



४४ वीं वार्षिक रिपोर्ट 44th ANNUAL REPORT

2016 - 2017



Item - KILN SHELL
Size - 70 mm thk x
3950 mm i/d x 4415 mm
long.
Weight : 33.87 M.T.
Client : J. K. Cement
Mfgd. : at Byculla Unit

रिचर्डसन एण्ड क्रुडस (१९७२) लिमिटेड
(भारत सरकार का उपक्रम)

Richardson & Cruddas (1972) Limited
(A Govt. Of India Undertaking)

ENGLISH
EDITION



44th ANNUAL REPORT 2016-2017

CONTENTS	PAGE NO.
Directors' Report	03
Auditors' Report	12
CAG Report	22
Balance Sheet	23
Statement of Profit & Loss Account	24
Notes forming part of the financial statement	26
Ten Year Digest	47



BOARD OF DIRECTORS

A) Chairman & Managing Director

Shri. Bhaskar J Mahanta : w.e.f 03.04.2017

B) Directors

Ms. Sanyukta Samaddar : From 09.05.2014

Shri Ravindra Badaya : From 06.05.2016

Shri Arvind Kumar : From 30.05.2016

C) Executives

Shri. S .D.Umrikar : Dy.Manager (F&A) / CFO

Shri. D. S. Rao : Unit In-charge –Nagpur

Miss. Pooja G Shirodkar : Company Secretary & CPIO

D) Auditors

M/s. Sorab S.Engineers & Co.: Statutory Auditors, Auditors for
Byculla Unit & Corporate Office &
Mulund / Chennai Unit

M/s. Sarda Soni& Co. : Auditors for Nagpur Unit

Registered Office

Byculla Iron Works,
Sir. J. J. Road,
Byculla, Mumbai – 400008



DIRECTORS' REPORT

The Shareholders
Richardson & Cruddas (1972) Limited

Gentlemen,

Your Directors have pleasure in presenting the 44th Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March 2017.

1. SALES TURNOVER AND OPERATING RESULT:

The details of Company's financial performance are as hereunder:

Particulars	Current Year 2016-2017 (₹ in Crores)	Previous Year 2015-2016 (₹ in Crores)
Gross Sales (Net of Excise Duty)	46.17	49.93
Depreciation	0.77	0.81
Interest	Nil	31.10
PBT	15.16	(10.07)
Net Profit/(Loss) after tax	14.94	(10.07)

2. DIVIDEND PAYMENT:

In view of carry forward losses, your Board does not recommend any dividend on the Equity Shares as also on 8% Redeemable Non-Cumulative Preference Shares during the Current Year.

3. ORDER BOOKING & EXECUTION:

The Order booking position remained satisfactory. The company booked orders worth Rs.30.34 crores during the current year despite mounting overheads and adverse market conditions. However order position is getting affected due to extremely shortage of manpower. Currently, company is having only 11 employees on the payroll as on 31.03.2017

4. BIFR/AAIFR REHABILITATION PACKAGE:

The Company was referred under Sick Industries Company Act (SICA) to the Board of Industrial and Financial Reconstruction (BIFR) in February, 1992. A Scheme of Rehabilitation was sanctioned by BIFR vide Order dated 14.11.1995. However, in 2002 revival plan was declared as failed by the BIFR since company did not sustain its performance. Following the BIFR's directions, the Operating Agency ICICI released an advertisement of change of management but could not succeed, therefore, BIFR recommended winding up of the Company on 25.07.2003 in spite of concern raised by the Department of Heavy Industry (DHI) that it has been considering Revival Scheme by formation of Joint Venture. An Appeal against the winding up orders of BIFR was filed by the Company as well as DHI before Appellate Authority for Industrial and Financial Reconstruction (AAIFR) on 06.01.2003. AAIFR vide order dated 24.09.2007 set aside the winding up order and remanded the case back to BIFR for taking a view on revival of the Company. BIFR in its meeting held on 23.06.2011 decided to explore alternative means of reviving the Company by way of Change Of Management (COM) and further directed that the Company shall not dispose of, lease out, encumber or alienate any of its fixed or current assets, without specific prior approval of BIFR.

The DHI filed an appeal before the AAIFR to grant stay against BIFR's dated 23.06.2011 stating that COM is not a proper course of action as the Company would require prior Parliamentary approval in view of the Richardson & Cruddas Limited (Acquisition and Transfer of Undertaking) Act, 1972 and requested the BIFR to allow GOI to call Expression of Interest (EOI) from Central Government Department/CPSEs for formation of Joint Venture or for taking over of the Individual units/assets of the Company. The DHI also filed a Miscellaneous Appeal (MA) before BIFR with the same request.

Hon'ble AAIFR vide Orders dated 12.04.2012 and 09.05.2012 stayed BIFR order dated 23.06.2011 on Change of Management. BIFR in the hearing held on 21.11.2013 adjourned sine die till appeals filed in AAIFR are decided. Two of the Appeals filed in AAIFR by aggrieved bidders have been dismissed. AAIFR in the third and last appeal no. 53/2012 in the hearing held on 13.08.2015 disposed of the appeal by remanding the matter back to BIFR with the direction to pass a reasoned order on MANo. 577/2011 filed by the Appellant.

BIFR in its hearing held on 13.06.2016 issued the following directions :-

- i. In MANo. 577/2011, one technical person and advocate from Black Gold Holding Ltd. (BGHL) to inspect the units of the company with prior notice. The company to provide all relevant information i.e. (a)copies of the ABS for FY 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 (b)copy of the detailed valuation report dated 30.6.2008 prepared by M/s. R.B.Shah& Associates, (c) copy of the TEV study report conducted by M/s. IDBI Capital Investment Bank and (d)details of the assets leased to various parties with copies of the lease agreement, to the remaining bidders (i.e. excluding those who withdrew their bids). The assets of the company should be revalued and the plant and machinery be technically evaluated by the technical expert and the valuation report thereof be made available to the remaining eligible bidders by the OA (SBI). The remaining bidders are at liberty to again give their bid afresh, if desired, so, along with the revised Draft Rehabilitation Proposal (DRP) to OA(SBI). Thereafter, SBI (OA) to consider the revised DRP on its receipt against inter-se bidding and submit a consolidated report thereof. SBI(OA) to visit the units of the company on 4.7.2016.
- ii. SBI(OA) to prepare an estimate of their OA fees and submit it to the company for its payment.
- iii. MANo. 606/2013 filed by DIT(R) is disposed of with the direction to restore the MANo.258/2013 filed by DIT(R).

Appeal filed by Company was heard on 07.10.2016 wherein Advocate of the Company advised AAIFR about the approval of Cabinet Note on 21.09.2016 wherein Government of India has approved conversion of GOI loan into equity and waiver off accrued interest thereon, thereby company will be out of purview of BIFR.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW AND OUTFLOW:

(A) Technology Absorption:

The Company has not undertaken any major technology up-gradation programme during the year under review.

(B) R&D And Quality:

Chennai Unit of the Company continues to carry out environmental Impact studies for various clients. Laboratory at Chennai is recognized as Board Laboratory by the Govt. of Tamil Nadu.

(C) Foreign Exchange Inflow And Outflow:

There is no foreign exchange inflow or outflow during the year.

**(D) Energy:**

Your Company is not energy intensive. However, Energy Audit was done by the units of Company. Nevertheless all possible efforts are being made to reduce energy consumption and costs and the same have been under control.

6. HUMAN SOURCES:

Industrial Relations continued to be cordial during the year. The manpower strength was 11 at the end of March, 2017.

7. SCHEDULE CASTE/TRIBES/OBC EMPLOYEES/PHYSICALLY HANDICAPPED PERSONS:

The Government directives in respect of SC/ST/OBC/Physically Handicapped persons are being regularly followed.

8. PARTICULARS OF EMPLOYEES:

None of the employees has drawn remuneration required to be reported under Section 134 of the Companies Act 2013, read with Companies (Particulars of Employees) Rules, 1988 during the year.

9. ENVIRONMENT POLLUTION CONTROL:

Your Company is fully committed to preventing pollution and protecting environment. Efforts were continued during the year to promote afforestation in Mulund and Nagpur unit of the Company where sufficient vacant land is available for the purpose. The pollution control equipment installed in Nagpur Unit to safeguard health hazards arising out of galvanizing activities is functioning satisfactorily as per the standards set by Regulating Agency.

10. VIGILANCE CELL:

The Company has four manufacturing units, one each at Byculla, Mulund, Nagpur and Chennai. The Heads of Personnel Department in respective units are looking after the vigilance activities of their units. Shri Harish Kumar has been appointed as Chief Vigilance Officer (CVO) of the Company. The Company is filling returns in the prescribed Proforma to the Administrative Ministry.

11. USE OF HINDI:

The Official Language Implementation Committee of the Company continued its efforts for promoting use of Hindi Language in accordance with Annual Programme for implementation of official language issued for the year 2016-17 by the Deptt. of Official Language, Ministry of Home Affairs, to encourage employees for progressive use of Hindi in day-to-day official work.

12. BOARD OF DIRECTORS – APPOINTMENT AND CESSATION.

In Completion of Tenure of Shri P. K. Kothari as per DHI letter No. 4(8)/2010-PE IV (Part) dated 28.04.2017, wherein the additional charge for the post of Chairman & Managing Director, Richardson & Cruddas (1972) Limited (R&C) is given to Shri Bhaskar Jyoti Mahanta, Joint Secretary, Department of Heavy Industry for a period of three months w.e.f 03.04.2017 and further extension as per DHI letter No. 4(8)/2010-PE.IV(Part) dated 18.07.2017 for the period of 6 months, w.e.f. 03.07.2017 or till the appointment of a regular incumbent or until further orders, whichever earlier.

Mr. S. D. Umrikar has been elevated to the post of Chief Finance Officer(CFO) w.e.f 30.09.2016.

NUMBER OF BOARD MEETINGS HELD AND DATES ON WHICH HELD

The Meetings of the Board are normally held at the Company's registered office at Mumbai and are scheduled well in advance. Written notice of each Board meeting is sent to all the Directors. The Board Agenda is circulated well in advance. The members of the Board have access to all the information of the Company are free to recommend inclusion of any matter in the Agenda for discussion. In case of need, the senior Management is also invited to attend the Board Meetings to provide additional inputs relating to items being discussed and/or to give presentation to the Board. The Board meets at least once in a quarter to review the performance of the Company. The Board met four times during the year on 06.06.2016, 22.08.2016, 30.09.2016, 21.03.2017.

Attendance of the Directors at the Board Meetings and at the last Annual General Meeting:

Sr No	Name of the Director	No. of Board Meetings attended	Attendance at the AGM
1.	Shri P.K. Kothari	4	Present
2.	Smt. Sanyukta Samaddar	4	Present
3.	Shri Arvind Kumar	4	Present
4.	Shri Ravindra Badaya	4	Present

AUDIT COMMITTEE:

The Company has constituted an Audit Committee in its Board Meeting held on 6th June 2016 in terms of section 177 of the Companies Act, 2013.

1 Terms of reference:

The terms of reference of the Audit Committee specified by the Board are in conformity with the requirements Section 177 of the Companies Act, 2013 and are as follows.

- i. Recommending to the Board the appointment, reappointment and if required, the replacement/removal of the statutory auditors and fixation of the audit fees of the auditors to the extent applicable to Government Companies.

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and reliable.

- ii. Reviewing with the Management, the Annual financial statements before submission to the Board for approval with particular reference to:

- (a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of various provisions of the Companies Act, 2013 and applicable rules and accounting standards
- (b) Changes, if any in accounting policies, and practices and reasons for the same.
- (c) Major accounting entries involving estimates based on the exercise of judgment by the management.
- (d) Significant adjustments made in the financial statements arising out of audit findings.
- (e) Disclosure of any related party transactions.
- (f) Qualifications in the draft audit report.

- iv Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.

- v Reviewing with the Management, performance of the Statutory and Internal Auditors, adequacy of the Internal controls and systems

- vi Reviewing the adequacy of Internal audit functions including the structure of Internal Audit, its coverage and frequency.
 - vi Discussion with the Internal Auditors any significant findings and follow up thereon.
 - vii Reviewing and monitoring the auditors Independence and performance and the effectiveness of the audit processes employed.
 - viii To review and discuss the valuations of the undertakings or assets of the company, where necessary.
 - ix Where applicable, to monitor the end use of funds raised through public offers and related matters
 - x To discuss with Statutory Auditors/Internal Auditors the periodicity of Internal control systems and the nature and scope of audit as well as post audit discussion to ascertain areas of concern including observations of the Auditors.
- 2 Composition of Audit Committee, Names of Members and Chairman:

The present Audit Committee comprises of the following members of the Board.

Sr No	Name of the Member	Designation of the Member in the Audit Committee
1	Ravindra Badaya, Independent Director	Chairman of the Audit Committee
2	Mrs. Sanyukta Samaddar, Director	Member of the Audit Committee
3	Mr. Arvind Kumar, Director	Member of the Audit Committee

The Audit Committee will be re constituted on appointment of one more Independent Director to align with the requirements of Section 177 of the Companies Act, 2013

3 Meetings and Attendance:

The Committee held its meeting under the Chairmanship of Shri. Ravindra Badaya and all director attend the meeting .

AUDITORS:

M/s Sorab S Engineer & Company, Mumbai has been appointed as Statutory Auditors for Byculla, Corporate Office, Mulund, Chennai & Nagpur unit.

The qualifications made by Statutory Auditors have been extensively reviewed by the Audit Committee and based on the recommendations of the Audit Committee, the same have been considered by the Board and corrective actions are being taken wherever necessary. The notes contained in Schedule 10.2 and explanations thereon of the Management are self-explanatory.

The comments of the Comptroller and Auditor General of India, under Section 139 of the Companies Act 2013 along with Review of Accounts by C&AG are annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 2013 as amended by the Companies (Amendment Act 2000) with respect to director's Responsibility Statement, it is hereby confirmed:



- i. That the preparation of annual accounts for the financial year ended 31st March 2017, the applicable accounting standards have been followed with proper explanation relating to material departures.
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of the Company at the end of the financial year ended 31st March 2017 and of the profit and loss of the company for that period.
- iii. That the Directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the annual accounts on a going concern basis.
- v. That the Directors had devised a proper system to ensure Compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE BY THE AUDITORS IN HIS REPORT AND BY THE COMPANY SECRETARY IN PRACTICE IN HIS SECRETARIAL AUDIT REPORT

The qualifications/reservations/adverse remarks are covered in Annexure A hereto.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) IN THE PRESCRIBED FORM

There are no contracts or arrangements with related parties under section 188(1) of the Companies Act, 2013 and hence the clause is not applicable.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes that have occurred affecting the Financial Position of the company between two dates which are worth reporting.

ACKNOWLEDGEMENT:

The Directors wish to express their thanks to various departments of the Central and State Governments, particularly the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises for the co-operation extended by them. The Directors also expressed their gratitude to C&AG, Principal Director of Commercial Audit & Ex-officio Member, Audit Board-1, Statutory Auditors, Branch Auditors and the Bankers. The Directors are grateful to the valued customers for their continued patronage and support.

The Directors also wish to place on record their appreciation of the dedicated efforts put in by the employees at all levels.

For and on behalf of the Board of Directors

(Bhaskar Jyoti Mahanta)
CHAIRMAN & MANAGING DIRECTOR,
Additional Charge



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

The Members,

RICHARDSON AND CRUDDAS (1972) LIMITED

CIN NO:U28920MH1973GOI016389

Add: Sir. J.J. Road,
Byculla, Mumbai – 400 008.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RICHARDSON AND CRUDDAS (1972) LIMITED. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the RICHARDSON AND CRUDDAS (1972) LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **RICHARDSON AND CRUDDAS (1972) LIMITED** for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

It is observed that as per Section 92 of Companies Act 2013 and other applicable Rules, that every company has to file Annual Return to MCA but in 2015 Company have only one shareholder so technically it is not possible for the Company to upload the annual return. Now company already appoint seven share-holder.

I further report that

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For R S Rajpurohit & Co.,
Company Secretaries

Date – 15-09-2017

Place - Mumbai

Rajvirendra Singh Rajpurohit
Proprietor
COP No – 15891
Membership No. – 40228



Annexure A

To,
The Members,
RICHARDSON AND CRUDDAS (1972) LIMITED
Sir J. J. Road,
Byculla, Mumbai – 400 008.

My Report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to be express on option on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examinations were limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Rajvirendra Singh Rajpurohit
Proprietor
COP No – 15891
Membership No. – 40228



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RICHARDSON & CRUDDAS (1972) LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of RICHARDSON AND CRUDDAS (1972) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the financial statements of Nagpur Branch of the Company audited by another Branch Auditor appointed by the Comptroller and Auditor General of India whose reports have been furnished to us. We have placed reliance on the said reports and have suitably dealt with the same for the purpose of our opinion on the overall financial statements of the Company.

Management's Responsibility for the Financial Statements

The Company's Board of Directors responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified opinion

Attention is invited to the following :

1. Note No.29 regarding financial statements of the Company having been prepared on a going concern basis, not with standing the fact that its net worth is completely eroded. The appropriateness of the going concern basis is inter - alia dependent on the approval of the revival plan by the Government of India for the restructuring of the Financials of the Company.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the 'Basis for Qualified Opinion' paragraph given above, the afore said standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters :

1. Note No.29 where in the Government of India (GOI) has asked the Company to convert the Loan of Rs. 10,177.52 Lacs into Equity and treatment of the interest accrued there on amounting to Rs.42,481.16 Lacs as on 31st March 2016.
2. Note No.30 regarding 8% Preference Shares aggregating to Rs.2,326 Lacs which were issued during 1992-93 to the Government of India but have not been redeemed to date al though the period of twenty years is over. We are informed that the terms and conditions for the issue of these Preference Shares have not been finalized to date by the Company with the Government of India and in the absence of required information the rate of dividend on these Preference Shares has been fixed at 8% per annum on - cumulative basis as per past practice. Although the Company has made a net profit during the year, no provision has been made by the Company for payment of Dividend on the above Preference Shares since the terms and condition shave not been finalized with GOI.
3. Note No.31 wherein it has been stated that the lease tenures of certain lease hold properties of the Company have expired and renewal of the same are currently sub judice / under negotiation with the Lessors.
4. Note No.32 regarding balances due to / from various parties and government authorities which are subject to confirmation and reconciliation. The impact if any on the financial statements are not quantifiable by the management and we are unable to comment upon the same.
5. Note No.34 where in it has been stated that the Company has appointed only one independent Director on its Board during the year and is in the process of appointing another in accordance with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India on March 21, 2010. Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the Section143 (5) of the Act, we give in the Annexure II a statement on the directions / sub-directions issued by the Comptroller and Auditor General of India.
3. As required by section143(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 appears from our examination of those books;
 - c. The reports on the Accounts of the Branch office of the Company at Nagpur audited under Section 143 (8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d. 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;
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f. On the basis of written representations received from the directors as on March 31,2017,and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2017, from being appointed as a director in terms of Section164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 28B to the financial statements.
 - ii. We are informed that the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as regard its holdings and dealings in Specified Bank Notes as defined in the Notification S.O.3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that such dis-closures are in accordance with the books of account maintained by the Company and as produced to us by the Management - Refer Note No.47 to the financial statements.

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No.110417W

CA. N. D. Anklesaria
Partner
Membership No.10250

Place: Mumbai
Date:8th September 2017

ANNEXURE TO THE AUDITORS' REPORT

Re: RICHARDSON CRUDDAS (1972) LIMITED

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's Report of even date,

- (i) a) In our opinion, the Company has maintained records which need to be updated to show the full particulars including quantitative details and situation of Fixed Assets. The Fixed Asset Register needs to be reconciled with the balances shown in the Financial Statements.
- b) All the Fixed Assets haven't been physically verified by the management during the year but we are informed by the Management that there is a regular programme of verification in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and we are informed that no material discrepancies were noticed on such verification. In the absence of the reconciliation referred to in clause (I) (a) above, we are unable to ascertain whether all the Fixed Assets as per the Financial Statements have been verified as part of the regular programme of verification.
- c) As per the information and explanations given to us, the title deeds of immovable properties, as disclosed in the fixed assets schedule to the financial statements, are held in the name of the Company, except that the Original title deeds of the Ghatkopar Flats are not available. The lease tenures for land situated at Byculla have expired and renewal of the same are currently sub judice /under negotiation with the Lessors. Where as in the case of hold land at Mulund the matter is subjudice in respect of certain portion of the leased premises. (Refer Note No.31 of the Financial Statements). We are informed that the original title deeds of the properties, are kept in the safe custody with State Bank of India.
- (ii) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company and the same have been properly dealt within the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, requirements of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under Sections 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under and directions issued by the Reserve Bank of India. No Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanations given to us, the Company is required to maintain cost records under section 148 (1) of the Companies Act, 2013 for the products manufactured by the Company. We are informed that the requisite cost records are under preparation.

- (vii) a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no outstanding statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they become payable, except for the following:

Name of the Statute	Nature of the Dues	Amount (Rs.inLacs)	Period to which the amount relates
Finance Act, 1994	Service Tax - Chennai	20.43	Prior to 2010
Profession Tax Act	Profession Tax- Chennai	5.47	Prior to 2010
Income Tax Act, 1961	Tax deducted from Employees - Chennai	0.60	Prior to 2010
Employees State Insurance Act	ESI - Chennai	7.58	Prior to 2010
EPF and MP Act, 1952	EPF - Chennai	20.06	Prior to 2010
Sales Tax Act	VAT/WCT/Sales Tax- Chennai	3.89	Prior to September 2015
Municipal Taxes	Property Tax - Byculia	209.08	Prior to 2010

- b) According to the records of the Company, as at 31st March, 2017 and as per the information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and VAT matters which have not been deposited:-

Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
The Works Contract Act	Works Contract Tax-Nagpur	1.79	1986-1989	Mumbai Tribunal
The Works Contract Act	Works Contract Tax-Nagpur	0.44	1989-1990	Mumbai Tribunal
Bombay Sales Tax Act	Bombay Sales Tax- Nagpur	0.97	1990-1991	Mumbai Tribunal
Bombay/Central Sales Tax Acts	Bombay Sales Tax / Central Sales Tax- Nagpur	0.65	1993-1994	Mumbai Tribunal
Bombay/Central Tax Acts	Bombay Sales Tax/ Central Sales Tax- Nagpur	11.79	2000-2001	Mumbai Tribunal
Central Sales Tax Act	Central Sales Tax- Nagpur	8.14	1997-1998	Nagpur Appeal
Central Sales Tax Act	Central Sales Tax- Nagpur	62.96	2002-2003	Nagpur Appeal
Customs Act	Custom Duty	285.00	Prior to 2010	Not Available
Sales Tax Laws	Sales Tax	173.68	Prior to 2010	Not Available
The Central Excise Act	Excise Duty	101.08	Prior to 2010	Not Available
The Income Tax Act, 1961.	Income Tax	144.32	2004-2005	High Court, Mumbai
The Income Tax Act, 1961.	Income Tax	2.49	2009-2010	ITAT, Mumbai



- (viii) In our opinion and according to the information and explanations given to us, the Company has not de-faulted in payment of dues to Financial Institutions, Banks or Debenture holders.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Consequently, provisions of clause (ix) of paragraph 3 of the Order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration of Rs.29.62 lacs paid to the Chairman and Managing Director of the Company during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the Order are not applicable.
- (xiii) As per the information and explanations given to us by the Management, there are no related party transactions which are required to be disclosed in the Financial Statements.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the Order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered in to any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No.110417W

CA. N. D. Anklesaria
Partner
Membership No.10250

Place: Mumbai

Date : 8th September 2017

Annexure II referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” of our report of even date.

Based on the verification of records of the Company and based on information and explanations given to us, we give below a report on the directions issued by the Comptroller and Auditor-General of India in terms of Section 143(5) of the Act.

Sr. No.	Area to be examined	Observation / Finding
1	Whether the Company has any clear title/ lease deeds for Freehold and Leasehold land respectively? If not, please state the area of Freehold and Leasehold land for which titles/lease deeds are not available.	As per the information and explanations given to us, the Company has clear title / Lease deeds for Freehold and Leasehold land as disclosed in the Fixed Assets schedule to the financial statements. The lease tenures for Land situated at Byculla have expired and renewal of the same are currently subjudice /under negotiation with the Lessors. We are informed that the original title deeds of the properties, are kept in the safe custody with State Bank of India. Kindly refer to Note No.31 to the Financial Statements for they earended 31st March 2017.
2	Please report whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, reasons there for and the amount involved.	We are informed that there are no significant cases of waiver of debts. As per the process of the Company, any waiver of debt is accounted, only with the approval of Competent Authority in line with the Delegation of Authority.
3	Whether proper records are maintained for inventories Lying with third parties & assets received as gift from Govt. or other authorities.	We are informed that: a) Proper records are maintained for inventories lying with third parties. b) During the year the Company has not received any assets as gifts from Government or other authorities.

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No.110417W

CA. N. D. Anklesaria
Partner
Membership No.10250

Place: Mumbai

Date : 8th September 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RICHARDSON & CRUDDAS (1972) LIMITED

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

We have audited the internal financial controls over financial reporting of RICHARDSON & CRUDDAS (1972) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 company's policies, the safe guarding 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial reporting, including the possibility of collusion or improper management override of controls, material misstatement 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

However, the branch auditor of Nagpur Branch in his report has stated that in his opinion "the Company needs to strengthen Internal Financial Control Systems over Financial Reporting. Internal Financial Controls over Financial Reporting were not operating very effectively as at March 31, 2017 : however financial controls needs to be further strengthened in following areas : Debtors and Creditors reconciliations optimum utilisation of resource, billing system, inventory management.

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No.110417W

CA. N. D. Anklesaria
Partner
Membership No.10250

Place: Mumbai

Date: 8th September 2017



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RICHARDSON & CRUDDAS (1972) LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Richardson & Cruddas (1972) Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(the Act) 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 Companies Act are responsible for expressing opinion on these 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 8 September 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit Under Section 143(6) (a) of the Act of the Financial Statements of Richardson & Cruddas (1972) Limited for the year ended 31 March 2017. 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.

For and on behalf of the
Comptroller and Auditor General of India

(Roop Rashi)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I Mumbai.

Place : Mumbai
Date : 16 November 2017



Balance sheet as at 31st March, 2017

		(₹. In Lacs)	
	Note No.	As at 31-Mar-17	As at 31-Mar-16
EQUITY AND LIABILITIES			
Shareholders' Funds:			
(a) Share Capital	2	15,661.05	5,483.53
(b) Reserves & Surplus	3	(44,569.64)	(46,064.08)
Non-current Liabilities			
(a) Other Long term Liabilities	4	579.49	560.01
(b) Long-term provisions	5	79.62	72.91
Current Liabilities			
(a) Short-term borrowings	6	-	10,177.52
(b) Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		2.42	9.89
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,270.03	2,001.19
(c) Other Current Liabilities	8	45,103.19	44,915.35
(d) Short-term Provisions	9	19.44	32.89
	TOTAL	18,145.60	17,189.21
ASSETS			
Non-current Assets			
(a) Fixed Assets:			
(i) Tangible Assets	10	665.06	516.23
(ii) Capital Work-in-progress	10	156.58	180.10
(b) Long-term loans and advances	11	816.77	923.90
Current Assets			
(a) Inventories	12	237.57	89.52
(b) Trade receivables	13	1,476.21	1,566.63
(c) Cash & Bank balances	14	13,536.86	12,349.61
(d) Short-term Loans & Advances	15	421.07	452.21
(e) Other current Assets	16	835.48	1,111.01
	TOTAL	18,145.60	17,189.21

Significant Accounting Policies

1

The accompanying notes form an integral part of the Balance Sheet and should be read in conjunction therewith.
As per our Report of even date attached

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Regn.No : 110417W

For and on behalf of Board of Directors

CA. N.D. Anklesaria
Partner
Membership No. : 10250

Mr. Bhaskar J. Mahanta
Chairman &
Managing Director
S.D Umrikar
Chief Financial Officer

Mrs. Sanyukta Samaddar
Director

Mr.Arvind Kumar
Director

Pooja G. Shiroadkar
Company Secretary & CPIO

Place : Mumbai

Place : Mumbai

Date : 8th September 2017

Date : 8th September 2017



Statement of profit & Loss for the year ended 31st March, 2017

(₹. In Lacs)

	Note No.	2016-2017	2015-2016
Income			
Revenue from Operations:			
(a) Sale of Products	17	832.01	354.66
(b) Sale of Services	18	1,211.25	1,652.16
(c) Other Operating Revenue	19	1,403.45	1,680.63
Other Income	20	1,170.38	1,306.11
Total Revenue		4,617.09	4,993.56
Expenditure			
Consumption of Raw Material	21	715.69	253.38
Sub-contracting/Labour Contracting expenses	22	1,106.97	1,479.03
Changes in Inventories of Finished Goods, WIP & Stock In Trade	23	-32.41	-16.05
Employees Benefits expenses	24	153.25	130.39
Finance Costs	25	-	3,110.49
Depreciation & Amortization Expenses	10	77.73	80.74
Other Expenses	26	1,076.62	953.71
Total Expenses		3,097.85	5,991.69
Profit/(Loss) before Extra-Ordinary Items & Prior period Adjustment		1,519.24	(998.13)
Less : Prior Period Expenses (Net)	43	-	(8.41)
Profit/(Loss) before tax		1,519.24	(1,006.54)
Less : Tax expenses		24.80	-
Profit/(Loss) for the year after tax		1,494.44	(1,006.54)
Earnings per equity share (Basic & Diluted)	42	₹. 431.39	(₹.318.77)
Significant Accounting Policies	1		

The accompanying notes form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

As per our Report of even date attached

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Regn.No : 110417W

For and on behalf of Board of Directors

CA. N.D. Anklesaria
Partner
Membership No. : 10250

Mr. Bhaskar J. Mahanta
Chairman &
Managing Director

Mrs. Sanyukta Samaddar
Director

Mr.Arvind Kumar
Director

S.D Umrikar
Chief Financial Officer

Pooja G. Shirodkar
Company Secretary & CPIO

Place : Mumbai
Date : 8th September 2017

Place : Mumbai
Date : 8th September 2017



Cash Flow Statement for the year ended 31st March, 2017

Particulars	(₹. In Lacs)	
	As on 31-Mar-17	As on 31-Mar-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after Tax	1,494.44	(1,006.54)
Adjustment for		
Depreciation	77.73	80.74
Operating profit before Working Capital Changes	1,572.17	(925.80)
Adjustment for :		
(Increase)/Decrease in Long term Loans & advances	107.13	(139.74)
(Increase)/Decrease in Trade and Other Receivable	90.42	524.18
(Increase)/Decrease in Inventories	(148.05)	17.54
(Increase)/Decrease in Short term Loans & advances	31.14	(7.97)
(Increase)/Decrease in Other Current Assets	275.53	417.36
Increase/(Decrease) in Other Long Term Liabilities	26.19	99.76
Increase/(Decrease) in Short Term Borrowings	(10,177.52)	-
Increase/(Decrease) in Trade Payable & Provisions	(738.63)	(362.88)
Increase/(Decrease) in Other current liabilities	187.84	3,127.89
Increase/(Decrease) in Short Term Provisions	(13.45)	21.07
Net Cash from Operating Activities : (A)	(8,787.23)	2,771.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/(Sales) of Fixed Assets (net)	(203.04)	(158.93)
Net Cash used in Investing Activities : (B)	(203.04)	(158.93)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	10,177.52	-
Net Cash flow from Financing Activities : (C)	10,177.52	-
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	1,187.25	2,612.48
D. CASH AND CASH EQUIVALENTS		
Opening Balance	12,349.61	9,737.13
Closing Balance	13,536.86	12,349.61
	1,187.25	2,612.48

Previous year figures have been regrouped / rearranged wherever necessary.

As per our Report of even date attached

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Regn.No : 110417W

For and on behalf of Board of Directors

CA. N.D. Anklesaria
Partner
Membership No. : 10250

Mr. Bhaskar J. Mahanta
Chairman &
Managing Director

Mrs. Sanyukta Samaddar
Director

Mr. Arvind Kumar
Director

S.D Umrikar
Chief Financial Officer

Pooja G. Shirodkar
Company Secretary & CPIO

Place : Mumbai
Date : 8th September 2017

Place : Mumbai
Date : 8th September 2017

Notes forming part of the financial statements for the year ended March 31, 2017

Note 1: Significant Accounting Policies

a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013. The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates.

All assets and liabilities have been classified as Current or Non Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of the Assets for processing and their realisation in Cash and Cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of Current – Non Current classification of its Assets and Liabilities.

b) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. All costs, including financing costs till commencement of commercial production, attributable to the fixed assets are capitalized. Interest on loans for fixed assets is capitalised upto the date of commissioning. Spares & tools purchased with the equipment are capitalised.

c) Depreciation

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as specified in Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during the period is proportionately charged.

d) Impairment of Assets:

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

e) Valuation of Inventories

- i. Cost of raw materials, components, stores and spare parts are measured at cost price.
- ii. Cost of work-in-progress is determined on the basis of lower of cost or future billing without considering the cost of completion and unaccepted escalation claims. Cost means cost incurred.
- iii. Cost of finished goods is determined on the basis of lower of cost or net realizable value.

- iv. Cost of loose tools is determined on net realisable value.
- v. Cost of scrap is determined on net realisable value.
- f) Revenue Recognition:
 - i. Sale of Materials: Sales are recognized on dispatch of materials. Sales includes sale of goods, services, scrap and excise duty but excludes sales tax. Sales under turn-key contracts are accounted on despatch of materials and/or materials held under instruction of the customer.
 - ii. Project Income: Project income is recognized to the extent of the works completed as certified by the Project Managers.
 - iii. Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.
 - iv. Price Escalation claims: On acceptance of the claims by the customers
 - v. Court Awards: On receipt basis.
 - vi. Contract cost comprises cost directly related to contract and other costs attributable and allocable to the contract activity in the period they are incurred and any expected loss reasonably estimated or recognized.
 - vii. Claims for escalation on extra jobs done on sales contracts, Exports, Subsidy, Duty Drawback, Insurance, Railway refund of Excise duty/Custom duty/Sales tax etc. are accounted on actual basis on acceptance.
 - viii. Construction contracts : Revenue is recognized /determined when contract revenue can be measured reliably and it is probable that the economic benefits will flow to the Company according to the stage of completion, despatch of material and completion certificate given by the concerned authorised person (Project Manager).
 - ix. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.
 - x. Interest income is accrued at applicable interest rate.

g) Sales Tax & Excise Duty :

- i. Sales Tax: Sales tax is accounted on the basis of returns filed after adjusting set off claims.
- ii. Excise Duty: Excise duty on goods manufactured is accounted only at the time of removal of goods from the factory and in case of materials held on customers account, on billing basis. Excess liability if any is accounted on completion of assessment.

h) Income Tax/ Deferred Tax :

Income Tax expenses comprises current tax and deferred tax expenses. The deferred tax assets and liabilities are calculated by applying tax rates and tax laws that have been enacted at the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to re-assess realization.

i) Foreign Currency Transactions

- i. Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii. Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and the exchange rates that existed when the values were determined.
- iii. Exchange Differences: Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j) Employee Retirement Benefits

Company's contributions to Provident Fund and National Pension Scheme are charged to Profit and Loss account. Gratuity and Leave Encashment Benefit are charged to Profit and Loss account on the basis of actuarial valuation.

k) Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

l) Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20- Earnings Per Share.

Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
2. SHARE CAPITAL		
Authorised:		
14,00,000 (400,000) Equity shares of Rs.1000/-each	14,000.00	4,000.00
250,000 (250,000) 8% Redeemable Non-cumulative Preference shares of Rs.1000/ each.	2,500.00	2,500.00
	<u>16,500.00</u>	<u>6,500.00</u>
Issued, Subscribed & Paid-up:		
13,33,505 (315,753) Equity shares of Rs.1000/-each	13,335.05	3,157.53
232,600 (232,600) 8% Redeemable Non-cumulative Preference shares of Rs.1000/- each	2,326.00	2,326.00
	<u>15,661.05</u>	<u>5,483.53</u>

Notes:

- a) Reconciliation of Equity Shares outstanding at the beginning and end of the year

Particulars	As at 31.03.2017 No. of Shares	As at 31.03.2017 Rs. in Lacs	As at 31.03.2016 No. of Shares	As at 31.03.2016 Rs. in Lacs
	Shares outstanding at the beginning of the year	315,753	3,157.53	315,753
Shares issued during the year	1,017,752	10,177.52	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,333,505	13,335.05	315,753	3,157.53

- b) **Rights, Preferences and Restrictions attached to Shares**

The Company has only one class of equity shares having a par value of Rs.1000. Each shareholder is entitled to one vote per share held. 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.

- c) Shares held by the Holding / Ultimate Holding Company and / or its subsidiaries / associates

The Company has no holding Company or subsidiaries or associates of holding Company.

d) **Details of shareholder holding more than 5% of equity shares in the Company**

Name of the Shareholder	As at 31.03.2017	As at 31.03.2016
President of India (no. of shares)	1,333,505	315,753
(percentage of holding)	100.00%	100.00%

e) **Details of shareholder holding more than 5% of preference shares in the Company**

Name of the Shareholder	As at 31.03.2017	As at 31.03.2016
President of India (no. of shares)	232,600	232,600
(percentage of holding)	100.00%	100.00%

f) **Aggregate Number of Bonus Shares issued, shares issued for a consideration other than cash and shares bought back during the period of five years immediately preceding the previous year.**

During the last 5 years, the Company has neither issued any bonus shares nor allotted any shares pursuant to a contract without payment being received in Cash.,

No shares have been bought back during the last 5 years.

g) **Unpaid Calls**

As per records of the Company, no calls remain unpaid by the Directors and Officers of the Company as on 31st March, 2017.

h) **As per records of the Company, no shares have been forfeited by the Company during the year.**

i) **Terms of Redemption of preference shares allotted during 1992-93 is yet to be finalised by the Government of India. (Refer note No. 30)**

Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
3. RESERVES AND SURPLUS		
Deficit in the statement of Profit and Loss:		
Balance as at the beginning of the year	(46,064.08)	(45,057.54)
Add : Profit/(Loss) for the year	1,494.44	(1,006.54)
	<u>(44,569.64)</u>	<u>(46,064.08)</u>
4. OTHER LONG TERM LIABILITIES		
Security Deposits received	543.74	533.55
Contractors Deposit	35.75	26.46
	<u>579.49</u>	<u>560.01</u>
5. LONG TERM PROVISIONS		
Provision for Gratuity	48.67	45.66
Provision for Leave Salary	23.82	20.12
Provision for Pay Revision Arrears	7.13	7.13
	<u>79.62</u>	<u>72.91</u>
6. SHORT TERM BORROWINGS		
Government of India Loans:		
- Plan Loan	-	816.50
- Non-Plan Loan	-	9,361.02
	<u>-</u>	<u>10,177.52</u>
7. TRADE PAYABLES		
Total outstanding dues of Micro & Small Enterprises	2.42	9.89
Total outstanding dues of Creditors other than Micro & Small Ent.	1,270.03	2,001.19
	<u>1,272.45</u>	<u>2,011.08</u>
8. OTHER CURRENT LIABILITIES		
Interest accrued and due on GOI loan	43,518.46	42,481.16
Interest accrued but not due on loans	-	1,037.30
12.50% Richardson & Cruddas Ltd., Bond holders	45.91	45.91
Railway Siding Rent payable	9.40	9.40
Deposits from Contractors and others	156.65	156.20
Other Liabilities	931.14	660.61
Other Payables		
Central Excise, Customs Duty, VAT & Service Tax	26.17	60.00
Tax Deducted at Source	7.82	8.61
Salary & Reimbursements	-	-
PF & Other Employee deductions	0.37	0.19
Employees Benefits payable	35.42	33.40
Advance from Customers	354.92	403.62
Advance Rentals	16.93	18.95
	<u>45,103.19</u>	<u>44,915.35</u>
9. SHORT TERM PROVISIONS		
Provision for Gratuity	19.13	31.40
Provision for Leave Salary	0.31	1.49
	<u>19.44</u>	<u>32.89</u>

Notes forming part of the financial statements
10. FIXED ASSETS

(₹. In Lacs)

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 31-03-16	Additions	Sales/ Adjustments	As at 31-03-17	Upto 31-03-16	For the year	Deductions/ Adjustments	Upto 31-03-17	As at 31-03-17	As at 31-03-16
1)	Freehold Land/Leasehold Land (Refer note No.31)	106.44	-	-	106.44	7.89	-	-	7.89	98.55	98.55
	Leasehold Land at MIDC, Chiplun	1.19	-	-	1.19	1.19	-	-	1.19	-	-
	Leasehold Land at MIDC, Nagpur	0.99	-	-	0.99	0.99	-	-	0.99	-	-
	Freehold Land at T T B	0.65	-	-	0.65	-	-	-	-	0.65	0.65
		109.27	-	-	109.27	10.07	-	-	10.07	99.20	99.20
2)	Buildings, Roads, Walls, Terrace, Water-supply,Drainages	727.02	140.63	-	867.65	506.89	19.32	-	526.21	341.44	220.13
3)	Railway Sidings	0.03	-	-	0.03	0.03	-	-	0.03	-	-
4)	Plant & Machinery	1,540.20	0.05	51.32	1,488.93	1,427.91	40.10	50.08	1,417.93	71.00	112.29
	Less : Provision for Impairment of Asset	(74.62)	-	-	(74.62)	(69.84)	-	-	(69.84)	(4.78)	(4.78)
5)	Furnitures & Fixtures	97.92	40.89	-	138.81	44.66	7.90	-	52.56	86.25	53.26
6)	Vehicles	49.99	-	-	49.99	26.13	4.80	-	30.93	19.06	23.86
7)	Office & Misc.Equipment	39.75	11.39	-	51.14	30.78	4.20	-	34.98	16.16	8.97
8)	Electrical Installations	-	34.45	-	34.45	-	-	-	-	34.45	-
9)	Data Processing Equipment	45.07	0.39	-	45.46	41.77	1.41	-	43.18	2.28	3.30
	TOTAL	2,534.63	227.80	51.32	2,711.11	2,018.40	77.73	50.08	2,046.05	665.06	516.23
	PREVIOUS YEAR	2,737.62	42.11	245.10	2,534.63	2,180.51	80.74	242.85	2,018.40	516.23	
	Capital work-in-progress									571.04	594.56
	Less : Provision for Capital Work-in-progress									414.46	414.46
										156.58	180.10

Notes:

- In absence of full particulars in regard to the cost of land & building to Richardson & Cruddas Ltd., it has not been possible to show separately the cost of free hold and lease hold land & building (pertains to Byculla& Mulund Unit).
- Building includes cost of shares in Co-op. societies - Rs.0.13 lacs
- In respect of leasehold land at Mulund unit, the Company has exercised the option in 1975 to purchase the reversionary rights on payment of Rs. 18.50 lacs. Accordingly, the conveyance has been completed in respect of the undivided share of two lessors out of the undivided share of four lessors of leasehold land. Accordingly, the same will be capitalised at the time of execution of the conveyance deed. Company has filed a specific suit against two lessors who have sold their share in the undivided leasehold land to a third party.

Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
11. LONG TERM LOANS AND ADVANCES		
Unsecured considered good, unless otherwise stated		
Other Advances	120.00	120.00
Advance to Suppliers	663.85	664.97
Advance to Employees	5.56	5.56
Claims and other recoverable	56.15	56.16
Deposits	96.02	90.11
	<u>941.58</u>	<u>936.80</u>
Less : Provision for Doubtful advances	898.84	893.93
	<u>42.74</u>	<u>42.87</u>
Balance with Government authorities		
Excise Duty	3.77	3.77
Income Tax (Net of MAT provision of Rs.24.80 Lacs (P.YRs.Nil))	770.26	877.26
	<u>816.77</u>	<u>923.90</u>
12 INVENTORIES		
(Valued at lower of cost or net realisable value)		
Raw Material & Components	98.85	34.62
Work-in-progress	233.50	222.29
Finished Goods	21.25	9.82
Loose Tools	0.11	0.11
Scrap	18.03	8.26
	<u>371.74</u>	<u>275.10</u>
Less : Provision for Inventory	134.17	185.58
	<u>237.57</u>	<u>89.52</u>

Note :

Work-in-progress includes

- (a) Materials with sub-contractors subject to confirmation
- (b) Part delivery of materials to customers.
- (c) Work technically completed pending finalization of cost.
- (d) Extra work pending finalization of claims.



Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
13. TRADE RECEIVABLE		
(Unsecured - Considered Good unless otherwise stated)		
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.		
Considered good	317.00	416.37
Considered doubtful	4,787.60	4,756.34
	5,104.60	5,172.71
Less : Provision for Bad and doubtful debts	4,721.33	4,706.81
	383.27	465.90
Others	1,092.94	1,100.73
	1,476.21	1,566.63
Particulars of Sundry Debtors:		
1) Sundry debtors considered good for which the Company holds no security other than the debtors personal security.	1,409.94	1,517.10
2) Sundry debtors considered Doubtful and provided for	4,721.33	4,706.81
3) Sundry debtors considered Doubtful and not provided for	66.27	49.53
	6,197.54	6,273.44
14. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	1.18	0.91
Balances with Scheduled Banks		
In Current Accounts	48.96	312.71
Term Deposits for less than 3 months	987.61	2,195.05
	1,037.75	2,508.67
Other Bank Balances		
Term Deposits for more than 3 months	12,217.65	9,583.43
Term Deposits as Margin Money	281.46	257.51
	12,499.11	9,840.94
	13,536.86	₹.12,349.61

Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
15 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances to employees	0.93	1.46
Recoverable from Former Chairman and Managing Director (Refer Note No. 46)	2.63	-
Advances to suppliers	186.65	199.17
Advances to sub-contractors	29.74	54.65
Advance to others	96.79	87.69
Advance to capital expenditures	-	20.08
	<u>316.74</u>	<u>363.05</u>
Less : Provision for Doubtful advances	<u>171.96</u>	<u>169.87</u>
	144.78	193.18
Prepaid expenses	2.17	4.28
Balances with Government authorities	<u>274.12</u>	<u>254.75</u>
	<u>421.07</u>	<u>452.21</u>
16 OTHER CURRENT ASSETS		
Interest accrued on Deposits	835.37	1,110.94
Other Assets	0.11	0.07
	<u>835.48</u>	<u>1,111.01</u>
Less : Provision	-	-
	<u>835.48</u>	<u>1,111.01</u>
17 SALE OF PRODUCTS		
Sale of Structural	932.33	383.30
Less: Excise Duty	<u>(100.32)</u>	<u>(28.64)</u>
	<u>832.01</u>	<u>354.66</u>
18 SALE OF SERVICES		
Job Work executed	1,138.35	1,570.28
Testing charges – Inland	72.90	70.79
Testing charges – Overseas	-	11.09
	<u>1,211.25</u>	<u>1,652.16</u>



Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
19 OTHER OPERATING REVENUE		
Scrap Sales:		
Steel Scrap	97.66	159.21
Zinc Ash	-	-
Rent Received (includes T.D.S. Rs. 42.60 lacs (previous year Rs.107.31 lacs)	<u>1,305.79</u>	<u>1,521.42</u>
	<u>1,403.45</u>	<u>1,680.63</u>
20 OTHER INCOME		
Interest Received		
From Bank (Includes T.D.S. Rs. 18.25 lacs, Previous year Rs.12.96 lacs)	1,005.57	979.61
From others	25.04	14.57
Profit on sale of Fixed Asset	25.15	216.48
Excess Provision of earlier years written back	51.41	-
Miscellaneous Receipts	63.21	95.45
	<u>1,170.38</u>	<u>1,306.11</u>
21 CONSUMPTION OF RAW MATERIAL		
Raw Material & Components :		
Opening Stock	34.62	68.21
Add: Purchases	779.92	219.79
	<u>814.54</u>	<u>288.00</u>
Less : Closing Stock	98.85	34.62
Consumption of Raw Material	<u>715.69</u>	<u>253.38</u>
22 SUBCONTRACTING / LABOUR CONTRACTING EXPENSES		
Sub Contracting expenses	1,106.97	1,479.03
	<u>1,106.97</u>	<u>1,479.03</u>

Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
23 CHANGES IN INVENTORIES		
CLOSING BALANCE		
Finished goods	21.25	9.82
Work-in-Progress	233.50	222.29
Scrap and Loose Tools	18.14	8.37
	(A) <u>272.89</u>	<u>240.48</u>
OPENING BALANCE		
Finished goods	9.82	13.09
Work-in-Progress	222.29	199.04
Scrap and Loose Tools	8.37	12.30
	(B) <u>240.48</u>	<u>224.43</u>
	(B- A) <u>(32.41)</u>	<u>(16.05)</u>
24 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Allowances	112.21	90.55
Gratuity	11.32	18.80
Leave Encashment	1.75	4.80
Bonus	7.88	0.60
Contribution to P.F, F.P.F., E.S.I.C.:	11.50	7.58
Employee's welfare & other amenities:		
Medical Reimbursement	4.30	1.87
L.T.C.	0.09	0.03
Other Benefits	4.20	6.16
	<u>153.25</u>	<u>130.39</u>
Notes: Employees Remuneration includes:		
Payments to Key Managerial Personnel		
Chairman & Managing Director's remuneration:		
Salary	21.76	18.79
Medical Reimbursement	4.10	1.61
Company's Contribution to PF	1.98	1.76
Company's Contribution to NPS	1.78	1.59
	<u>29.62</u>	<u>23.75</u>



Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
25 FINANCE COST		
Interest		
A) Government Loan :		
(a) On Plan Loans	-	217.04
(b) On Non-plan Loans	-	2,892.96
B) On Bank Borrowings		
(a) Others	-	0.49
	<u>-</u>	<u>3,110.49</u>
26 OTHER EXPENSES		
A) MANUFACTURING EXPENSES:		
Consumption of stores & spares	8.01	7.65
Power & Fuel (Net)	66.04	69.25
Repairs & Maintenance:		
- Building	66.44	145.97
- Plant & Machinery	22.10	3.47
- Others	-	-
Other Manufacturing expenses	72.33	81.64
B) ADMINISTRATION EXPENSES:		
Rates & Taxes	148.16	60.29
Office Power	1.69	1.51
Books & Periodicals	0.06	0.06
Commission/Brokerage	0.40	4.42
Insurance	0.72	1.30
Payment to Auditors (including branch auditors)		
- Audit Fees	2.40	2.92
- Tax Audit Fees	1.00	0.91
Printing & Stationary	4.95	5.46
Postage, Couriers & Telephones etc.,	3.58	3.49
Travelling & Conveyance	34.00	20.10
Legal & Professional charges	115.55	150.39
Bank Charges (net)	0.34	0.26
Security Expenses	87.62	79.40
Repairs & Maintenance:		

Notes forming part of the financial statements

(₹. In Lacs)

	As on 31.03.2017	As on 31.03.2016
- Flats	13.92	56.63
- Furniture & fixtures	5.33	0.57
- Admin.Bldg	317.58	75.97
- Computer	0.04	0.04
- Other	22.26	62.47
Interest on late payment of Statutory dues	5.56	0.01
Interest on others	-	2.53
Excise Penalty	-	0.01
PF Penalty	-	5.60
MVAT Dues for F.Y. 2008-09	9.65	-
Directors Sitting Fees	0.20	-
Other Administrative Expenses	41.85	25.92
C) SELLING EXPENSES:		
Advertisement & Publicity	1.09	1.87
Entertainment	0.11	0.45
Other selling expenses	2.13	0.72
D) PROVISIONS		
Provision for Doubtful Debt	14.81	82.43
Provision for doubtful Rent	6.70	-
Provision for Doubtful advance	-	-
Provision for Fixed Assets	-	-
Provision for Capital work-in-progress	-	-
	1,076.62	953.71

Notes forming part of the financial statements

27. The Company was incorporated under Indian Companies Act, 1913 as Richardson & Cruddas Limited, subsequently the Company was nationalized by Government by passing Richardson & Cruddas Limited (Acquisition and Transfer of undertaking) Act, 1972 and fresh certificate of incorporation was granted on 15th day of March, 1973 in the name of Richardson & Cruddas (1972) Limited.

		(Rs. In Lacs)	
		206-17	2015-16
A.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	Nil	16.11
B.	Contingent Liabilities in respect of		
a.	Demands from Sales Tax Authorities disputed by the Company which are under appeal	260.43	260.43
b.	Demands from Central Excise Authorities disputed by the Company which are under appeal	101.08	101.08
c.	Demands from Custom Authorities disputed by the Company which are under appeal	285.00	285.00
d.	Demands from Provident Fund Authorities disputed by the Company	152.37	Nil
e.	Demands from Income Tax Authorities disputed by the Company which are under appeal	146.81	161.21
f.	Claims against the Company not acknowledged as debt	3,222.25	2,781.81
Total		4,167.94	3,589.53

These contingent liabilities are exclusive of interest payable, if any, on the claim(s)/demand(s).

29 Despite carried forward losses and erosion of equity, the financial statements are continued to be prepared on a 'going concern basis'. At present operations of the Company are continuing at all Units & Corporate Office. As at March 31, 2017, the Company had cash & cash equivalents of Rs. 13,536.86 lacs (P.Y Rs. 12,349.61 lacs). The Company has been successful in managing its business operations. Also the Board of Directors consider that it is appropriate for the accounts to be prepared on a going concern basis. The Company had received an Unsecured Loan of Rs. 10,177.52 Lacs in the earlier years from the Government of India (GOI), the sole shareholder of the Company, carrying interest rate in the range of 14.50% to 22.25% (including penal interest). During the year under review, GOI has asked the Company to convert this Loan of Rs. 10,177.52 Lacs into equity and has also waived the Interest accrued thereon amounting to Rs. 42,481.16 Lacs as on 31st March 2016. The Company has made a representation to GOI to also convert this Interest amount of Rs. 42,481.16 Lacs into Equity. However to date, no response has been received from GOI to the Company's request. Pending final decision of GOI, an amount of Rs. 43,518.46 Lacs being Interest payable on the above loan as per the Company's books of account has been shown as Interest payable to GOI as on 31st March 2017 under "Other Current Liabilities."

30 In respect of paid up share capital as disclosed in Note No. 2, 8 % Preference Share capital is Rs. 2,326.00 lacs; (P.Y Rs. 2,326.00 lacs) the terms and conditions for issue and redemption of these preference shares issued during 1992-93 are yet to be finalized by the Company with the sole preference share holder - Government of India. In the absence of required information, the rate of dividend on these preference shares is considered at 8% per annum on non-cumulative basis as per past disclosure. Although the Company has made a net profit during the year, no provision has been made by the Company for payment of Dividend on the above Preference Shares since the terms and conditions have not been finalized with GOI.

31 In respect of free hold and lease hold properties of the Company:

- a. The Company has 36.88 acres of land at Mulund comprising of 23.38 acres of free hold land and 13.50 acres of lease hold land. Out of free hold land 7.18 acres has been encroached by Municipal Corporation of Greater Mumbai (MCGM) and 3 acres by Slum dwellers, aggregating to 10.18 acres.

MCGM was approached several times in the past to vacate the encroachment. MCGM vide letter dated 13.08.2008 conveyed the outcome of the decision of its “group leader meeting” that they can’t part with the land under their possession but if Government of Maharashtra agrees, the admissible FSI (Transfer of Development Right- TDR) of the land under their possession can be granted to the Company.

During the meeting held on 03.09.2009 at Udyog Bhavan, New Delhi, the Secretary, Dept. Of Heavy Industry stated that the land encroached by MCGM and Slum dweller falls within the purview of State Government and hence suggested to consider granting admissible FSI/TDR to the Company for the total land under encroachment. Additional Chief Secretary, Govt. Of Maharashtra agreed to support the proposal and stated that it will be taken up with the Dept. Of Urban Development and Housing Department to consider granting of admissible FSI/TDR for the 10.18 acres of land. Meanwhile, the Company has given formal request to the Commissioner, MCGM, Mumbai vide letter R&C/CMD/MCGM/09-10 dated January 19, 2010 for grant of admissible TDR/FSI to the Company for the total land under encroachment. Since then, there is no further progress in the matter.

- b. The immovable properties of Mulund Works of the Company include lease-hold land admeasuring 36087 sq.m., which was held under the Court Decree with Bank of Maharashtra and expired in 1994. Based on negotiations, the Company had option to acquire reversionary interest for an agreed consideration of Rs. 70.00 lacs to be paid on or before March 31, 2005. The Company was unable to pay the agreed consideration by the stipulated date due to, among other factors, non-availability of funds in a timely manner from the then Holding Company, Bharat Yantra Nigam Limited (BYNL). Subsequently, the Company has filed suit for specific performance in the Bombay High Court and the matter is sub-judice.
- c. Original documents of title to free-hold and lease-hold properties are available with the Company except for Ghatkopar flats. The management has obtained certified copy of Deed of Modification and Confirmation of Agreement for Sale dated September 18, 1982 pertaining to Ghatkopar Flats from Registrar Office, Mumbai.
- d. The Byculla Works of the Company are situated on lease-hold land presently belonging to the Collector of Mumbai. The lease tenure has expired between 1974 to 2003. The Collector of Mumbai is in the process of revising its policy in respect of Government lands leased out and renewal of expired leases. The Collector of Mumbai has raised a demand of Rs.992.30 lacs which has been disputed by the Company. However, pending the final decision, the Company has deposited Rs.120 lacs with the Collector of Mumbai and the amount has been shown under contingent liability. Meanwhile, Collector, Mumbai sent a letter on 08.07.2013 to exercise an option from following two options:
- I. Conversion of lease hold land into occupant class-2 by occupation right.
 - II. Renewal of lease for 30 years w.e.f. 01.01.2012 with revision of rental every 5 years at the prevailing market value as per ready reckoner.

The Company has exercised option for conversion of above land into occupant class-2. The matter is pending with the Collector, Mumbai for hearing.

- e. The Company has fixed assets on the leased premises at the Byculla and Mulund Works. The lease of the premises has expired and pending the final outcome of the Company’s litigation/negotiations in respect of the same, no impairment is assessed on the fixed assets at the leased premises and depreciation on these assets is provided as per the Company’s policy. In the opinion of the Company, relying on independent valuation report of July, 2013, as the value of assets is more than the carrying value, no further impairment is deemed necessary in accordance with the Accounting Standard AS-28.

32 Balances due to/from parties (including of Trade Receivable, Trade Payable, Deposits, Statutory Dues, Loans and Advances & TDS Receivable) are subject to confirmation and reconciliation, if any, with the parties. Claims receivable from Government authorities include refunds and amounts that may be available for future adjustment dependent on applicable audit, assessment or evaluation.

Further, the Company does not have full and complete particulars and records relating to old outstanding balances with respect to capital work in progress, certain inventories, debtors, creditors, other receivables and payables (including advances received and advances given) and contingent liabilities/litigation claims. Provision has been made for debit balances that are considered doubtful of recovery in consistence with past practice. In respect of old sundry creditors and other liabilities, in the opinion of the management, status quo needs to be maintained.

The necessary adjustments, if required, will be made when the accounts are reviewed, reconciled and settled. The effect, there-of, if any, on the financial statements is not presently ascertainable.

33 In the opinion of the Board all assets other than Fixed Assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation, adjustments in respect of some of the payables and receivables.

34 The Company has complied with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India on March 21, 2010 except for the appointment of independent directors. However, the Company is in process of implementing the same in the future. One independent director has been appointed by the Government of India on Board of Directors with effect from May 6th, 2016.

35 Details of Foreign Currency Transactions

Particulars	March, 2017 Rs. In Lacs	March, 2016 Rs. In Lacs
a) Earnings in Foreign Currency (Tower Testing Charges)	-	11.09
b) Expenditure in Foreign Currency	-	-

36 The company is engaged in only one business segment and therefore segment reporting as envisaged in AS-17 is not applicable to the company. There are no reportable geographical segments.

37 There is a carry forward of unabsorbed depreciation and business losses as at the Balance sheet date. As a matter of prudence, the Company has not recognized net deferred tax assets in terms of Accounting Standard – 22.

38 Since the Company has made a Profit during the year, provision for taxation has been made under MAT as per the Income Tax Act, 1961, as the Company has carry forward of unabsorbed depreciation and business losses.

39 Upon revision of property tax in respect of leasehold property at Byculla, the Company has received an amount of Rs. 200.84 lacs on account of lessee from Brihan Mumbai Mahanagarpalika (BMC) on 21.02.2014 for the financial years 2010-11 to 2012-13. The Company has not considered the same as income as the amount is refundable to the lessees. However till date, the company has not quantified the amount payable to each lessee.

40 Except in the case of three suppliers of Nagpur Branch, the Company has not received any information from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures regarding

- a. Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- b. Interest paid during the year;
- c. Amount of payment made to the supplier beyond the appointed day during accounting year;
- d. Interest due and payable for the period of delay in making payment;

- e. Interest accrued and unpaid at the end of the accounting year; and
- f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.

have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

41 Employee Benefits :

- a. Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences etc., and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.
- b. Long Term Employee Benefits :
- i. The Company has recognized the following amounts in the Profit and Loss Account under the head Company's Contribution to Provident Fund and other Funds:

Particulars	Rupees in lacs	
	Current Year	Previous Year
Provident Fund	11.49	12.98
	11.49	12.98

- ii. Details of Gratuity plan are as follows :

A. Amount recognized in Balance Sheet

Particulars	Rupees in lacs	
	Current Year	Previous Year
Present value of Defined Benefit Obligations	67.80	77.06
Net Liability recognized in the Balance Sheet and included under Provisions	67.80	77.06

B. Expenses recognized in Profit and Loss Account

Particulars	Rupees in lacs	
	Current Year	Previous Year
Current Service Cost	3.06	3.29
Interest on Defined Benefit Obligation	5.59	4.94
Net Actuarial Losses/(Gains) recognized in Year	(2.82)	9.79
Total included in Employees Remuneration & Benefit.	5.83	118.02

C. Reconciliation of Benefit Obligation and Plan Assets for the period

Rupees in lacs

Particulars	Current Year	Previous Year
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	77.06	63.73
Current Service Cost	3.06	3.29
Interest Cost	5.59	4.94
Actuarial Losses/(Gain)	(2.82)	9.79
Past Service Cost	0.00	0.00
Benefit paid	(15.09)	(4.69)
Closing Defined Benefit Obligation	67.80	77.06
Change in Fair Value of Assets		
Opening Fair Value of Assets	-	-
Contributions by Employer	15.09	4.69
Benefits paid	(15.09)	(9.69)
Closing Fair Value of Plan Assets	-	-

D. Experience Adjustments

Rupees in lacs

Particulars	Current Year	Previous Year
Defined Benefit Obligation	67.80	77.06
Surplus/(Deficit)	(67.80)	(77.06)

E. Summary of Actuarial Assumptions

Rupees in lacs

Particulars	Current Year	Previous Year
Discounted rate (per annum)	6.25%	7.25%
Salary Escalation Rate (Per annum)	7.50%	7.50%
Retirement Age	58 years	58 years
Mortality Rates	Indian Assured Lives (2006-08) Ultimate Mortality Rate	Indian assured Lives (2006-08) Ultimate Mortality Rate
Withdrawal Rate	1%	1%

42. Basis for calculation of Basic and Diluted Earnings per share is as follows:

Particulars		Current Year	Previous Year
Net Profit/(Loss) after taxation as per Profit and Loss account	Rs. In Lacs	1,494.44	(1,006.54)
Weighted Average no. of Equity Shares outstanding	Nos.	3,46,425	3,15,753
Basic and Diluted Earnings per Share	(Rs.)	431.39	(318.77)
Face Value Per Share	(Rs.)	1000	1000

43. Prior period items includes:

Particulars	Current Year	Rupees in lacs Previous Year
A) INCOME		
Interest		0.00
Other Manufacturing, Selling & dist. exp.		0.00
Total Income (A)		0.00
B) EXPENDITURE		
Sub-contracting expenses		0.00
Employees Remuneration & benefits		0.20
Other Manufacturing, Selling & dist. exp.		8.21
Total Expenditure (B)		8.41
Prior Period items (Net) (A) – (B)		(8.41)

44. According to the Management there are no related party transactions and hence disclosure required to be made as per Accounting Standard 18 – Related Party Transactions have not been given.

Particulars	March, 2017		March, 2016	
	%	Rs. In Lacs	%	Rs. In Lacs
a) Value of Imported Raw Materials and Components consumed	-	-	-	-
Value of Indigenous Raw Materials and Components consumed	100	715.69	100	253.38
b) C.I.F. Value of Imports	-	-	-	-

- 46 Certain expenses were incurred during the year by the former Chairman and Managing Director which as per the Management were not for the purpose of the business of the Company. Accordingly, an amount of Rs. 2.63 Lacs has been shown as Recoverable from him for which there is no confirmation.
- 47 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 :

Particulars	Amount (in Rs. Lacs)		
	Specified Bank Notes (SBNs)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1.51	0.02	1.53
(+) Permitted receipts	-	1.80	1.80
(-) Permitted payments	-	0.83	0.83
(-) Amount deposited in Banks	1.51	0.01	1.52
Closing cash in hand as on 30.12.2016	-	0.98	0.98

- 48 Previous year figures have been regrouped / rearranged wherever necessary, to make then comparable with those of current year.

As per our Report of even date attached

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Regn.No : 110417W

For and on behalf of Board of Directors

CA. N.D. Anklesaria
Partner
Membership No. : 10250

Mr. Bhaskar J. Mahanta
Chairman &
Managing Director
S.D Umrikar
Chief Financial Officer

Mrs. Sanyukta Samaddar
Director

Mr.Arvind Kumar
Director

Pooja G. Shirodkar
Company Secretary & CPIO

Place : Mumbai
Date : 8th September 2017

Place : Mumbai
Date : 8th September 2017

TEN YEAR DIGEST

Sr. No.	Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
1	Value of Production	2,075.67	2,021.90	5,316.37	6,270.34	7,118.91	7,331.31	8,619.88	8,411.14	7,387.33	7,021.33
2	Gross Sales	4,649.50	5,009.62	9,359.51	8,359.70	8,397.71	8,328.77	9,153.63	9,169.54	8,136.76	7,677.63
3	Cost of Sales	1,822.66	1,732.41	4,736.22	5,489.10	6,285.48	5,914.18	6,599.68	6,393.59	5,566.73	5,552.77
4	Gross Profit/(Loss) before Interest & Depreciation	1,596.97	2,184.69	2,990.75	1,959.82	1,339.51	1,573.69	1,019.42	512.21	146.50	(2,503.45)
5	Depreciation	77.73	80.74	251.63	61.33	64.65	69.28	68.96	70.44	70.64	71.98
6	Gross Profit/(Loss) before Interest	1,519.24	2,103.95	2,739.12	1,898.49	1,274.86	1,504.41	950.46	441.77	75.86	(2,575.43)
7	Interest :										
a)	Government	-	3,110.49	3,103.58	2,281.27	4,221.71	3,124.72	3,093.96	3,086.07	2,999.79	3,022.41
b)	Others	-	-	-	-	2.16	5.89	11.54	93.36	100.30	186.85
8	Profit Before Tax	1,519.24	(1,006.54)	(364.46)	(382.78)	(2,949.01)	(1,626.20)	(2,155.04)	(2,737.66)	(3,026.87)	(5,958.12)
9	Provision for Tax	24.80	-	-	-	-	-	-	-	3.26	2.35
10	Profit After Tax	1,494.44	(1,006.54)	(364.46)	(382.78)	(2,949.01)	(1,626.20)	(2,155.04)	(2,737.66)	(3,030.13)	(5,960.47)
11	Gross Block	2,711.11	2,534.63	2,737.62	2,897.29	3,220.16	3,205.16	3,205.03	3,143.55	3,119.68	3,049.92
12	Net Block	665.06	516.22	557.11	719.89	757.90	807.55	875.76	883.09	929.27	940.26
13	Working Capital	(29,887.89)	12,047.62	9,932.99	7,108.36	5,174.92	4,074.24	2,538.58	863.76	549.70	1,111.10
14	Long Term Loans	-	52,658.68	49,555.27	46,451.86	44,170.59	39,954.04	36,902.14	33,779.93	30,725.78	28,019.88
15	Short Term Loans (Incl. Cash Credit)	-	-	-	-	-	-	44.82	63.46	115.38	778.75
16	Share Capital	15,661.05	5,483.53	5,483.53	5,483.53	5,483.53	5,483.53	5,483.53	5,483.53	5,483.53	5,483.53
17	Reserves	-	-	-	-	-	-	-	-	-	-
18	Capital Employed	(29,222.83)	12,563.84	10,490.10	7,828.25	5,932.82	4,881.79	3,414.34	1,746.85	1,478.97	2,051.36
19	Net Worth	(28,908.59)	(40,580.55)	(39,574.01)	(39,209.55)	(38,826.77)	(35,877.76)	(34,251.57)	(32,096.54)	(29,358.92)	(26,331.43)
20	Cumulative Loss	(44,569.64)	(46,064.08)	(45,057.54)	(44,693.08)	(44,310.30)	(41,361.29)	(39,735.10)	(37,580.07)	(34,842.45)	(31,812.32)
21	Value Added	186.97	220.25	519.80	639.40	676.86	1,229.38	1,817.13	1,850.97	1,650.26	1,314.52
22	Salaries, Wages & Benefits	153.25	118.49	110.79	143.22	155.97	209.26	199.48	190.27	173.08	175.85
23	Value Added Per employee	17.00	13.77	32.49	29.06	19.91	24.59	30.80	30.85	25.39	19.33
24	Contribution to Exchequer	100.32	28.64	93.23	59.74	160.57	130.57	470.49	500.80	313.85	763.02
25	Internal Resources Generation	-	-	-	-	-	-	-	-	-	-
26	Export Incl. Deemed exports	-	-	-	-	-	-	-	-	-	-
27	No. of Employees	11	16	16	22	34	50	59	60	65	68
28	Value Added Per Rupee of wages	1.22	1.86	4.69	4.46	4.34	5.87	9.11	9.73	9.53	7.48
29	Salary & Wages to Sales	30.34	42.28	84.48	58.37	53.84	39.80	45.89	48.19	47.01	43.66
30	Material consumption to Production	1.14	1.17	1.12	1.14	1.13	1.24	1.31	1.32	1.33	1.26
31	Inventory to No. of days to Production	42	19	7	6	11	12	11	14	23	49
32	Sundry Debtors to No of days to Turnover	116	150	80	107	104	127	117	144	213	245



Dished End - Mfgd. at Mulund Unit
Size : - 1375 mm i/d x 80 mm thk Client : Thermax Ltd., Pune



Item : Emergency H.P. Air Receiver Client : IOCL - PANIPAT- PREP PROJECT
Item No. 36-V-513 Mfgd : at Byculla Unit
Weight : 45.00 M.T.



Drawworks Housing Equipment (Oiling Mast) -
Mfgd. at Chennai Unit. Client - BHEL- Hyderabad



Mfgd.By R&C (1972) Ltd :-Byculla Unit
Fabrication of Steam Drum
Size:-100 mm thk x 1340 mm I/D x 11626 mm long
Client:-M/s.Sitson India Pvt. Ltd.



Richardson & Cruddas (1972) Limited

(A Govt. Of India Undertaking)

REGISTERED OFFICE : Byculla Unit

Byculla Iron Works, Sir J. J. Road, Byculla, MUMBAI - 400 008

Tel. : 022 23794005 / 23794006 | Fax : 022 23794003

E-mail : richardsoncruddas@yahoo.co.in | Website : richardsoncruddas.com

MULUND UNIT : Branch Office & Works

Lal Bahadur Shastri Marg, Mulund (West), Mumbai - 400 080.

Tel. : 022 - 25612625/24 | E-mail richardsoncruddasmulund@gmail.com

NAGPUR UNIT : Branch Office & Works

F-3, M.I.D.C. Industrial Estate, Hingna Road, NAGPUR - 400 016.

Tel. : 07104-237061 / 86 Fax : 07104 - 237286 | Email : randc1972ltd@gmail.com

CHENNAI UNIT : Branch Office & Works

No. 69-D, SIDCO, Industrial Estate, CHENNAI- 600 098

Tel. : 044 - 26254464 / 26255856

Fax: 26258295 | randaccnts@gmail.com