

**SRINARAYAN RAJKUMAR MERCHANTS LIMITED.**

**Statement of Profit and Loss for the year ended 31st March, 2016**

PARTICULARS	NOTES	As at 31.03.2016	As at 31.03.2015
<b>INCOME</b>			
Revenue from operations	14	29,432,578.00	24,411,800.91
Other income	15	4,967,256.15	6,216,372.04
<b>Total Revenue</b>		<b>34,399,834.15</b>	<b>30,628,172.95</b>
<b>Expenses:</b>			
Purchase of Stock-in-Trade	16	25,816,927.00	17,580,200.91
Changes in inventories of finished goods and Stock-in-Trade	17	5,712,150.50	(870,241.00)
Employee Benefits Expenses	18	1,134,152.00	1,049,023.00
Finance Cost	19	260,811.00	-
Deprecation and amortization expense	7	2,527.98	21,638.85
Other expenses	20	927,909.30	369,031.10
<b>Total Expenses</b>		<b>33,854,477.78</b>	<b>18,149,652.86</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>545,356.37</b>	<b>12,478,520.09</b>
<b>Exceptional &amp; Extraordinary items</b>		<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>545,356.37</b>	<b>12,478,520.09</b>
<b>Tax expense:</b>			
(1) Current tax		(93,996.00)	2,360,918.72
MAT Credit Entitlement		91,252.00	(2,360,918.72)
(2) Deferred tax		(156,122.75)	(3,382,936.00)
<b>Profit/(Loss) for the period</b>		<b>386,489.62</b>	<b>9,095,584.09</b>

**Earning per equity share (Basic & Diluted):**

0.08

1.83

Significant Accounting Policies and Other Notes

21

As per our report of even date

For SALARPURIA & PARTNERS

FIRM REGN.NO.302113E

CHARTERED ACCOUNTANTS

-SD-

( KAMAL KUMAR GUPTA )

PARTNER

M.NO.89190

Place : New Delhi

DATE : 28/5/2016

-SD-

(V. K. SUREKA)

MANAGING DIRECTOR

DIN: 00060160

-SD-

(BHAWNA AGARWAL)

COMPANY SECRETARY

ACS :31001

-SD-

( VEENA AGARWAL )

DIRECTOR

DIN: 00060415

-SD-

(BINAY KUMAR )

CFO

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31.3.2016

	2015-16 Rs.	2014-15 Rs.
<b>A. Cash Flow from operating activities:</b>		
Net Profit / (Loss) before tax & Extra Ordinary Items	545,356.37	12,478,520.09
Adjustment for:		
Depreciation	2,527.98	21,638.85
Dividend Received	(602,038.15)	(88,500.00)
Interest Received	(4,365,218.00)	(4,074,013.00)
Operating Profit/(Loss) before Working Capital changes	<u>(4,419,371.80)</u>	<u>8,337,645.94</u>
Adjustment for:		
Trade & other Receivables	(7,376,156.00)	18,195,100.00
Inventories	5,712,150.50	(870,241.00)
Trade payables	5,934,402.00	(19,494,750.00)
Cash Generated from Operations	<u>(148,975.30)</u>	<u>6,167,754.94</u>
Direct Taxes Paid (Net)	(2,741,512.00)	501,681.00
<b>Net Cash from Operating Activities</b>	<u><u>(2,890,487.30)</u></u>	<u><u>6,669,415.94</u></u>
<b>B. Cash Flow from Investing Activities:</b>		
Purchases/Sales of Fixed Assets (Net)	-	-
Purchases/Sale of Investments ( Net)	-	200,000.00
Loans given/Received back ( Net )	(7,241,987.00)	(11,173,962.00)
Interest Received	4,365,218.00	4,074,013.00
Dividend Received	602,038.15	88,500.00
<b>Net Cash generated in Investing Activities</b>	<u><u>(2,274,730.85)</u></u>	<u><u>- 6,811,449.00</u></u>
<b>C. Cash Flow from Financing Activities:</b>		
Increase/( decrease) in secured/unsecured Borrowings	5,384,730.00	-
<b>Net cash generated in Financing Activities</b>	<u><u>5,384,730.00</u></u>	<u><u>-</u></u>
<b>Net Change in Cash and Cash Equivalents (A+B+C)</b>	219,511.85	(142,033.06)
Cash and Cash Equivalents as at 1st April(Opening Balance)	1,299,989.60	1,442,022.66
Cash and Cash Equivalents as at 31st March (Closing Balance)	1,519,501.45	1,299,989.60

As per our report of even date  
For SALARPURIA & PARTNERS  
FIRM REGN.NO.302113E  
CHARTERED ACCOUNTANTS

-SD-  
( KAMAL KUMAR GUPTA )  
PARTNER

M.NO.89190  
Place : New Delhi  
DATE : 28/5/2016

-SD-  
( V. K. SUREKA )  
MANAGING DIRECTOR  
DIN: 00060160

-SD-  
( VEENA AGARWAL )  
DIRECTOR  
DIN: 00060415

-SD-  
(BHAWNA AGARWAL)  
COMPANY SECRETARY  
ACS :31001

-SD-  
(BINAY KUMAR )  
CFO

NOTES 5 : OTHER CURRENT LIABILITIES	as at 31-03-2016		as at 31-03-2015	
<b>Loans Liabilities</b>				
Advance from Customers				
From Related Party		5,120,000.00		4,120,000.00
Other		88,020,000.00		86,870,000.00
Other Liabilities		9,389.00		9,389.00
		<u>93,149,389.00</u>		<u>90,999,389.00</u>

NOTES 6 : PROVISIONS	As at 31st March 2016		As at 31st March 2015	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
For Income Tax	-	2,630,037.72	-	2,536,041.72
	-	<u>2,630,037.72</u>	-	<u>2,536,041.72</u>

NOTES 9 : LOANS AND ADVANCES	As at 31st March 2016		As at 31st March 2015	
(Unsecured, considered good)	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
<b>Loans (including interest)</b>				
To Related Party	18,880,275.00		16,816,230.00	
To Other	24,356,243.00	-	21,976,301.00	-
Advances recoverable in cash or in kind or for value to be received				
For Capital Contracts	34,725,000.00	-	34,725,000.00	-
For Others :				
To Related Party	3,850,000.00		3,850,000.00	
To Others	58,850,000.00	-	56,050,000.00	-
( refer Item no. 4 in Note no. 21 B)				
	<u>140,681,518.00</u>	-	<u>133,419,531.00</u>	-

NOTES 10: INVENTORIES	as at 31-03-2016		as at 31-03-2015	
(As per inventories taken, valued and certified by the management)				
Shares & Securities (As per Note10)		32,175,534.50		65,313,832.00
		<u>32,175,534.50</u>		<u>65,313,832.00</u>

NOTES 11 : TRADE RECEIVABLE	as at 31-03-2016		as at 31-03-2015	
Debts outstanding for a period exceeding six months:				
Considered good		7,491,656.00		115,500.00
Considered doubtful		417,015.00		417,015.00
Less: Provisions		<u>417,015.00</u>		<u>417,015.00</u>
Other Debts - Considered good		-		-
		<u>7,491,656.00</u>		<u>115,500.00</u>

NOTES 12 : CASH AND CASH EQUIVALENT	as at 31-03-2016		as at 31-03-2015	
<b>Cash Balance in hand:</b>				
As per books and certified		197,144.19		50,868.19
<b>Balances with Scheduled Banks:</b>				
In Current Accounts		1,322,357.26		1,249,121.41
		<u>1,519,501.45</u>		<u>1,299,989.60</u>

NOTES 13 : OTHER CURRENT ASSETS	as at 31-03-2016		as at 31-03-2015	
Income Tax payments & Tax Refundable		1,179,516.00		742,994.00
MAT Credit Entitlements		5,600,267.72		5,509,015.72
		<u>6,779,783.72</u>		<u>6,252,009.72</u>

NOTES 14 : REVENUE FROM OPERATIONS	Year ended	Year ended
	31.03.2016	31.03.2015
Sales of Quoted Shares	-	20,000,000.00
Sales of Unquoted Shares	29,432,578.00	110,000.00
Sales of Mutual Funds	-	4,301,800.91
	<u>29,432,578.00</u>	<u>24,411,800.91</u>

NOTES 15 : OTHER INCOME	Year ended	Year ended
	31.03.2016	31.03.2015
Interest (Tax deducted at source Rs 4,36,522/- (Rs 4,03,332/-)	4,365,218.00	4,074,013.00
Dividend	602,038.15	88,500.00

Profit on sales of Long Term Investments	<u>4,967,256.15</u>	<u>2,053,859.04</u> <u>6,216,372.04</u>
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NOTES 16 : PURCHASE OF STOCK IN TRADE	Year ended 31.03.2016	Year ended 31.03.2015
Quoted Shares	-	4,301,800.91
Unquoted Shares	<u>25,816,927.00</u>	<u>13,278,400.00</u>
	<u>25,816,927.00</u>	<u>17,580,200.91</u>

NOTES 17: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE	Year ended 31.03.2016	Year ended 31.03.2015
STOCKS AT COMMENCEMENT OF THE Shares & Securities	65,313,832.00	64,443,591.00
STOCKS AT CLOSE OF THE YEAR Shares & Securities	59,601,681.50	65,313,832.00
INCREASE / (DECREASE) IN STOCKS	<u>- 5,712,150.50</u>	<u>870,241.00</u>

NOTES 18 : EMPLOYEE BENEFIT EXPENSES	Year ended 31.03.2016	Year ended 31.03.2015
Salary Wages Bonus & Allowances	1,134,152.00	1,046,433.00
Staff and Labour Welfare	-	2,590.00
	<u>1,134,152.00</u>	<u>1,049,023.00</u>

NOTES 19 : FINANCE COST	Year ended 31.03.2016	Year ended 31.03.2015
Interest Paid		
To Financial Institutions	-	-
To Others	<u>260,811.00</u>	<u>-</u>
	<u>260,811.00</u>	<u>-</u>

NOTES 20 : OTHER EXPENSES	Year ended 31.03.2016	Year ended 31.03.2015
Listing and Filing Fee	434,658.00	64,878.00
Traveling, Conveyance & Vehicles Expenses	3,550.00	68,691.00
Miscellaneous Expenses	130,851.30	144,260.10
Legal & Professional charges	331,000.00	61,202.00
Auditors' Remuneration:		
As Audit Fee	20,000.00	20,000.00
Director's Meeting Fee	<u>7,750.00</u>	<u>10,000.00</u>
	<u>927,909.30</u>	<u>369,031.10</u>

**NOTE : 21: SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS****A SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Accounting**

The Company follows mercantile system of accounting i.e. all expenses and income are accounted for on accrual basis.

**(b) Fixed Assets**

Fixed Assets are stated at cost less depreciation.

**(c) Depreciation**

Depreciation is provided on Straight Line Method in accordance with the rates and basis prescribed in Schedule II of the Companies Act, 2013.

**(d) Investments**

Investments are stated at purchase price.

**(e) Dividend**

Dividend declared with in the close of the accounting year only are accounted for.

**(f) Valuation of inventories**

Stock of Shares and Securities are valued at lower of cost or estimated realisable value.

**(g) Retirement Benefits**

Accrued liability of gratuity payable has been accounted for as per valuation made by the management.

**(h) Amortisation of Preferential Share Issue Expenses**

Preferential Share Issue Expenses are amortised over a period of ten years.

**(i) Contingent Liabilities**

Disputed liabilities and claims against the Company including claims by Taxation Authorities pending in appeals are treated as contingent liabilities and are not provided for and are shown by ways of notes.

**(j) Taxes on Income**

Tax expenses for the relevant period comprises of current tax and deferred tax. Deferred Tax Assets is recognized, subject to consideration of prudence, on all timing difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deferred tax liability is adjusted by applying the tax rates and tax laws applicable at the year end.

**B OTHER NOTES ON ACCOUNTS**

- 1 The market value of following quoted investments have been declined substantially. However, in the opinion of the management no provision for diminution in value is required since these investments are of strategic importance to the company. The decline in market value of investments is considered to be temporary:

Name of the Company	Value of Diminution	
	2015-16	2014-15
Him Ispat Limited	38,000	38,000
Kamadgiri Synthetics Limited	1,784,374	1,784,374
	<b>1,822,374</b>	<b>1,822,374</b>

- 2 Contingent Liabilities not provided for Corporate Guarantees issued against borrowings by Group Company M/s. Jolindra Steel and Tubes Limited as detailed here under:

A.	2015-16	2014-15
a. In Favour of India Bull Housing Finance Limited, where the Plot no. C-152 situated at Prakash Industrial estate G.T. Road Ghaziabad belongig to the comapny has been Equitable mortgage :	16,010,000	16,010,000

- B. The income tax department has carried out a search and seizer operation on 6th and 7 th August 2013, U/S 132 of the Income Tax Act, 1956"(Act)", the Income Tax Departmnet have reassessed the Income from Assessment year ,2008-09, to 2014-15 u/s 143(3) r.w.s, 153A of the Act, and raised the following demands against which appeals have ben preferred before the Commissioner of Income Tax Appeals.

Assessment Year	Tax on Additional Income assessed disputed in Appeals	Interest on Additional Income assessed disputed in Appeals/Rectification	Amount of Demand net of prepaid taxes
2010-11	84,036	61,345	145,381
2011-12	155,409	94,799	250,208
2013-14	19,270,132	7,129,949	26,400,081

- 3 In the opinion of the management, current assets, loans and advances will have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The balances of sundry debtors, sundry creditors and loans and advances are however, subject to confirmations and adjustments, if any.
- 4 The Loan and Investment made by the company has exceeded the exposure norms with regard to exposure in sigle entry and / or a group , prescribed by the Reserve Bank of India, due to clerical oversight and brought to notice during the previous financial year, the compny is in process to correct the same in due course.
- 5 The Contingent Provision against Standard Assets @ 0.30% as per Notification No-DNBR.PD.CC.No.002 /