

# **SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED.**

**NEKNOOR, BEED-431122**

## **AUDIT REPORT**

**UNDER SECTION 139 OF THE COMPANIES ACT, 2013**

**FINANCIAL YEAR 2020-21**

**Containing:**

**Audit Report under Companies Act 2013.**

**Notes forming part of Audit Report.**

**Computation of Total Income for Income Tax Purposes.**

**Balance Sheet, Income & Expenditure A/c with Schedules thereto.**

**AUDITOR**

**M/S K A P V A T & CO**

**CHARTERED ACCOUNTANT.**

**NEXT TO AMBIKA GLASS HOUSE, SAVTAMALI CHOWK, BEED-431122**

## **INDEPENDENT AUDITORS REPORT**

To,  
The Members of,  
**SAMRUDHI SERICULTURE AGRO PRODUCER COMPANY LIMITED**  
**NEKNOOR,**  
**BEED.**  
**Report on the Financial Statement**

We have audited the accompanying financial statements of **SAMRUDHI SERICULTURE AGRO PRODUCER COMPANY LIMITED** which comprises the Balance Sheet as at March 31, 2021 the statement of Profit and Loss Account and Cash Flow Statement for the year ended and summary of significant accounting policies & and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India including accounting standard referred to in Section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes design, implementation and maintenance of internal Control relevant to preparation and presentation of the financial statement that give a true and fair view and free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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





- e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 149(3) of the Act.
2. During the year company has raised its Authorized and Paid up capital to Rs. 25,00,000/-
3. Some of expenses are supported by vouchers only.

Our opinion is not qualified in respect of other matters.

PLACE: BEED  
DATE : 31/08/2021

FOR KAPVALT & CO  
CHARTERED ACCOUNTANTS  
F R No. 142310W

*Pawan*  
CA PANKAJ R TAWANI

PARTNER

M.No. 170422

UDIN: 21170422AAAAEV6336



**SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED**  
**CIN NO:U01100MH2016PTC283324**  
**REGISTERED OFFICE ADDRESS:A/P NEKNOOR, TQ AND DIST BEED -431122**

Balance Sheet as at 31st March, 2021

Particulars	Note No	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	25,00,000.00	1,00,000.00
(b) Reserves and Surplus	3	1,11,784.10	48,499.00
(c) Money received against share warrants			
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings		98,81,983.00	16,45,000.00
(b) Deferred tax liabilities (Net)			
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	4	-	-
(b) Trade payables	5	-	-
(c) Other current liabilities	6	-	-
(d) Short-term provisions	7	30,000.00	23,000.00
<b>Total</b>		<b>1,25,23,767.10</b>	<b>18,16,499.00</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	17,48,659.37	17,50,435.00
(ii) Intangible assets	8	-	-
(iii) Capital work-in-progress	8	-	-
(iv) Intangible assets under development	8	-	-
(b) Non-current investments		8,11,000.00	11,000.00
(c) Long term loans and advances			25,000.00
(d) Other non-current assets ( Preliminary Expences to be wirrten off in equal installment in 4 Year )	9	82,63,864.89	13,000.00
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	10	1,25,600.00	-
(c) Trade receivables		-	17,064.00
(d) Cash and cash equivalents	11	15,74,642.84	-
(e) Short-term loans and advances		-	-
(f) Other current assets	12	-	-
<b>Total</b>		<b>1,25,23,767.10</b>	<b>18,16,499.00</b>

As per our report of even date attached

Place : BEED  
Date : 31/08/2021

For KAPVALT & CO  
Chartered Accountants  
Firm Reg No: 142310W



CA PANKAJ R TAWANI  
CHARTERED ACCOUNTANTS  
MEMBERSHIP NO : 170422  
PARTNER  
UDIN: 21170422AAAAEV6336

FOR AND ON BEHALF OF THE BAORD  
SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED

BHANUDAS THORAT  
DIRECTOR  
DIN No: 07500655

PRERNA THORAT  
DIRECTOR  
DIN No:07500656



**SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED**  
**CIN NO:U01100MH2016PTC283324**  
**REGISTERED OFFICE ADDRESS:A/P NEKNOOR, TQ AND DIST BEED -431122**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

Particulars	Note No	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
I. Revenue from operations	13	99,52,341.94	62,55,000.00
II. Other Income			-
<b>III. Total Revenue (I + II)</b>		<b>99,52,341.94</b>	<b>62,55,000.00</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	14	90,04,171.00	50,14,250.00
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	15	1,80,000.00	9,65,195.00
Financial costs	16	-	-
Depreciation and amortization expense	8	1,775.18	2,088.00
Other expenses ( including Preliminary Expenses W/o )	17	7,03,111.27	2,49,226.00
<b>Total Expenses</b>		<b>98,89,057.45</b>	<b>62,30,759.00</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	63,284.49	24,241.00
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		-	24,241.00
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		63,284.49	24,241.00
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations	(IX-X)	63,284.49	24,241.00
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		63,284.49	24,241.00
XVI. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

**Significant Accounting Policies**  
Notes On Financial Statements

1  
2 to 17

Place : BEED  
Date : 31/08/2021

For **KAPVALT & CO**  
Chartered Accountants  
Firm Reg No: 142310W



**CA PANKAJ R TAWANI**  
**CHARTERED ACCOUNTANTS**  
MEMBERSHIP NO : 170422  
PARTNER  
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DIN No: 07500655

**PRERNA THORAT**  
DIRECTOR  
DIN No:07500656



**SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED**  
**CIN NO:U01100MH2016PTC283324**  
**REGISTERED OFFICE ADDRESS:A/P NEKNOOR, TQ AND DIST BEED -431122**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31.03.2021**

**NOTE 2 : Share Capital**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
<b>Authorised Share Capital</b>		
250000 equity shares of Rs. 10 Each	25,00,000.00	10,00,000.00
<b>Issued subscribed &amp; paid up</b>		
250000 equity shares of Rs. 10 Each	25,00,000.00	1,00,000.00

Details of shareholders holding more than 5% shares of the total number of equity shares issued by the company.

Name of the Share holder	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
SACHIN BHANUDAS THORAT	10,000	10,000
AMOL BHANUDAS THORAT	5,10,000	10,000
BHANUDAS DUDHAJI THORAT	4,10,000	10,000
PRERANA SACHIN THORAT	6,93,800	10,000
BABAN DUDHAJI THORAT	10,000	10,000
USHA BABAN THORAT	10,000	10,000
VANDANA BHANUDAS THORAT	10,000	10,000
ASHWINI AMOL THORAT	2,10,000	10,000
KOMAL PRAVIN THORAT	10,000	10,000
Misc Share Capital	1,26,200	10,000
Rohit Rajendra Jadhav Capital	5,00,000	
<b>Total</b>	<b>25,00,000</b>	<b>1,00,000</b>

**NOTE 3 : Reserves and Surplus**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Profit and loss A/c	48,499.61	24,258.00
Current year Profit	63,284.49	24,241.61
Loss b/f from previous year		
<b>Total</b>	<b>1,11,784.10</b>	<b>48,499.61</b>

**NOTE 4 : Short-term provisions**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Audit Fees Payable	15,000.00	15,000.00
Provisions		5,000.00
Professional fees Payable	5,000.00	3,000.00
Accounting Charges Payable	10,000.00	
<b>Total</b>	<b>30,000.00</b>	<b>23,000.00</b>

**NOTE 5 : Trade payables**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
TRADE PAYABLES		
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 6 : Long term borrowing**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
BOM A/C No. 0096	50,82,813.00	
Samunnati finance	19,38,970.00	
Amol thorat	3,50,000.00	3,50,000.00
Bhanudas Thorat	2,50,000.00	7,95,000.00
Bhanudas Thorat Loan	5,45,000.00	
Parmeshwar Aatmaram Kale	11,85,100.00	
Sachin Thorat Loan	30,100.00	
Pravin Thorat	50,000.00	50,000.00
Prerna Thorat	4,50,000.00	4,50,000.00
<b>Total</b>	<b>98,81,983.00</b>	<b>16,45,000.00</b>

**NOTE 7 : Other current liabilities**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
<b>Total</b>	<b>-</b>	<b>-</b>



**NOTE 10 : Inventories**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Closing stock of Silk Yarn	1,25,600.00	0.00
<b>Total</b>	<b>1,25,600.00</b>	<b>0.00</b>

**NOTE 11 : Cash and cash equivalents**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Cash	15,74,642.84	13,631.00
<b>Total</b>	<b>15,74,642.84</b>	<b>17,064.00</b>

**NOTE 12 : Other current assets**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Advance For Construction Shed	9,50,000.00	-
Decent Electrical	5,65,000.00	-
Bank Of Maharashtra 0900	13,65,202.14	-
HDFC Bank A/C 6981	2,117.59	-
Vijaya Bank A/C 0554	45.16	-
Amreshwari Silk Indu	53,50,000.00	-
Amol Thorat Loan	25,000.00	-
Preliminary Expenses	6,500.00	13,000.00
<b>Total</b>	<b>82,63,864.89</b>	<b>13,000.00</b>

**NOTE 13 : Revenue from operations**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Sale of Silk and By products	99,52,341.94	62,55,000.00
<b>Total</b>	<b>99,52,341.94</b>	<b>62,55,000.00</b>

**NOTE 14 : Cost of materials consumed**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Opening Stock	0.00	0.00
Purchases	91,29,771.00	50,14,250.00
closing Stock	1,25,600.00	0.00
<b>Total Consumption</b>	<b>90,04,171.00</b>	<b>50,14,250.00</b>

**NOTE 15 : Employee benefit expense**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Salary paid	1,80,000.00	1,65,195.00
Directors Remuneration	0.00	8,00,000.00
<b>Total Consumption</b>	<b>1,80,000.00</b>	<b>9,65,195.00</b>

**NOTE 16 : Financial costs**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Bank Charges	0.00	0.00
<b>Total Consumption</b>	<b>0.00</b>	<b>0.00</b>

**NOTE 17 : Other expenses**

Particulars	Figures as at the end 31.03.2021	Figures as at the end 31.03.2020
Audit fees	15,000.00	15,000.00
Wages	1,85,410.00	90,200.00
Bank Charges	44,796.07	8,576.00
Travelling Expenses	75,250.00	70,450.00
Federation Member Fees	5,100.00	0.00
Inspection Charges	15,000.00	0.00
News Paper Exp	4,536.00	0.00
interest On CC	1,22,718.00	0.00
MCA Fees	40,000.00	0.00
Machine Maintenance	7,032.20	0.00
Telephone Expense	3,215.00	0.00
Processing Fees	92,329.00	0.00
Printing And Stationary	2,225.00	0.00
Preliminary Expenses Written off	6,500.00	5,000.00
Professional Fees	12,000.00	8,000.00
Transportation Charges	30,000.00	25,000.00
Electricity Expenses	32,000.00	24,000.00
Accounting Charges	10,000.00	3,000.00
<b>Total</b>	<b>7,03,111.27</b>	<b>2,49,226.00</b>

Place : BEED  
Date : 31/08/2021

For KAPVALT & CO  
Chartered Accountants  
Firm Reg No: 142310W



FOR AND ON BEHALF OF THE BAORD  
SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED

CA PANKAJ R TAWANI  
CHARTERED ACCOUNTANTS  
MEMBERSHIP NO : 170422

BHANUDAS THORAT  
DIRECTOR  
DIN No: 07500655

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**SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED**

CIN NO:U01100MH2016PTC283324

REGISTERED OFFICE ADDRESS:A/P NEKNOOR, TQ AND DIST BEED -431122

**SCHEDULE OF FIXED ASSETS AS ON 31.03.2021 (AS PER COMPANIES ACT)  
"SCHEDULE C"**

Note : 8

SR. NO	DISCRPTION OF ASSETS	W.D.V. AS ON 1/04/2020	Additions during the year	Original cost as on 31.03.2021	Usefull life (in years)	Up to 31.03.2020	For the year	Total	Total as on 31.03.2021	W.D.V. as on 31.03.2021
<b>TANGIBLE ASSETS</b>										
1	Invertor	11,834.55	0.00	11,834.55		0.00	1,775.18	1,775.18	10,059.37	10,059.37
2	Agri Land at Sr no 704	17,38,600.00	0.00	0.00		0.00	0.00	0.00	17,38,600.00	17,38,600.00
	<b>Total</b>	<b>17,50,434.55</b>	<b>0.00</b>	<b>11,834.55</b>		<b>0.00</b>	<b>1,775.18</b>	<b>1,775.18</b>	<b>17,48,659.37</b>	<b>17,48,659.37</b>
<b>INTANGIBLE ASSETS</b>										
3	-	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Place : BEED  
Date : 31/08/2021

For K A P V A L T & CO  
Chartered Accountants  
Firm Reg No: 142310W



CA PANKAJ R TAWANI  
CHARTERED ACCOUNTANTS  
MEMBERSHIP NO : 170422

FOR AND ON BEHALF OF THE BAORD  
SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED

BHANUDAS THORAT  
DIRECTOR  
DIN No: 07500655



PRERNA THORAT  
DIRECTOR  
DIN No:07500656

# SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED

Address : NEKNOOR, BEED-431122

## Notes to the Financial Statements

### A) The Company Overview:-

SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED was incorporated on 06/07/2016. The Company is engaged in Production, Procurement and processing of Agro Produce. having its head office at NEKNOOR, BEED-431122 of Maharashtra.

### B) SIGNIFICANT ACCOUNTING POLICIES

#### 1) Method of Accounting :-

- a) The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory Accounting Standards, Statements and Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 2013 and rules framed there under, on accrual basis, as adopted consistently by the Company. The same are prepared on a going concern basis.
- b) Accounting Policies not specifically referred are consistent and in consonance with the generally accepted accounting policies.

#### 2) Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made which affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimate are recognized in the period in which the results are known/ materialized.

#### 3) Fixed Assets and Depreciation :

- (a) Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies, borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of AS 16 "Borrowing Cost" issued by ICAI and any other directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price and includes.
- (b) Depreciation on tangible fixed assets has been provided under written down value method at the rates and manner prescribed in part C of Schedule II to the Companies Act, 2013.

#### 4) Investments :

Investments are stated at the lower of cost or net realizable value. Temporary decline in the value of Investment is not accounted for. Market Value of unquoted investment is unascertainable.

#### 5) Recognition of Revenue :

The financial statements are prepared under historical costing convention, with revenue recognized and expenses accounted for on their accrual concept (including provision and adjustment) and in accordance with the applicable Sales/ Turnover for the year includes sale value of goods. Certain liabilities are debited in the year of crystallization arising in Assessment Audit carried out by various authorities. Where the liability has been extinguished, the said liability has been reversed to credit of Profit & Loss Account.

#### 6) Borrowing Cost:

Borrowing Cost directly attributable to the acquisition and construction of asset are capitalized as part of the cost of respective asset upto the date when such asset is ready for intended use. Other borrowing costs are charged as an expense in the period in which they are incurred.

#### 7) Taxes on Income :

- a) Taxes on Income are accounted in accordance with AS – 22 " Taxes on Income". Taxes on Income comprise both current tax and deferred tax.

- b) Deferred tax resulting from timing differences between book and taxable profits is accounted for at the current rate of tax to the extent that timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a reasonable certainty that they will be



**SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED**

**Address : NEKNOOR, BEED-431122**

realized and are reviewed for the appropriateness of the respective carrying value at each balance sheet date. The small timing differences are accounted for adjusted accordingly.

- c) Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities.
- d) Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay income tax under the normal provisions during the specified period, resulting in utilization of MAT credit. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement.

**8) Treatment of Employee Benefits:-**

- a) Contribution to provident fund & Family Pension Fund is accounted on accrual basis and charged to Profit & Loss Account.
- b) Liability on account of Leave Encashment is provided for on actual working out the liability.

**9) Treatment of contingent Liability & Asset:-**

- a) Contingent liabilities, if any, are not recognized in the accounts, but have been disclosed by way of note to balance sheet after a careful evaluation of the concerned facts and legal issues involved. Provision has been made in respect of those, which have materialized after the year-end but before finalization of accounts and have material effect on balance sheet date.
- b) Contingent assets as on the balance sheet, if any, are neither recognized nor disclosed in the financial statements.

**10) Income and Expenditure Recognition:-**

Revenue on sales transactions is recognized as and when the property in the goods sold is transferred to the buyer for a definite condition. Revenue from other sources and expenditure are recognized on accrual basis and are accounted as liabilities on the due dates.

**11) Impairment:-**

The assets are tested for impairment and the provision is made wherever considered necessary based on economic utility of the asset as determined in accordance with the principles as laid down in AS 28 " Impairment of Assets" issued by ICAI..

**12) Amortization:-**

Expenses relating to increase in capital, if any, are being written off in the year the same are incurred.

**13) Provision:-**

A provision is recognized when an enterprise has a present obligation as a result of past event, 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 except the provision required under AS - 15 "Employee Benefits", are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**14) Earning Per Share:-**

The company reports Basic and Diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 "Earnings Per Share" issued by the ICAI. Basic earnings per share are computed by dividing the net profit or loss after tax for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per shares outstanding during the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the result are anti - dilutive.



**SAMRUDHI SERICULTUR AGRO PRODUCER COMPANY LIMITED**  
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**15) Cash & Cash Equivalents:-**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**16) Exceptional Items-**

Exceptional Items include significant restructuring costs, reversals of provisions no longer required, profits or losses on disposal or termination of operations, litigation settlements, profit or loss on disposal of investments, significant impairment of assets and unforeseen gains/ losses arising on derivative instruments. The Company in assessing the particular items, which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items, use judgment.

**17) Events occurring after Balance Sheet date -**

Events which occur between the Balance Sheet date and the date on which financial statements are approved, need adjustments to assets and liabilities as at the Balance Sheet date. Adjustments to assets and liabilities are made for the events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing as at the Balance Sheet date.

**18) Treatment of Govt. Grants -**

Revenue grants are recognized as income on accrual method of accounting based on prudence of certainty of receipt of grant. Grant in the nature of capital receipt are deducted from value of asset of the company to which it pertains. Company follows the practice of disclosure of grants separately in profit and loss account.

**19) Foreign Exchange Transactions -**

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.  
At each Balance Sheet date foreign currency monetary items are reported using the rate of exchange on that date. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.

**20) Dividends -**

No Dividends were declare by directors since profits are not sufficient for future needs of company for expansion.

