

**MIPCO SEAMLESS RINGS (GUJARAT) LIMITED**  
**Notes forming part of the financial statements**

Note	Particulars
<b>1</b>	<b>Significant accounting policies</b>
<b>1.1</b>	<b>Basis of accounting and preparation of financial statements</b>
	The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under historical cost convention on the accrual basis. GAAP comprises accounting standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hereto in use.
<b>1.2</b>	<b>Use of estimates</b>
	The preparation of the financial statements is in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>1.3</b>	<b>Inventories</b>
	The Company does not have any inventory as at 31.03.2019 for which valuations rules have to be followed during the year.
<b>1.4</b>	<b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b>
	Cash & Cash equivalents comprises cash on hand and demand deposits with banks.
<b>1.5</b>	<b>Cash flow statement</b>
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
<b>1.6</b>	<b>Depreciation and amortisation</b>
	There is no fixed assets available with the company hence depreciation provision and fixed asset disclosure requirements as per Schedule III of the Companies Act, 2013 is not required to be followed. Hence there is no provision for the depreciation.
<b>1.7</b>	<b>Revenue recognition</b>
	There were no operations during the year. The company therefore did not record any income during the year

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**Note 1 Significant accounting policies (contd.)**

Note	Particulars
<p><b>1.8 Employee benefits</b></p>	<p>Since there was no employee during the year, no provision has been created during the year for gratuity.</p>
<p><b>1.9 Leases</b></p>	<p>Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the Lessor are recognised as operating leases. There are no operating lease during the year.</p>
<p><b>1.10 Earnings per share</b></p>	<p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>

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**Note 1 Significant accounting policies (contd.)**

Note	Particulars
1.11	<p><b>Taxes on income</b></p> <p>As the income of the Company is Nil, taxes on income is not applicable</p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act 1961.</p> <p>Minimum Alternate Tax (MAT) is not recognisable during the year further any provision will be made as and when it is probable that future economic benefit associated with it will flow to the Company.</p>
1.13	<p><b>Provisions and contingencies</b></p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not charged to profit and loss account and are disclosed separately in the Notes.</p>

<b>MIPCO SEAMLESS RINGS (GUJARAT) LIMITED</b>		
<b>Notes forming part of the financial statements</b>		
<b>Note 2 Long-term loans and advances</b>		
<b>Particulars</b>	<b>As at 31 March, 2019</b>	<b>As at 31 March, 2018</b>
	<b>₹ in INR</b>	<b>₹ in INR</b>
Sales Tax Deposit (Against Stay) 1988-89 -Unsecured, considered good	31,227	31,227
<b>Total</b>	<b>31,227</b>	<b>31,227</b>
<b>Note 3 Other non-current assets</b>		
<b>Particulars</b>	<b>As at 31 March, 2019</b>	<b>As at 31 March, 2018</b>
	<b>₹ in INR</b>	<b>₹ in INR</b>
Interest on CST	204,201	204,201
Interest on GST	630,572	630,572
Advance income tax (net of receivable ` 9.8 (As at 31 March, 2011 ` 9.8)	805,771	805,771
<b>Total</b>	<b>1,640,545</b>	<b>1,640,545</b>
<b>Note 4 Trade Receivables</b>		
<b>Particulars</b>	<b>As at 31 March, 2019</b>	<b>As at 31 March, 2018</b>
	<b>₹ in INR</b>	<b>₹ in INR</b>
<b>Below Six Months</b>		
Unsecured, considered good		
Doubtful		
<b>Over Six Months</b>	1,635,211	1,635,211
Doubtful		
Less: Provision for doubtful trade receivables	1,635,211	1,635,211
<b>Total</b>	<b>1,635,211</b>	<b>1,635,211</b>
<b>Note 5 Cash and cash equivalents</b>		
<b>Particulars</b>	<b>As at 31 March, 2019</b>	<b>As at 31 March, 2018</b>
	<b>₹ in INR</b>	<b>₹ in INR</b>
(a) Cash on hand	887	887
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	2,761	2,416
<b>Total</b>	<b>3,647</b>	<b>3,302</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	<b>3,647</b>	<b>3,302</b>
<b>Note 06 Other Current Assets</b>		

Particulars	As at 31 March, 2019	As at 31 March, 2018
	₹ in INR	₹ in INR
Excess remuneration recoverable from director paid in earlier years	190,000	190,000
<b>Total</b>	<b>190,000</b>	<b>190,000</b>

**Note 7 Share capital**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	₹ in INR	Number of shares	₹ in INR
(a) Authorised				
Equity shares of ` 10 each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
5% Cumulative redeemable preference shares of ` 100 each	200,000	20,000,000	200,000	20,000,000
(b) Issued				
Equity shares of ` 10 each with voting rights	3,585,000	35,850,000	3,585,000	35,850,000
5% Cumulative redeemable preference shares of ` 100 each	200,000	20,000,000	200,000	20,000,000
(c) Subscribed and fully paid up				
Equity shares of ` 10 each with voting rights	3,584,800	35,848,000	3,584,800	35,848,000
(d) Subscribed and Not fully paid up				
Equity shares of ` 10 each with voting rights, ` 5 not paid up	-	-	-	-
	3,584,800	35,848,000	3,584,800	35,848,000
Add: Share Forfeiture Account (200 equity shares being forfeited)		1,000.00		1,000.00
	3,584,800	35,849,000	3,584,800	35,849,000
5% Cumulative redeemable preference shares of ` 100 each	200,000	20,000,000	200,000	20,000,000
<b>Total</b>		<b>55,848,000</b>		<b>55,848,000</b>

**Note 8 Reserves and surplus**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	₹ in Lakhs	₹ in INR
(a) Capital reserve		

Opening balance	74,455,497	74,455,497
Add: Additions during the year		
Less: Utilised / transferred during the year		
Closing balance	74,455,497	74,455,497
-	-	-
(b) Cash Subsidy Reserve		
Opening balance	3,411,764	3,411,764
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year		
Closing balance	3,411,764	3,411,764
(k) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	138,511,212	-137,369,413
Add: Profit / (Loss) for the year	1,005,551	-1,141,799
Amounts transferred from:		
General reserve	-	-
Other reserves	-	-
Less: Interim dividend		
Dividends proposed to be distributed to equity shareholders ( ` NIL per share)	-	-
Dividends proposed to be distributed to preference shareholders ( ` NIL per share)	-	-
Tax on dividend	-	-
Transferred to:		
General reserve	-	-
Capital redemption reserve	-	-
Debenture redemption reserve	-	-
Other reserves (give details)	-	-
Closing balance	139,516,764	-
		138,511,212
<b>Total</b>	<b>61,649,502</b>	<b>-60,643,951</b>

**Note 9 Short-term borrowings**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	₹ in Lakhs	₹ in INR
Loans and advances from related parties		
Unsecured Loan from Director - Sachendra Tummala	6,767,729.00	6,451,394
Unsecured Loan from Director - Sanjiv Kumar Tandon	202,140.00	202,140
	<b>6,969,869</b>	<b>6,653,534</b>

**Note 10 Other current liabilities**

Particulars	As at 31 March, 2019	As at 31 March, 2018
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	₹ in Lakhs	₹ in INR
Other payables		
(i) Statutory remittances (TDS payable)	120,988	78,423
(ii) Rent payable	174,000	150,000
(iii) Imprest	513,408	241,531
(iv) Other accounts payable	1,523,867	1,172,748
	<b>2,332,263</b>	<b>1,642,702</b>

**Note\*\* Other Income**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	₹ in INR	₹ in INR
Interest Income	-	-
<b>Total</b>	-	-

**Note 11 Other expenses**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	₹ in INR	₹ in INR
Rent including lease rentals	24,000	24,000
Annual Listing Fees	323,292	311,986
Printing and stationery	-	6,000
Postage & Courier	175,163	190,730
Share Transfer Agent Fee	135,614	118,170
Advertisement Expenses (Others)	73,080	72,895
Legal and professional	108,000	281,145
Payments to auditors (Refer note below)	27,140	27,140
E-Voting Charges	-	16,478
Filing Fee	8,200	6,600
Interest on TDS	251	-
Interest on Late Payment	1,275	255
Demat expenses	-	-
Fines & Penalties	-	-
Annual Custodian fees	60,631	20,524
Miscellaneous expenses	68,905	65,876
<b>Total</b>	<b>1,005,551</b>	<b>1,141,799</b>

In terms of our report attached  
**For GANESH VENKAT & Co**  
Firm Registration No: 005293S  
Chartered Accountants

**For and on behalf of the Board of Directors  
of Mipco Seamless Rings (Gujarat) Limited**

**Sd/**  
**G. Rajavenkat**  
PARTNER  
Membership No 025014

Place : HYDERABAD  
Date : 29<sup>th</sup> May, 2019

**Sd/-**  
**SANJIV KUMAR TANDON**  
DIRECTOR  
2579261

**Sd/-**  
**SACHENDRA TUMMALA**  
DIRECTOR  
2317514

**Sd/-**  
**D SRIDHAR**  
CFO

**Sd/-**  
**SRISHTI AGARWAL**  
Company Secretary