
Total Expenses		17,36,441	17,07,589
Profit before exceptional and extraordinary items and tax	(III - IV)	(0)	-
Tax expense :			
(1) Current tax		-	-
Profit(Loss) from the period from continuing operations	(IX-X)	(0)	-
Earning per equity share :			
(1) Basic		-	-
(2) Diluted		-	-
Summary of significant accounting policies			
Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement			

This is the Profit & Loss Statement referred to in our Report of even date.

For A D Lalwani and Associates
Chartered Accountants
Firm Reg. No.: 118733W

FOR KRUPANIDHI LIMITED

CA Avinash Lalwani
Partner
Membership No. : 048715
Place : Mumbai
Date : 27.03.2018

V.D. Kapate
(Chairman)
DIN:02089898
Place : Mumbai
Date: 27.03.2018

R.G. Hotkar
(Director)
DIN:06911352
Place : Mumbai
Date: 27.03.2018

KRUPANIDHI LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

A	Cash Flow From Operating Activities	2016-17	2015-16
	Net Profit Before Tax As Per Profit And Loss Account	-	-
	Adjustments For:		
	Depreciation	3,565	4,141
	Sale of Assets	-	-
	Purchase of Assets	-	-
	Other	-	-
	Less : Loss/profit on sale of assets	-	-
	Operating Profit Before Working Capital Changes	3,565	4,141
	(Increase)/decrease in Other Current Assets	(57,854)	(2,41,103)
	(Increase)/Decrease In Trade Debtors	10,32,256	18,65,280
	Increase in Loans & Advance		(11,023)
	Increase/(decrease) in Trade Payables	(34,400)	-
	Increase/(decrease) in Other Current Liabilities	6,643	(16,53,615)
	Increase/(decrease) in Short Term Provision	(1,83,537)	1,08,946
	Cash generated From Operations	7,63,108	72,626
	Income Taxes Paid	-	-
	Net Cash Flow From Operating Activities	7,63,108	72,626
B	Cash Flow From Investing Activities		
	(Purchase) of Investments	-	-
	Sale Of Investments	-	-
	Interest Income Received	19,232	1,28,700
	Net Cash Flow From Investing Activities	19,232	1,28,700
C	Cash Flow From Financing Activities		
	Repayment Of Unsecured Loan	-	-
	Loan taken	-	-
	Net Cash Flow From Financing Activities	-	-
	minority interest	-	
	Total	7,47,441	2,01,326
	Net Increase/(Decrease) In Cash And Cash Equivalents:	7,47,441	2,01,326
	Opening Balance	8,11,463	6,10,137
	Closing Balance	15,58,904	8,11,463

FOR A D LALWANI AND ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.: 118733W

CA AVINASH LALWANI

PARTNER

Membership No. : 048715

Place : MUMBAI

Date : 27.03.2018

FOR KRUPANIDHI LIMITED

V.D.Kapate

(Chairman)

Din no.02089898

Place : MUMBAI

Date : 27.03.2018

R.G.Hotkar

(Director)

Din no.06911352

Place : MUMBAI

Date : 27.03.2018

SIGNIFICANT ACCOUNTING POLICIES AND NOTES

ACCOUNTING CONVENTION:

The Accounts are maintained and statements are prepared on historical basis as per accrual system of the accounting. All provision relating to accounting standards and Companies Act, 2013, has been complied other than those which are specified below except in case of leave encashment which is provided on cash basis

REVENUE RECONGNITION:

- a. As suggested by CAG the expenditures have been allocated based on the space occupied by each tenement and the income has been apportioned on the basis of shareholdings from 2010-2011.
- b. All other income and expenditure having a material bearing on the financial statements is recognized on accrual basis.
- c. The company is not engaged in any business activity. Revenue from the service is recorded in the books on issue of invoices to the customer and net of taxed and duties.
- d. Other miscellaneous revenues are recorded on accrual basis.
- e. Revenue is generally recognized on accrual basis and all income and expenditure having a material bearing on the financial statements is recognized on accrual basis.

FIXED ASSETS AND DEPRECIATION

- a. The fixed assets are shown at their cost of acquisition less accumulated depreciation. None of the fixed assets have been revaluated during the year.
- b. The management has physically verified the fixed assets during the year and no material discrepancies have been noticed on such verification.
- c. Depreciation is provided on pro-rata basis on the period of usage of the assets, which is rounded off to the nearest month. Depreciations is provided on written down value method.
- d. The rates of depreciation adopted are in conformity with the rates prescribed in the companies Act, 2013

INVESTMENT : Investment are stated at cost.

FOREIGN CURRENCY TRANSACTION : During the year company have not entered in any foreign currency transaction.

SEGMENTAL INFORMATION : Reporting of particulars specified by accounting standards 17-“Segment Reporting” is not applicable as the management is of opinion that the company operates significantly in only a single revenue segment.

INCOME AND EXPENDITURE : As suggested by CAG the expenditures were allocated based on the space occupied by each tenement till F.Y 2008-09 but as per the decision taken by board meeting held on 08/03/2010, expenses has been allocated as per share holding and the income has been apportioned on the basis of share holding from 2010-2011.

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Balance Sheet as on 31st March 2017

Note 2 : Share capital

(Amount in Rs.)

Particulars	31-Mar-17	31-Mar-16
(1) AUTHORIZED CAPITAL		
5000 (previous year 5000) equity shares of Rs.100/- each	50,00,000	50,00,000
(2) ISSUED , SUBSCRIBED & PAID UP CAPITAL		
1000 (previous year 1000) equity shares of Rs.100/- each	1,00,000	1,00,000
Total	1,00,000	1,00,000

Reconciliation of the number of equity shares :

Particulars	31-Mar-17		31-Mar-16	
	Number	Amount (in Rs.)	Number	Amount (in Rs.)
Shares outstanding at the beginning of the year	1,000	1,00,000	1,000	1,00,000
Shares Issued /Bought back during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000	1,00,000	1,000	1,00,000

Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.100/- each. Each Shareholder is eligible for one vote per one shares held. The dividend proposed by the Board of Director 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	31-Mar-17		31-Mar-16	
		No of Shares held	% of Holding held	No of Shares held	% of Holding held
1	MSSIDC Limited	620	62%	620	62%
2	Air India	90	9%	90	9%
3	Bombay Dock Labour Board	120	12%	120	12%
4	Seamon's Provident Fund	120	12%	120	12%

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Balance Sheet as on 31st March 2017

Note 3 : Reserves and surplus

(Amount in Rs.)

Particulars	31-Mar-17	31-Mar-16
Surplus in statement of profit and loss		
At the commencement of the year	-	-
Add : Transferred from statement of profit and loss	-	-
At the end of the year	-	-
Total	-	-

Note 4 : Long-term borrowings

(Amount in Rs.)

Particulars	31-Mar-17	31-Mar-16
Deposits from members and share holders	46,30,000	46,30,000
Total	46,30,000	46,30,000

Note 5 : Other long term liabilities

(Amount in Rs.)

Particulars	31-Mar-17	31-Mar-16
(1) Retention money	2,62,711	2,62,711
(2) Arrears of rent	2,83,42,048	2,83,42,048
Total	2,86,04,759	2,86,04,759

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Balance Sheet as on 31st March 2017

Note 6 : Trade payables

(Amount in Rs.)

Sr. No.	Particulars	31-Mar-17	31-Mar-16
(1)	Dues to micro and small enterprises	-	-
(2)	Dues to others	1,03,406	1,37,806
	Total	1,03,406	1,37,806

Note 7 : Other current liabilities

(Amount in Rs.)

Sr. No.	Particulars	31-Mar-17	31-Mar-16
(1)	Statutory dues		-
	Income Tax p.y. 16-17	4,239	
	Income Tax p.y. 15-16	2,404	
	Total	6,643	-

Note 8 : Short-term provisions

(Amount in Rs.)

Sr. No.	Particulars	31-Mar-17	31-Mar-16
(1)	Provision for employee benefits		
	- Salary payable	17,000	36,051
(2)	Others		
	- Provision for expenses	90,561	2,55,047
	Total	1,07,561	2,91,098

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Balance Sheet as on 31st March 2017

Note 9: Tangible assets

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		As it is 01 April 2016	Addition during the year	Deduction during the year	Balance as at 31 March 2017	As it is 01 April 2016	Addition during the year	Deduction during the year	WDV as at 31 March 2017	WDV as at 31 March 2016
I	Tangible Assets									
	Furniture & Fixture	10,812	-	-	10,812	10,705	-	-	107	107
	Water Pump	21,972	-	-	21,972	13,816	1,134	-	7,022	8,156
	Office Equipments	601	-	-	601	584	-	-	17	17
	Cylindrical Plastic Water Tank	1,97,543	-	-	1,97,543	1,80,068	2,431	-	15,044	17,475
	SUB TOTAL (A)	2,30,928	-	-	2,30,928	2,05,173	3,565	-	22,190	25,755
II	Intangible Assets									
		-	-	-	-	-	-	-	-	-
	SUB TOTAL (B)	-	-	-	-	-	-	-	-	-
III	Capital Work-in-progress									
		-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development									
		-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-
	Total [A + B + C + D] (Current Year)	2,30,928	-	-	2,30,928	2,05,173	3,565	-	22,190	25,755

Note:- Furniture and Fixture and Office Equipments does not substantail value hence depreciation is not charged for current year

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Balance Sheet as of 31st March 2017

Note 10: Non-current investments

(Amount in Rs.)

(Valued at cost unless stated otherwise)

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Investment property		
	- Leasehold land and building	46,39,000	46,39,000
	Total	46,39,000	46,39,000

Note 11: Other non-current assets

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Others	97,670	97,670
2	Bank Deposit (Due to mature after 12 months from reporting date)	2,86,970	2,67,738
	Total	3,84,640	3,65,408

Note 12: Trade receivables

Sr. No	Particulars	31-Mar-17	31-Mar-16
	Receivables outstanding for a period exceeding six months from the date they are due for payment		
1	Secured, considered good	2,48,53,940	2,79,11,014
2	Unsecured, considered good		-
	Receivables outstanding for a period less than six months from the date they are due for payment		
1	Secured, considered good	20,24,818	-
2	Unsecured, considered good		-
	Total	2,68,78,758	2,79,11,014

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Balance Sheet as of 31st March 2017

Note 13 : Cash & Cash Equivalent

(Amount in Rs.)

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Cash and cash equivalents		
	Cash on hand	7,946	18,892
2	Balances with banks		
	- in current accounts	15,50,958	7,92,571
	- in deposit account (with maturity upto 3 months)	-	-
3	Other bank balances		
	Bank deposits with maturity of more than 12 months	2,86,970	2,67,738
		18,45,874	10,79,201
	Less : Amounts disclosed as other non-current assets (Refer note 11)	2,86,970	2,67,738
	Total	15,58,904	8,11,463

Note 14 : Short-term loans and advances

Sr. No	Particulars	31-Mar-17	31-Mar-16
	Prepaid expenses	66,244	4,523
1	Loan to employees	500	6,500
2	Tax Deduction at Source	2,133	-
	Total	68,877	11,023

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Profit & Loss Accounts as of 31st March 2017

Note 15 : Other income

(Amount in Rs.)

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Contribution from shareholders	17,17,209	14,28,061
2	Other receipts	19,232	2,79,528
	Tender Fees	-	-
	Total	17,36,441	17,07,589

Note 16 : Employee benefit expenses

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Salary, Wages & Bonus	5,78,660	4,88,783
2	Staff Welfare Expenses	2,325	-
	Total	5,80,985	4,88,783

Note 17 : Financial Cost

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Bank Charges	115	100
	Total	115	100

Note 18 : Depreciation & Amortised Cost

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Depreciation	3,565	4,141
	Total	3,565	4,141

KRUPANIDHI LIMITED

Schedules Forming Integral Part of the Profit & Loss Accounts as of 31st March 2017

Note 19 : Other expenses

Sr. No	Particulars	31-Mar-17	31-Mar-16
1	Electricity expenses	1,17,145	1,31,133
2	Rent	9,493	9,424
3	Repair to building and Others	20,946	86,785
4	Water Charges	5,21,312	5,82,982
5	Rates and Taxes	1,62,078	1,63,908
6	Travelling and Conveyance Expenses	661	1,031
7	Audit Fees (refer note 26.1)	11,800	15,864
8	Legal and professional fees	10,100	35,000
9	Printing and Stationery	6,877	6,707
10	Prior period expenses	-	34,118
11	Govt filing and Registration fees	14,030	35,500
12	Miscellaneous Expenses	1,89,650	1,12,113
13	Insurance	87,684	-
	Total	11,51,776	12,14,565

KRUPANIDHI LIMITED –PERIOD 01.04.2016-31.03.2017

A) OTHER NOTES:

- a) Share capital includes 620 Equity share of Rs. 100/- each fully paid up being held by MSSIDC being holding company.
- b) In the opinion of the Board current assets loans and advance are approximately of the value stated and realizable in ordinary course of business all known have been provided.
- c) **Bombay Port Trust** owners of the leasehold land on which the building "Krupanidhi" is situated has filed suit for eviction of Krupanidhi Ltd. On the ground that the company has let out the portion of the said premises to its members without obtaining prior consent of Bombay Port Trust. The matter was stretched up to supreme court & honourable Supreme Court vide judgement Dated 13/01/2004 & 09/01/2006 in civil appeal No.5559 of 2001 and other connected appeals has upheld the compromise proposals & the company is liable to pay differential rent to Bombay Port Trust for the land occupied by it. As per letter dated 30/01/2009 Bombay Port Trust has quantified the arrears up to 31/12/2008 of rent, services charges and interest on difference, premium/breaches & other charges which amounts to Rs. 2,95,20,970/-

As regard to case pending before the Honourable court in small cause court Mumbai AE & C sub No. 162/190 of 1985, Appeal No. 704 of 2001 Krupanidhi Ltd. V/S the Board of Trustee for the port of Bombay. As per letter dated 24/03/2009 addressed to advocate Shri Amin H. Nathani, the company has stated that amount shown against breaches to the extent of Rs. 12,74,763.26 is acceptable to the company and for non-acceptable amount due to difference in rate applied, for which amount to be worked & provided.

As per the board meeting held on 29/03/2012 it has been decided that arrears of rent payable to MBPT to be provided for and is absence of working for non-acceptable amount. Hence the amount shown as per MBPT is provided in books of account.

- d) The appeal was DISPOSED by the HON. Court on 5th July, 2013 Dismissed without Judgement. The Company has to file an application for restoration of appeal. The Company have requested their Advocate, Shri. Jabra to file an application for restoration of appeal, at the earliest. Shri Jabra is in need of some information/details regarding appeal from court file but the file could not traced out in spite of vigorous follow up by company advocate. He has consulted Register for the same. According to office of the registrar, the application cannot be filed for restoration of appeal unless company get the certified copy of the Judgement. At least advocate has succeeded in obtaining the certified copy of the order/ judgement in the month of January 2016. Company advocate has requested to submit affidavit of Shri VD Kapate, Chairman of the company as soon an application is filed, the Hon. Court may decide on Appeal shortly as the said appeal is quite old, pending in the court of Law. The company is following up the matter with the Advocate Shri Jabra. According to him that an application for restoration of appeal will be filed very soon.

- e) Having regard to nature of operation, i.e allocation of deficit towards members and non-provisioning of taxes in normal course of business and as per prudence norms differed tax provision have not been made.
- f) In the absence of individual confirmation of account of balance of debtor amounting to Rs. 2,68,74,248/-.
Long term Deposit from unit holder amount to Rs. 45,40,000/- and deposit from unit holder amounting to Rs. 90,000/- are taken as per books of accounts.
- g) Employee's welfare fund consists of contribution of the Company and its employee. Employee Staff welfare fund and interest thereon have been invested in the Fixed Deposits at the banks. (Fixed deposit 31.03.2017 = Rs.286970 (31.03.2016=Rs.2,67,738)
- h) The company has not made a provision of gratuity for the year since provision of relevant Act is not applicable to the company. The accumulated provisions is for the year 31.03.2017 is nil (31.03.2016 Rs. 0.00/-)
- i) The company is yet in the processes of identifying Micro, small and Medium Enterprises Development Act, 2006 hence we are unable to provide the amounts due to such enterprises.
- j) The company does not have any employee drawing salary over the limits as specified.
- k) Audit fees 10000 plus 18% Gst 1800(last year audit fees 10000 plus Gst 1800)
- l) The related party disclosures,as required by Accounting Standard 18-“Related Party Disclosures” issued by the Institute of Chartered Accountants of India ,are given below:-

A) Names of related parties and description of relationship:

- a) Enterprises where KMP/Relatives of KMP have significant influence
MSSIDCL LIMITED-holding company
- b) Key Management Personal (KMP) and Relatives of KMP
Chairman & Director : Shri Vijay D Kapate
Director : Shri R G Hotkar

the transaction held the related party company are as follows :

MSSIDCL Limited

- 1) Share of expenses charged=2017=Rs.10,64,670 (2015 = 8,82,831)
o.s. bal 31.03.2017=1,64,40,767 (31.03.2016 = 1,73,87,199)

- (m) At the end of each financial year, The day to day expenses for the year 2015-2016 incurred for maintaining and running the company are recovered from unit holder, the expenses for the year 2016-2017 are distributed in the ratio of share holding by way of debit note and shown as debtors. The detail of unit holder (debtors) is attached as annexure to notes :
- (n) Repair exp-Building=20446 and office RS.500
- (o) Previous figures have been regrouped and/or rearranged wherever considered necessary.

As per our separate report of even date attached.

For KRUPANIDHI LIMITED

**For A D LALWANI & ASSOCIATES
CHARTERED ACCOUNTANTS**

V.D. Kapate

R.G. Hotkar

AVINASH LALWANI

Chairman

Director

Partner

DIN : 02089898

DIN : 06911352

M.No. 048715

Firm Registration No. 118733W

Place : Mumbai

Place : Mumbai

Place : Mumbai

Date : 27.03.2018

Date : 27.03.2018

Date : 27.03.2018

KRUPANIDHI LIMITED

ANNEXURE TO NOTE

Expenses Distribution during the year 01.04.2016 to 31.03.2017

Sundry Debtors							
	Ratio	Period 01.04.16 to 31.03.2017			Closing 31.03.2017	Sundry Debtors in B.S. 31.03.17	Difference
		Opening 01.04.2016	Debit	Credit			
Air India Exp A/c	0.09	29,21,121	1,54,955	1,64,115	29,11,961	29,11,961.00	-
Bombay Dock Labour Board Exp A/c	0.12	36,76,377	2,06,606	3,87,169	34,95,814	34,95,814.00	-
Fusion Consultant Ext A/c	0.02	6,26,240	34,434	28,058	6,32,616	6,32,616.00	-
MSSiDC Ltd Exp A/c	0.62	1,73,87,199	10,67,466	20,11,102	1,64,43,563	1,64,43,563.00	-
Niyati Consultants Exp A/c	0.02	6,19,695	34,434	0	6,54,129	6,54,129.00	-
Rohan Merchant Exp A/c	0.01	3,53,318	17,217	32,264	3,38,271	3,38,271.00	-
Seamen's Provident zFund Exp A/c	0.12	23,27,064	2,06,607	4,34,366	20,99,305	20,99,305.00	-
Total	1	2,79,11,014	17,21,719	30,57,074	2,65,75,659		

Profit and Loss account	
total income-interest	19,232
total exp	17,36,441
Expenses over Interest for distribution in ratio of share holding	17,17,209
Add :- Provision For Tax 16-17	4,239
Provision For Tax 15-16	2,404
TDS	(2,133)
TOTAL TO BE DISTRIBUTED	17,21,719

KRUPANIDHI LIMITED

NOTE : Payment to auditors

Sr. No	Particulars	31.03.2017	31.03.2016
	As Auditor		
	Statutory Audit	11,800	11,800
	Other	0	4,064
	Total	11,800	15,864

NOTE : Repairs and Maintenance

Sr. No	Particulars	31.03.2017	31.03.2016
	Building	20,446	86,785
	Others	500	
	Total	20,946	86,785

For A.D. LALWANI AND ASSOCIATES
CHARTERED ACCOUNTANTS

FOR KRUPANIDHI LIMITED

AVINASH LALWANI
PARTNER

V. D. KAPATE
CHAIRMAN
DIN 02089898

R. G. HOTKAR
DIRECTOR
DIN 06911352

PLACE : MUMBAI
DATE : 27.03.2018

PLACE : MUMBAI
DATE : 27.03.2018

PLACE : MUMBAI
DATE : 27.03.2018

ANNEXURE TO NOTES		
ANNEXURE TO NOTE NUMBER 4	31.03.2017	31.03.2016
Long term borrowings		
Deposits from members and share holders		
- Air India	8,100.00	8,100.00
- Bombay Dock Labour Board	10,800.00	10,800.00
- Fusion consultancy private limited	1,000.00	1,000.00
- MSSIDC	55,800.00	55,800.00
- Rohan Merchant	900.00	900.00
- Niyati Consultant	2,600.00	2,600.00
- Seamen's Provident Fund	10,800.00	10,800.00
Deposits from unit holders		
- Air India	6,46,645.00	6,46,645.00
- Bombay Dock Labour Board	6,33,585.00	6,33,585.00
- MSSIDC	28,59,963.00	28,59,963.00
- Rohan Merchant	6,084.00	6,084.00
- Niyati Consultant	12,568.00	12,568.00
- Seamen's Provident Fund	3,81,155.00	3,81,155.00
TOTAL	46,30,000.00	46,30,000.00
ANNEXURE TO NOTE NUMBER 5	31.03.2017	31.03.2016
Other long term liabilities		
Ankush Enterprises	2,62,711.00	2,62,711.00
	2,62,711.00	2,62,711.00
MBPT arrears of rent	2,83,42,048.00	2,83,42,048.00
TOTAL	2,86,04,759.00	2,86,04,759.00
ANNEXURE TO NOTE NUMBER 6	31.03.2017	31.03.2016
Trade payable		
Sekhri kanodia and associates		34,400.00
Ankush enterprises	1,03,406.00	1,03,406.00
TOTAL	1,03,406.00	1,37,806.00
ANNEXURE TO NOTE NUMBER 8	31.03.2017	31.03.2016
Provision for expenses		
Audit fees	23,600.00	11,800.00
Rent, rates taxes payable		1,64,695.00
Electricity charges payable	8,859.00	9,674.00
Water charges payable	58,102.00	68,878.00
Salary and wages payable	17,000.00	-
TOTAL	1,07,561.00	2,55,047.00

ANNEXURE TO NOTE NUMBER 11	31.03.2017	31.03.2016
Fixed Deposit		
Fixed Depoist-356110003378	50,184.00	49,639.00
Fixed Depoist-356110003379	50,183.00	43,397.00
Fixed Depoist-356110003533	1,46,592.00	1,37,418.00
Fixed Depoist-356110003483	40,011.00	37,284.00
	2,86,970.00	2,67,738.00
DEPOSITS		
Deposit with Best (Electricity)	10,795.00	10,795.00
Deposit with BMC (Water)	35,900.00	35,900.00
Deposit with BMC (BPT)	50,975.00	50,975.00
TOTAL	97,670.00	97,670.00
tax deduction at source		
TOTAL	-	-
ANNEXURE TO NOTE NO 12	31.03.2017	31.03.2016
TRADE RECEIVABLES		
MORE THAN SIX MONTHS		
AIR INDIA EXP A/C	27,57,006.00	29,23,315.00
BOMBAY DOCK LABOUR BOARD EXP A/C	32,89,208.00	36,76,377.00
FUSION CONSULTANT EXP A/C	5,98,182.00	6,26,654.00
MSSIDC LTD EXP AC	1,53,76,097.00	1,73,85,005.00
NIYATI CONSULTANBTS EXP A/C	6,19,695.00	6,19,695.00
ROHAN MERCHANT EXP A/C	3,21,054.00	3,53,360.00
SEAME'S PROVIDENT FUND EXP A/C	18,92,698.00	23,26,608.00
TOTAL-A	2,48,53,940.00	2,79,11,014.00
LESS THAN SIX MONTHS		
AIR INDIA EXP A/C	1,54,955.00	-
BOMBAY DOCK LABOUR BOARD EXP A/C	2,06,606.00	-
FUSION CONSULTANT EXP A/C	34,434.00	-
MSSIDC LTD EXP AC	10,67,466.00	-
NIYATI CONSULTANBTS EXP A/C	34,434.00	-
ROHAN MERCHANT EXP A/C	17,217.00	-
SEAME'S PROVIDENT FUND EXP A/C	2,06,607.00	-
SECURITY GUARD BOARD FOR BRIHAN MUMBAI AND THANE DIST	3,03,099.00	
TOAL B	20,24,818.00	-
TOTAL A+B	2,68,78,758.00	2,79,11,014.00
ANNEXURE TO NOTE NUMBER 13	31.03.2017	31.03.2016
BALANCE WITH BANKS		

in Current Account		
Bank of India	15,50,958.00	7,92,571.00
TOTAL	15,50,958.00	7,92,571.00
ANNEXURE TO NOTE NUMBER 14	31.03.2017	31.03.2016
PREPAID EXPENSES		
LIFT MAINTAINENCE	5,069.00	4,523.00
BUILDING INSURANCE	61,175.00	-
TOTAL	66,244.00	4,523.00
LOAN TO EMPLOYEE		
VILAS BHILARE	500.00	6,500.00
TOTAL		
ANNEXURE TO NOTE NUMBER 15	31.03.2017	31.03.2016
OTHER RECEIPTS :-		
CREDIT BALANCE WRITTEN BACK	-	1,51,390.00
INTEREST ON FIXED DEPOSIT 16-17	19,232.00	7,784.00
STAFF WELFARE	-	1,20,354.00
TOTAL	19,232.00	2,79,528.00
ANNEXURE TO NOTE NUMBER 19		
MISCELLANEOUS EXPENSES :-		
Administrative Expenses	70,000.00	2,502.00
Account Writing Charges	18,125.00	11,375.00
Drainage Clearing Charges	5,200.00	5,200.00
General Expenses	22,188.00	29,558.00
Lift Maintenance Expenses	35,162.00	26,753.00
Stno/Typing Exp	10,375.00	8,125.00
Sweeping Charges	28,600.00	28,600.00
TOTAL	1,89,650.00	1,12,113.00

B) OTHER NOTES :	2016-17	2015-16
1. Estimated Amount of Contracts remaining to be Executed on Capital Account	Nil	Nil
2. Value of Imports on CIF Basis	Nil	Nil
3. Value of Exports on FOB Basis	Nil	Nil
4. Expenditure in Foreign Currency	Nil	Nil
5. Foreign Currency Exposure	Nil	Nil
6. Managerial Remuneration	Nil	Nil

7. Earnings Per share

Earning Per Share as required by Accounting Standard 20-Earning Per Share Issued by the institute of Chartered Accountants of India is given below

Earning per Share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of equity share outstanding during the year. The net profit considered for calculation of EPS as follows

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Profit after taxation as per profit and loss account	0.00	0.00
Net Profit for calculation of basic/diluted EPS	0.00	0.00
Weighted average number of equity shares outstanding	1000	1000
Basis & Diluted earning per share (Face value Rs. 100 per share)	0.00	0.00

9. SBN Note :

Detail of specified bank noted (SBN) held and transacted during the period 8th November, 2016 to 30 December, 16

Particulars	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	0.00	12,554.25	12,554.25
Withdrawal from Banks	0.00	10,000.00	10,000.00
Permitted payments	0.00	8,542.00	8,542.00
Amount deposited in Banks	0.00	0.00	0.00
Closing cash in hand as on 30.12.2016	0.00	14,012.25	14012.25

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED.

For KRUPANIDHI LIMITED

For A D LALWANI & ASSOCIATES
CHARTERED ACCOUNTANTS

V. D. Kapate
Chairman
DIN 02089898

R. G. Hotkar
Director
DIN 06911352

AVINASH LALWANI
Partner
M. No. 048715

Place : Mumbai
Date : 27.03.2018

Place : Mumbai
Date : 27.03.2018

Firm Registration No. 118733W
Place : Mumbai
Date : 27.03.2018

फॅक्स नं. } 2209 2326
Fax No. } 2201 4438

दूरभाषा संख्या } 2205 4022
Telephone No. } 2205 7360
 } 2201 4437

e-mail : agcommaumaharashtra@cag.gov.in



सत्यमेव जयते

प्रधान महालेखाकार का कार्यालय (लेखापरीक्षा)-III, महाराष्ट्र
प्रतिष्ठा भवन, तल मंजिल,
101, महर्षि कर्वे मार्ग, मुंबई - 400 020.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(AUDIT) - III, MAHARASHTRA
PRATISHTHA BHAVAN, GROUND FLOOR,
101, MAHARSHI KARVE MARG, MUMBAI - 400 020.

दिनांक/Date : 09-08-2018

संख्या/No. गोपनीय
प्रमले/लेप-III /वालेप-I/कृपानिधि/2016-17/448

सेवा में,
प्रबंध निदेशक,
कृपानिधी लिमिटेड,
मुंबई - 400 001

विषय : 31 मार्च, 2017 को समाप्त हुए वर्ष के कृपानिधि लिमिटेड, मुंबई के लेखों पर कम्पनी अधिनियम,
2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ ।

महोदय,

31 मार्च 2017 को समाप्त हुए वर्ष के कृपानिधि लिमिटेड, मुंबई के लेखों पर कम्पनी अधिनियम,
2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक का अ-समीक्षा प्रमाणपत्र
(NRC) संलग्न है ।

वार्षिक आम सभा (A.G.M.) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया इस
कार्यालय भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने कि तिथी को भी
इस कार्यालय को सूचित करें ।

भवदीय,

(एस. के. जयपुरियार)

प्रधान महालेखाकार (लेखापरीक्षा)-III

संलग्नक : यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KRUPANIDHI LIMITED, MUMBAI FOR THE YEAR ENDED 31ST MARCH 2017.

The preparation of Financial Statements of **Krupanidhi Limited, Mumbai** for the year ended **31st March 2017** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report Dated **27 March, 2018**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Financial Statements of **Krupanidhi Limited, Mumbai** for the Year ended 31st March 2017 under section 143(6)(a) of the Act.

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

(S.K.Jaipuriyar)
Principal Accountant General
(Audit)-III

Place : Mumbai
Date : 08.08.2018



MSSIDC

MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED

EMPORIUM/ PRODUCTION CENTRES

MARHATI EMPORIUM

30, World Trade Centre,
Cuffe Parade, Colaba,
Mumbai - 400 005.

MARHATI EMPORIUM

Vikas Bhawan, Adalat Road,
Opp. LIC, Dr. Rajendra
Prasad Road,
Aurangabad - 431 001.

MAHACOIR

Maharashtra Coir Production,
Exhibition Cum Training Centre,
G/30, Additional M.I.D.C.,
Tal. - Kudal, Dist. - Sindhudurg,
Pin - 416 520.

MARHATI MAHARASHTRA EMPORIUM

8/A, State Emporia Bldg., Baba
Khadaksingh Marg, New Delhi - 110 001.
Fax : (011) - 23363888

MARATHI PAITHANI CENTRE

Udyan Road, Opp. Govt. Hospital, Paithan,
Aurangabad - 431 107.
Phone : 02431 - 223093

WAREHOUSES

WADALA

Plot no. 53, bpt link road,
Wadala (E),
Mumbai - 400 031.

SEWREE

Excise Warehouse,
BPT Link Road, Near
Colgate, Sewree (E) -
Mumbai - 400 015.

KALAMBOLI

Opp. Libra Weigh, Bridge,
New Mumbai,
Kalamboli - 410 208.

KOLHAPUR

MIDC Industrial Area, Pune
Bangalore Highway, Opp.
Shivphata, Shirol, Kolhapur.

AHMEDNAGAR

Plot No. A-2/3, Near Common
Facility Centre, MIDC Station
Road, Ahmednagar - 414 001.

PUNE

Plot No. 51 & 52, D-1 Block
Pimpri Chinchwad Indl. Estate,
Chinchwad, Pune - 411 019.

THANE

Plot No. D-10, Road No. 33,
Plot No. A-301, Road No. 32,
Wagle Industrial Estate,
Thane - 400 604.

REGISTERED OFFICE

Krupanidhi, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.
Phone : (022) 22611121-22-23 <https://www.mssidc.maharashtra.gov.in>

DIVISIONAL / BRANCH OFFICES

AURANGABAD MSSIDC LTD.

Vikas Bhavan, 3rd Floor,
Dr. Rajendra Prasad Raod,
Aurangabad - 431 001.
Phone : 0240-2331138 / 2344048
Fax : 0240 - 2331035

AMRAVATI MSSIDC LTD.

Old Biyani Chowk Camp Area,
Amravati - 444 602
Phone : 0721 - 2662374 / 2665698
Fax : 0721 - 2665698

LATUR MSSIDC LTD.

Chilkote Bldg., Tilak Nagar,
Latur - 413 512
Phone : 02382 - 245133
Fax : 02382 - 245133

NASHIK MSSIDC LTD.

A-9, Near Industries Estate,
Trimbak Road, Satpur,
Nashik - 422 007.
Phone : 0253 - 2350151 / 2353085
Fax : 0253 - 2350012

NAGPUR MSSIDC LTD.

11, Farmland Layout, Near Shakti Offset,
Wardha Road,
Nagpur - 440012.
Phone : 07121 - 222484 / 2423544 / 45
Fax : 0712 - 2423825

NANDED MSSIDC LTD.

B- 2, Nanded Co.op. Indl. Estate,
College Road, Nanded - 431 602.
Phone : 02462 - 242060
Fax : 02462 - 234969

PUNE MSSIDC LTD.

Kamla Chambers, 4th Floor, 687,
Budhwar Peth, Near Prabhat Talkies,
Bajirao Raod, Pune - 411 022.
Phone : 020 24430482
Fax : 020 - 24486860

THANE MSSIDC LTD.

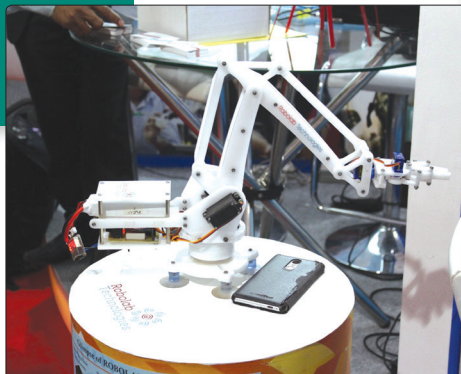
Plot No. D10, Road No. 33, Indira
Nagar, Wagle Estate,
Thane - 400 604.
Phone : 2582 6978 / 2582 9917
Fax : 2582 6978

BRANCH OFFICE - AT DIST. PLACES

- Jalna, Beed
- Osmanabad
- Wardha, Bhandara, Chandrapur, Gadchiroli
- Solapur, Satara, Kolhapur, Sangli
- Akola, Yeotmal, Buldhana
- Dhule, Jalgaon, Ahmednagar, Nandurbar
- Parbhani
- Ratnagiri, Sidhudurg, Raigad, Kudal



Indigeonously Built
Aircraft VT-NMD.



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learn, and build robots.



'SCOUT' The Smart Parking
Solution (Automated Multilevel
Mechanical Parking System).