

**Independent Auditor's Report
To the Members of Allied Nippon Limited
Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **Allied Nippon Limited** ('the Company'), which comprises the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position and financial performance 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 safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from 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 there under.

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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date;
- c) in the case of the Cash Flow Statement for the year ended on that date;

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to adequacy of the internal financial controls over financial reporting of Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'

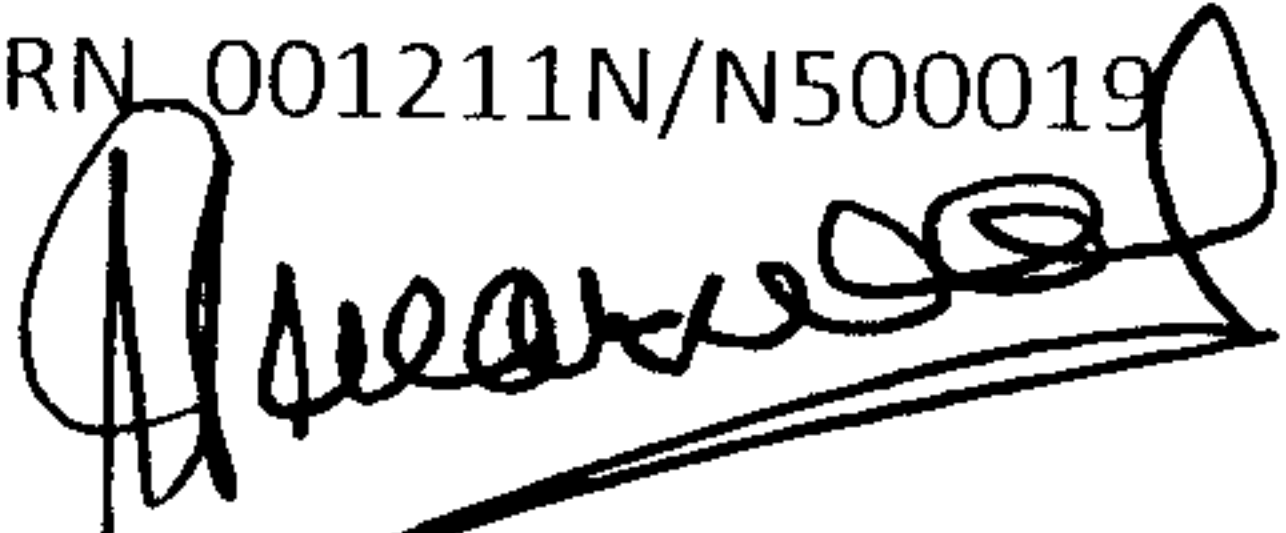
R. N. MARWAH & CO LLP
CHARTERED ACCOUNTANTS

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 of the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company had provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in the accordance with the books of accounts maintained by the company.

for R. N. MARWAH & CO. LLP

Chartered Accountants

FRN 001211N/N500019



U. N. Marwah

Partner

Membership number: 13595

Place: New Delhi

Date: 29/08/2017

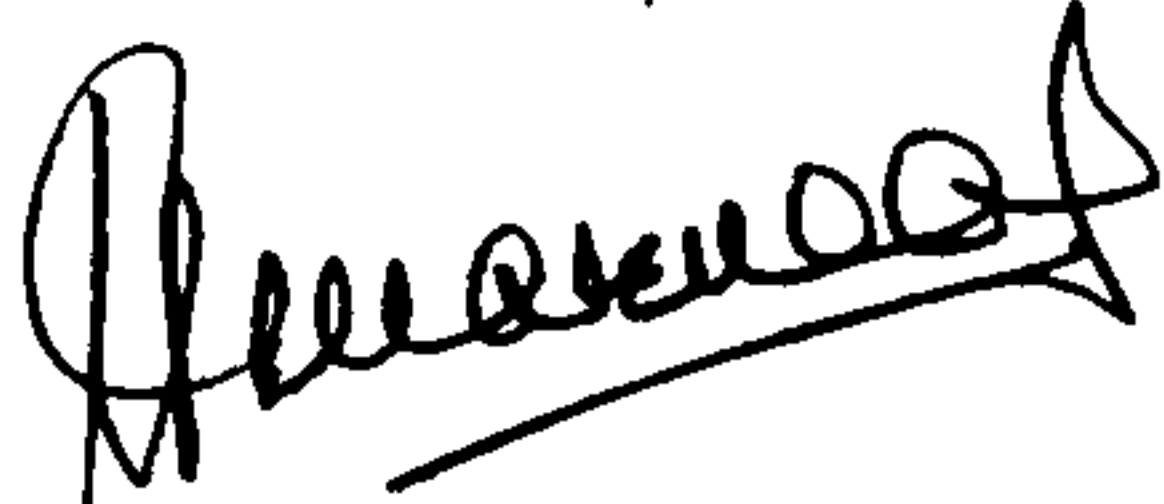
Annexure to the Independent Auditors' Report

The auditor's report on the accounts of a company to which this Order applies shall include a statement on the following matters, namely:-

- (i) (a) The company has records of Property, Plant & Equipment consisting full particulars, including quantitative details and location of Property, Plant & Equipment;
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) All the title deeds of immovable properties are held in the name of the company
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
- (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. Hence sub-clause (a), (b) and (c) is not applicable of clause (iii).
- (iv) In our opinion the provision of section 185 and 186 of the Companies Act, 2013 have been complied with in respect of loans, investments, guarantees.
- (v) The company has not accepted any deposits during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As explained to us there is no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, no disputed amount payable in respect of provident fund, income taxes, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017.

- (viii) The company has not defaulted in repayment of Loans and Borrowing to a financial institution, banks or debenture holders during the year.
- (ix) The company has not raised any moneys by way of initial public offer and further public offer and the company did not take any term loans during the year.
- (x) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) According to the information, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, The company is not a Nidhi Company. Accordingly Paragraph 3(xii) of the order not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements.
- (xiv) 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 hence the requirement of section 42 of the Companies Act, 2013 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him;
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR R. N. MARWAH & CO. LLP
Chartered Accountants
FRN. 001211N/N500019



U. N. Marwah
Partner
Membership number: 13595

Place: New Delhi

Date: 29/08/2017

Annexure B

Auditor's Report on Internal financial controls

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 Allied Nippon Ltd ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on March 31, 2017.

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. 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 safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 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 reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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.

FOR **R.N. MARWAH & Co. LLP**

Chartered Accountants

Firm's registration number: 001211N/N500019


U. N. Marwah (FCA)

Partner

Membership number: 13595

New Delhi

Date: 29/08/2017

ALLIED NIPPON LIMITED
Balance Sheet as at 31st March, 2017



Amount in Rs.

Particulars	Note	2017	2016
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	55,867,840	55,867,840
(b) Reserves and surplus	2	1,083,908,314	929,580,659
		<u>1,139,776,154</u>	<u>985,448,499</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	106,482,706	146,444,189
(b) Deferred tax liabilities (Net)	25	3,087,464	9,358,952
(c) Long-term Provisions	4	37,999,269	31,018,425
		<u>147,569,439</u>	<u>186,821,566</u>
3 Current liabilities			
(a) Short-term borrowings	5	353,426,490	565,386,197
(b) Trade payables	6		
Total outstanding dues to micro enterprises and small enterprises		297,618,175	317,702,558
Total outstanding dues to other than micro enterprises and small enterprises			
(c) Other current liabilities	7	53,802,888	109,495,784
(d) Short-term provisions	8	102,401,337	80,438,348
		<u>807,248,890</u>	<u>1,073,022,887</u>
TOTAL		<u><u>2,094,594,483</u></u>	<u><u>2,245,292,952</u></u>
ASSETS			
1 Non-current assets			
(a) Property Plant Equipments, CWIP & Intangibles			
(i) Property Plant Equipment	9	510,300,267	456,590,656
(ii) Intangible assets	9	1,685,654	1,321,102
(iii) Capital Work in Progress	9	7,470,729	19,501,653
		<u>519,456,650</u>	<u>477,413,411</u>
(b) Non-Current Investment	10	478,940,396	504,546,696
(c) Long-term loans and advances	11	81,652,931	30,598,377
		<u>1,080,049,977</u>	<u>1,012,558,484</u>
2 Current assets			
(a) Inventories	12	279,849,493	232,224,008
(b) Trade receivables	13	642,384,207	744,117,470
(c) Cash and cash equivalents	14	383,487	863,778
(d) Short-term loans and advances	15	9,934,107	88,236,196
(e) Other current assets	16	81,993,212	167,293,016
		<u>1,014,544,506</u>	<u>1,232,734,468</u>
TOTAL		<u><u>2,094,594,483</u></u>	<u><u>2,245,292,952</u></u>

The Summary of Significant accounting policies & notes are integral part of the standalone financial statements

As per our report of even date.

For R.N.Marwah & Co LLP
Firm Regd. Number: 001211N/N500019
Chartered Accountants
NEW DELHI
U.N.Marwah
Partner
Membership No.: 013595

Place : New Delhi
Date : 29/09/2017

For & On behalf of the Board of Directors of
Allied Nippon Limited

Rohan Talwar
Managing Director
(DIN-00177963)

Samir Jain
DGM (F&A)

Navin Chandra Agarwal
President & Whole Time Director
(DIN-00188367)

Monika Dhingra
GM - Corporate Affairs & Company
Secretary
(M. N.: A18606)

ALLIED NIPPON LIMITED
Statement of Profit & Loss
for the year ended 31st March, 2017



Particulars	Note	Amount in Rs.	
		2017	2016
INCOME:			
Revenue from operations (Gross)	17	3,072,539,938	2,887,296,326
Less: Excise Duty		91,581,921	78,693,702
Revenue from operation (net)		2,980,958,017	2,808,602,624
Other income	18	73,652,739	14,025,862
Total Revenue		3,054,610,756	2,822,628,486
EXPENDITURE:			
Cost of materials consumed	19	1,197,283,012	1,148,437,067
Purchase of trading items	42	495,147,933	475,524,451
Changes In Inventories of Finished Goods & Work-In-Progress	20	(46,639,606)	38,097,726
Employee benefits expense	21	226,308,887	163,213,093
Auditor's Remuneration	22	1,400,000	1,650,000
Finance costs	23	43,298,254	55,609,856
Depreciation and amortization expense	9	74,232,754	70,303,233
Other expenses	24	833,352,100	708,493,749
Total Expenses		2,824,383,334	2,661,329,175
Profit before exceptional and Extraordinary item		230,227,422	161,299,311
Prior Period Items		25,214	870,090
Extraordinary Items		-	-
Profit before tax		230,202,208	160,429,221
Tax expense:			
Current tax		67,443,014	47,442,410
Deferred tax	25	(6,271,487)	(8,075,184)
Taxes of Earlier Years		1,254,781	4,976,250
Profit (Loss) for the period		167,775,900	116,085,745
Earnings per equity share: (Face Value Rs. 10)			
(1) Basic		30.03	20.78
(2) Diluted		30.03	20.78

The Summary of Significant accounting policies & notes are integral part of the standalone financial statements

As per our report of even date.

For R.N. Marwah & Co. LLP
Firm Regd. Number: 001211N/N500019
Chartered Accountants

U.N. Marwah
Partner
Membership No.: 013595

Place : New Delhi
Date : 29/08/2017

For & On behalf of the Board of Directors of
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Navin Chandra Agarwal
President & Whole Time Director
(DIN-00188367)

Monika Dhingra
GM - Corporate Affairs & Company
Secretary
(M. N.: A18606)

Allied Nippon Limited



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

(All figures in Rupees)
March 31 2016

	March 31 2017	March 31 2016
A. Cash Flow from operating Activities		
Net Profit Before Tax	230,227,422	161,299,311
Adjustment for :		
Depreciation	74,232,754	70,303,233
Interest Expenses	43,298,254	55,609,856
Interest income	(9,177,504)	(3,301,960)
(Profit)/Loss on Sale of Property Plants Equipments	(320,456)	527,367
(Profit)/Loss on Sale of Investment	(2,033,700)	
Unrealised (Gains)/Loss on restatement of Monetary Assets	3,659,471	(2,261,865)
Unrealised(Gain)/ loss on restatement of Monerary Liabilities	(645,000)	(827,372)
Dividends Received	(19,588,407)	(128,919)
Prior Period Items	(25,214)	(870,090)
Operating profit before Working Capital Changes	319,627,620	280,349,561
Movement in Working Capital		
Decrease / (Increase) in Sundry Debtors	98,073,791	(139,139,397)
Decrease / (Increase) in Inventories	(47,625,485)	32,530,626
Decrease / (Increase) in Loans and Advances	27,247,535	(47,058,939)
Decrease / (Increase) in Other Current Assets	85,299,804	(76,187,039)
Increase/ (Decrease)in Sundry Creditors	(19,439,383)	68,541,120
Increase/ (Decrease)in Current Liabilities	(55,692,896)	53,041,395
Increase/ (Decrease)in Provisions	28,943,833	(3,699,439)
Cash Generated from operating Activities	436,434,819	168,377,888
Direct Taxes (Net of Refunds)	(68,697,795)	(53,289,031)
Net Cash from operating Activities	367,737,023	115,088,857
B. Cash Flow from Investing Activities		
Purchase of Property Plant Equipments	(122,913,153)	(94,151,110)
Investments made	(2,200,000)	(2,499,756)
Proceeds from sale of Property Plants Equipments	6,957,615	3,417,339
Sale of Investment	29,840,000	
Interest Received	9,177,504	3,301,960
Dividend Received	19,588,407	128,919
Net Cash from Investing Activities	(59,549,626)	(89,802,648)
C. Cash Flow from Financing Activities		
Proceeds from borrowings	1,312,247,440	266,318,864
Repayment of borrowings	(1,564,168,630)	(242,713,215)
Interest Paid	(43,298,254)	(55,609,856)
Dividend Paid & Tax thereon	(13,448,244)	
Net Cash used in Financing Activities	(308,667,688)	(32,004,207)
Net Increase/ (Decrease) in cash and Cash Equivalents (A+B+C)	(480,291)	(6,717,997)
As at 31 March ,2017		
Cash and Cash Equivalents (Opening Balance)	863,778	7,581,777
Cash and Cash Equivalents (Closing Balance)	383,487	863,778
	(480,291)	(6,717,999)

The above Cash Flow Statement has been prepared under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014. Figures in brackets indicate cash outgo.

As per our report of even date.

For **U.N. Marwah & Co.**
 Chartered Accountants
 U.N. Marwah & Co.
 Partner
 Membership No.: 013595

Place : New Delhi
 Date : 29/08/2017

For & On behalf of the Board of Directors of
 Allied Nippon Limited

Rohan Talwar
 Managing Director
 (DIN-00177963)

Samir Jain
 DGM (F&A)

Navin Chandra Agarwal
 President & Whole Time Director
 (DIN-00188367)

Monika Dhingra
 GM - Corporate Affairs & Company
 Secretary
 (M. N.: A18662)

ALLIED NIPPON LIMITED
Significant Accounting Policies



1 Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with mandatory Accounting Standards referred to in Section 133 and relevant requirement of the Companies Act, 2013.

2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the current and future periods.

3 Property Plants & Equipments, Capital Work in Progress and Intangibles

a) Property Plants & Equipments

Fixed Assets are stated at cost (net of Cenvat / Vat) inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. The expenses also include applicable borrowing cost if any.

The Leasehold land is shown at cost and amortized over the period of lease.

b) Intangible Assets

Intangible assets comprise of license fees, other implementation cost for system software and other application software acquired for in-house use. The costs are capitalized in the year in which the relevant software is implemented for use.

Expenditure incurred in connection with development and registration of new Trade Mark/Copyright and Logo capitalized pending receipt of Registration Certificate.

4 Depreciation

Depreciation is charged pro-rata on Straight Line basis in accordance with useful life prescribed in Schedule II of the Companies Act 2013 on specified fixed assets. Assets which are not specifically provided under Schedule II have been depreciated on the basis of useful life decided by the management of the company.

Depreciation towards extra shift has been charged on the basis of specified in schedule to II of the Companies Act, 2013.

Expenditure incurred in connection with development and registration of new Trade Mark/Copyright and Logo are amortized @ 10% on SLM basis.

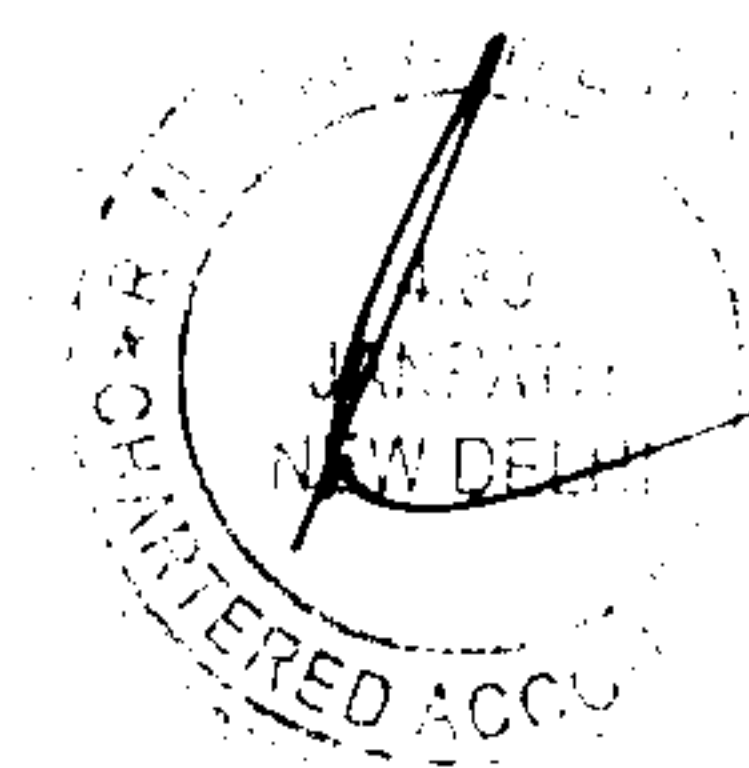
Expenditure incurred in connection with acquiring and implementation of various software and licenses are amortized @ 20% on SLM basis.

Amount paid for technical knowhow fee is being amortized @ 10% on SLM basis.

5 Impairment of Assets

At each Balance Sheet date, the carrying amount of assets is reviewed for impairment so as to determine the provision for impairment loss, if any, required or the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.



6 Investments

Investments are categorised into Long Term and Current Investments.

Long Term Investments are valued at cost, after providing for diminution in value, if such diminution is of other than temporary nature. Current Investments are valued at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification.

7 Inventory Valuation

Raw Materials, components, stores and spares are valued at cost, which is determined on first in first out basis.

Work in Process: - Inventory of work in progress is stated at cost up to estimated stage of process.

Finished Goods: - Inventory of finished goods is stated at lower of cost and net realizable value.

Cost includes custom duty, excise duty and conversion costs and other expenses incurred for bringing the inventories to their present condition and location.

8 Export Benefits

a) Duty drawback

The Duty draw back income in respect of Exports is accounted on accrual basis.

b) Central Sales Tax Refund

Claims for refund of Central Sales Tax paid on purchase of goods in 100% EOU, is accounted on accrual basis.

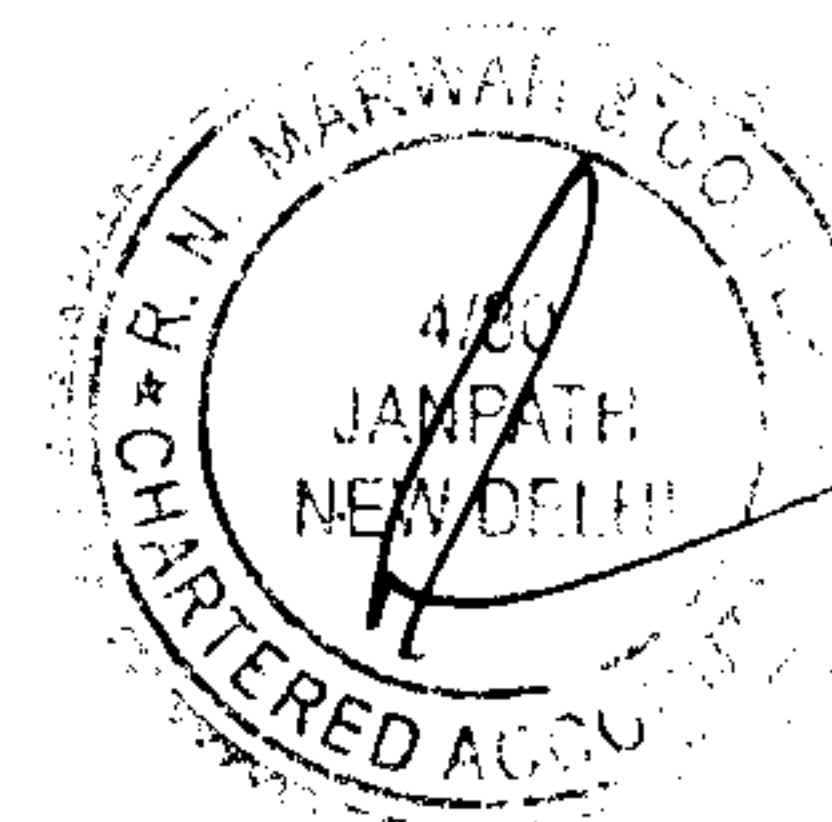
c) Merchandise Exports from India Scheme (MEIS)

Income from MEIS is recognised on the accrual basis.

9 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Gain/ (Loss) on exchange arising out of settlement are charged to Profit & Loss Account. The Exchange Differences arising on realisation of Sale proceeds, Foreign Exchange Forward Contracts have, during the year, consequent to change in Policy been shown under "Revenue From Operations" as against earlier policy of reflecting the same in "Other Income". The Impact, if any, of this change has been specified in the Additional Disclosures at Note No 41

Monetary Assets and Liabilities in foreign currency at the Balance Sheet date are reinstated at the exchange rates prevailing at the year end and the resultant net gains or loss is reflected under 'Gain/(Loss) on Exchange' and charged to Statement of Profit & Loss



10 Retirement Benefits

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering of service are classified as short term employee benefits. Benefits such as salaries, wages and short – term compensated absences, etc. are recognized in the period which the employee renders the related service.

b) Post employment benefits

i. Defined contribution plans: The Company makes defined contribution to Regional Provident Fund Commissioner in respect of provident fund scheme and employee state insurance scheme. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plans: Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by an independent actuary using projected unit credit (PUC) method. Actuarial gains and losses are recognized immediately in the Statement of Profit & Loss.

Liability in respect of balance of accrued Leave standing in individual employees name has been provided for in the accounts on the basis of actual valuation.

11 Revenue recognition

Sales include Excise Duty.

Domestic Sales are recognized at the time of removal of goods.

Export Sales are recognized at the time of handing over of export consignment to customs authorities for clearance.

12 Research and Development Expenses

Revenue expenditure on research and development is charged to Statement of Profit and Loss under separate head. Capital expenditure on research and development is shown under separate head "Laboratory Equipment" as part of fixed assets and depreciated on the same basis as other fixed assets

13 Excise Duty

Excise Duty on dispatches / sales is paid after clearance of goods from factory, as per provisions of law.

Excise Duty payable on finished stock lying unsold at the year-end, is provided in accounts.

CENVAT Credit to the extent availed is adjusted towards cost of material.



14 Scrap

Scrap sale is accounted for, when goods are dispatched. No inventory is taken at year-end, as the amounts are not material.

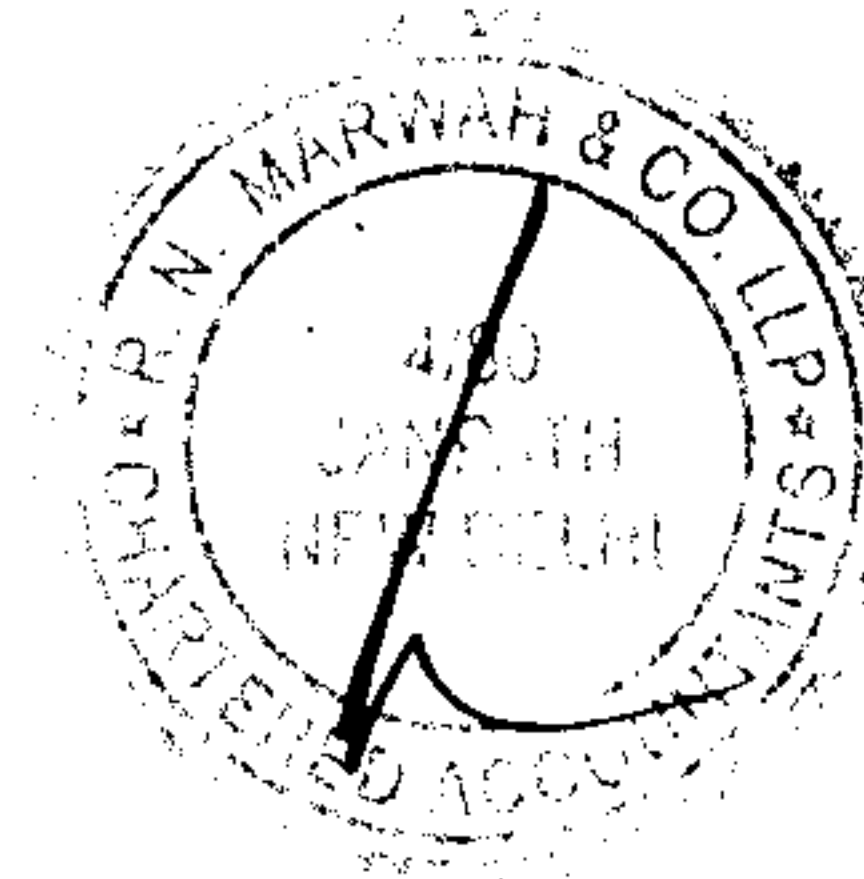
15 Taxes on Income

a) Tax on income for current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of the assessment/appeals..

b) Deferred tax is recognized, subject to consideration of prudence, on timing difference between the accounting income and taxable income, for the year and quantified using the tax rates and laws substantially enacted as on the balance sheet date. Deferred Tax Assets are recognized only up to the extent that there is reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

16 Borrowing Costs

Borrowings costs that are attributable to acquisition or construction of a qualifying asset is capitalized as part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.



Allied Nippon Limited
Notes to financial statement for the year ended March 31, 2017



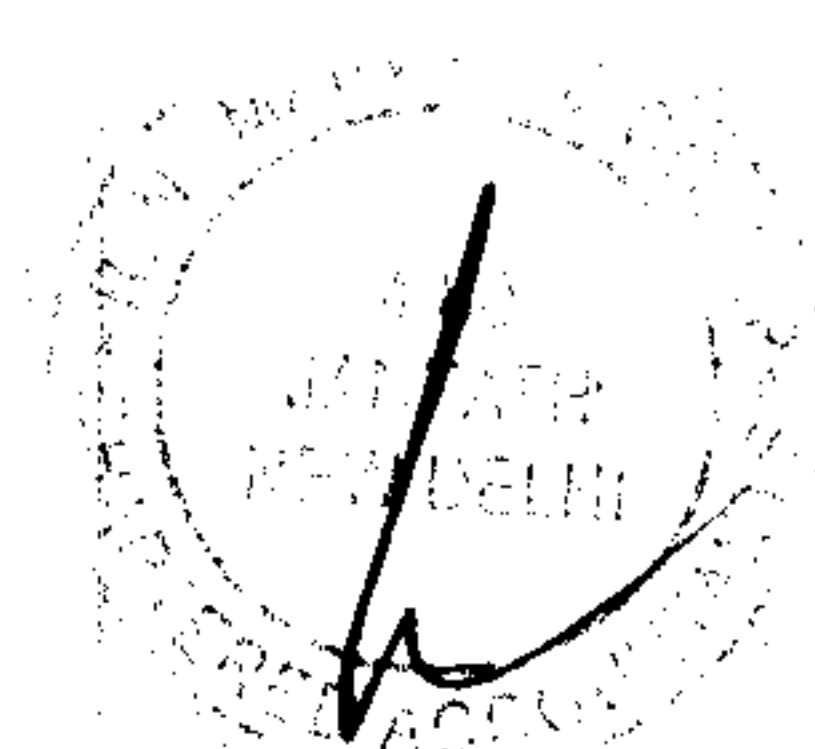
1 Share Capital	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs. 10/-each	10,000,000	100,000,000	10,000,000	100,000,000
Issued Equity Shares of Rs. 10/-each	5,586,784	55,867,840	5,586,784	55,867,840
Subscribed & Paid up Equity Shares of Rs. 10/-each, fully paid	5,586,784	55,867,840	5,586,784	55,867,840
Total	5,586,784	55,867,840	5,586,784	55,867,840

Reconciliation of Number of Shares

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	5,586,784	55,867,840
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5,586,784	55,867,840

Detail of Shareholders holding more than 5% shares:

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
A) Foreign Companies				
Citi Establishment Ltd.	1155960	20.69	1155960	20.69
B) Domestic Companies				
Talwar Impex Pvt. Ltd.	375000	6.71	375000	6.71
Allied Intertrade Co.Ltd.	2067817	37.01	2067817	37.01
C) Promoters and relatives				
Rohan Talwar	307546	5.50	306875	5.49
Madhu Talwar	570765	10.22	397256	7.11



2	Reserves & Surplus	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	<u>General Reserve</u>		
	Opening Balance	49,287,435	49,287,435
	Add: As per Profit & Loss Appropriation A/c	-	-
	Closing Balance	49,287,435	49,287,435
	<u>Capital Redemption Reserve</u>		
	Opening Balance	7,089,260	7,089,260
	Closing Balance	7,089,260	7,089,260
	<u>Surplus balance in Statement of Profit & Loss</u>		
	Opening balance	873,203,964	757,118,219
	(+) Net Profit/(Net Loss) For the current year	167,775,900	116,085,745
	(-) Dividend paid during the year	11,173,568	-
	(-) Dividend tax paid thereof	2,274,676	-
	Closing Balance	1,027,531,619	873,203,964
	Total	1,083,908,314	929,580,659



Allied Nippon Limited

Notes to financial statement for the year ended March 31, 2017



3	Long Term Borrowings	As at 31.03.2017		As at 31.03.2016	
		Non Current	Current	Non Current	Current
SECURED					
Term loans					
From banks					
- YES Bank Ltd.					
		106,365,082	35,434,180	144,702,517	97,881,539
From banks (Hire Purchase Agreement)					
- HDFC Bank Ltd.					
		1,17,624	1,624,049	1,741,672	3,625,294
		106,482,706	37,058,229	146,444,189	101,506,833

Term Loan (FCNR) of USD 21,87,690 outstanding at the year end 31-March,2017 which was required to be repaid in balance 16 Equal quaterly installment. The FCNR Loan is secured by exclusive charge on the Land & Building, Plant & Machinery pertaining to Plant situated in Rajasthan (both present and future). It is further secured by unconditional & irrevocable Personal Guarantee of Mr. Rohan Talwar, Managing Director of the Company.

Term Loans from HDFC Bank Ltd are taken for the period of 36 months @ 10.25% to 11.25% and are secured by way of hypothecation of specific assets.

4	Long Term Provisions	As at 31.03.2017		As at 31.03.2016	
		Non Current	Current	Non Current	Current
Provision for employee benefits					
Gratuity (funded)					
		32,768,235	8,789,640	27,819,341	14,460,203
Leave Encashment (unfunded)					
		5,231,034	3,335,322	3,199,084	2,337,952
	Total	37,999,269	12,124,962	31,018,425	16,798,155

Allied Nippon Limited

Notes to financial statement for the year ended March 31, 2017



5	Short Term Borrowings	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
SECURED			
	Working Capital Loans from banks	353,426,490	554,986,197
	Other loans and advances - LIC of India	-	10,400,000
	Total	353,426,490	565,386,197

Working Capital Loan from Yes Bank, IDFC Bank, HDFC Bank and DBS Bank are secured by way of first pari passu charge by way of hypothecation on entire stock of raw material, work-in-progress, finished goods, consumable stores and spares and such other movables, including book debts, outstanding monies, receivables both present and future. Loan from Yes Bank, IDFC, HDFC Bank and DBS Bank are also secured by personal guarantee of Mr. Rohan Talwar.

Loan from Yes Bank, IDFC Bank, HDFC Bank and DBS Bank are further secured by way of First pari passu charge on entire movable fixed assets of the Company including immovable property situated at A-12, Site IV, Industrial Area, Sahibabad. It is further secured by negative lien on Factory's Land & Building located at Plot No. 43, 44 & 45, Industrial Area, Parwanoo, District Solan, H.P. Loan From HDFC stands repaid during the year.

Loan from LIC is secured by Keyman Insurance Policy, during the year the loan has been repaid.

Allied Nippon Limited
Notes to financial statement for the year ended March 31, 2017

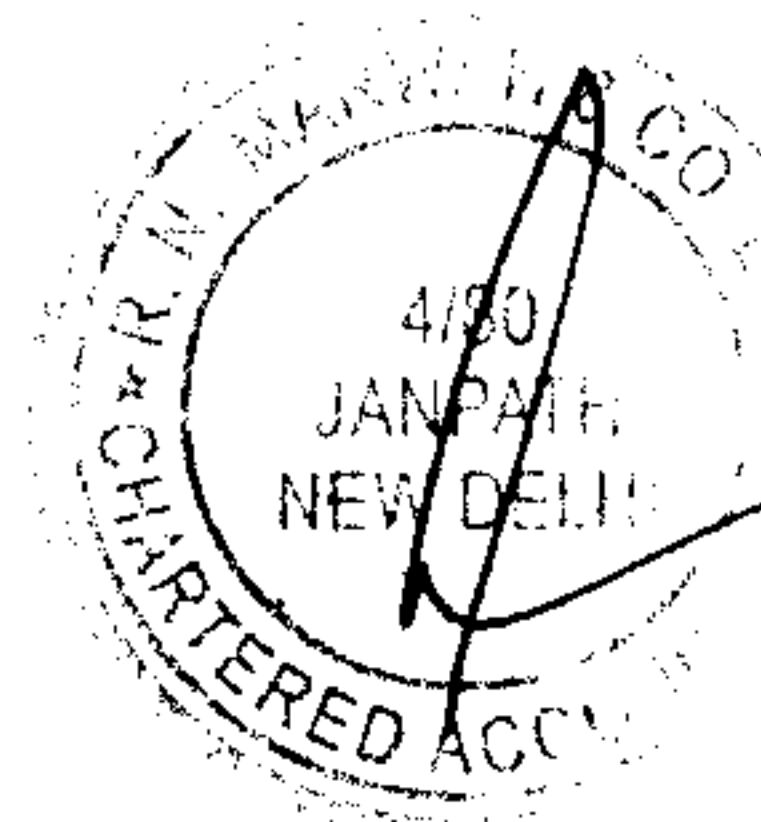


6	Trade Payables	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	Micro, Small & Medium Enterprises	-	-
	Others	297,618,175	317,702,558
	Total	297,618,175	317,702,558

The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

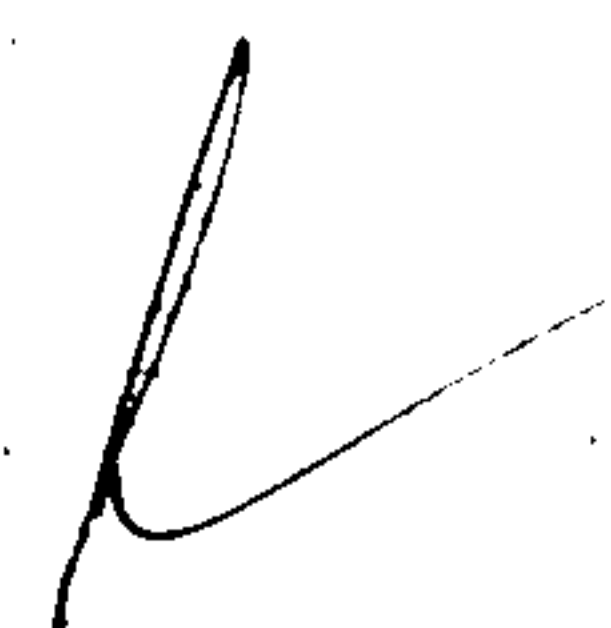
Particulars	As at 31.03.2017	As at 31.03.2016
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid Interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

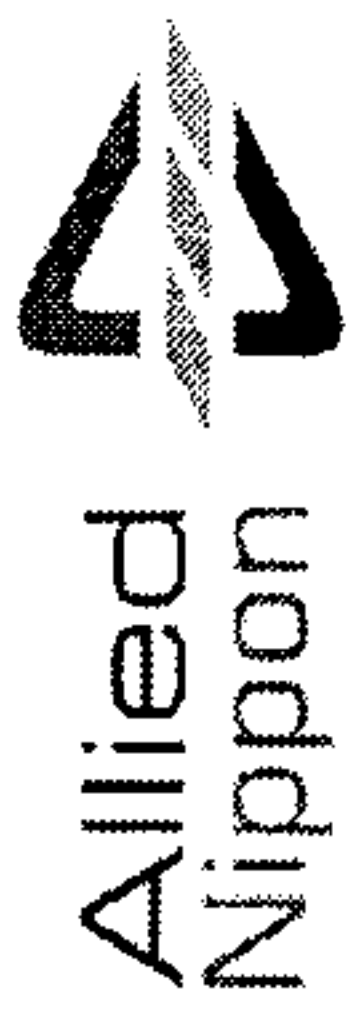
7	Other Current Liabilities	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	Current maturities of long-term debt		
	-Term Loan from Banks (Refer Note No. 3)	37,058,229	101,506,833
	Dealer Deposits	4,733,000	3,823,000
	Advances from Customers	10,358,532	2,766,253
	Other Advances	1,653,127	1,399,698
	Total	53,802,888	109,495,784



8	Short Term Provisions	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	Provision for employee benefits		
	Salary & Reimbursements	12,839,960	1,923,684
	Bonus	6,955,266	7,939,012
	Contribution to PF	2,303,456	2,158,374
	Contribution to ESI	307,873	191,582
	Gratuity (refer note 4)	8,789,640	14,460,203
	Leave Encashment (refer note 4)	3,335,322	2,337,952
	Other Provisions		
	Provision for Taxation	2,812,325	7,076,534
	Unclaimed Dividend	60,962	33,709
	Provision for Excise Duty	1,316,769	1,416,338
	Government Dues	8,853,863	4,154,903
	Expenses Payable	54,825,901	38,746,057
	Total	102,401,337	80,438,348

As per the requirements of Guidance Note on Treatment of Excise Duty, issued by the Institute of Chartered Accountants of India, Excise Duty to the extent of Rs. 13,16,769/- (PY Rs. 14,16,338/-) has been provided on unsold finished stocks lying in the factory on balance sheet date. This has resulted in increase in the value of inventory as well as increase in current liabilities by the same amount. However, there is no impact on profits of the Company due to this.





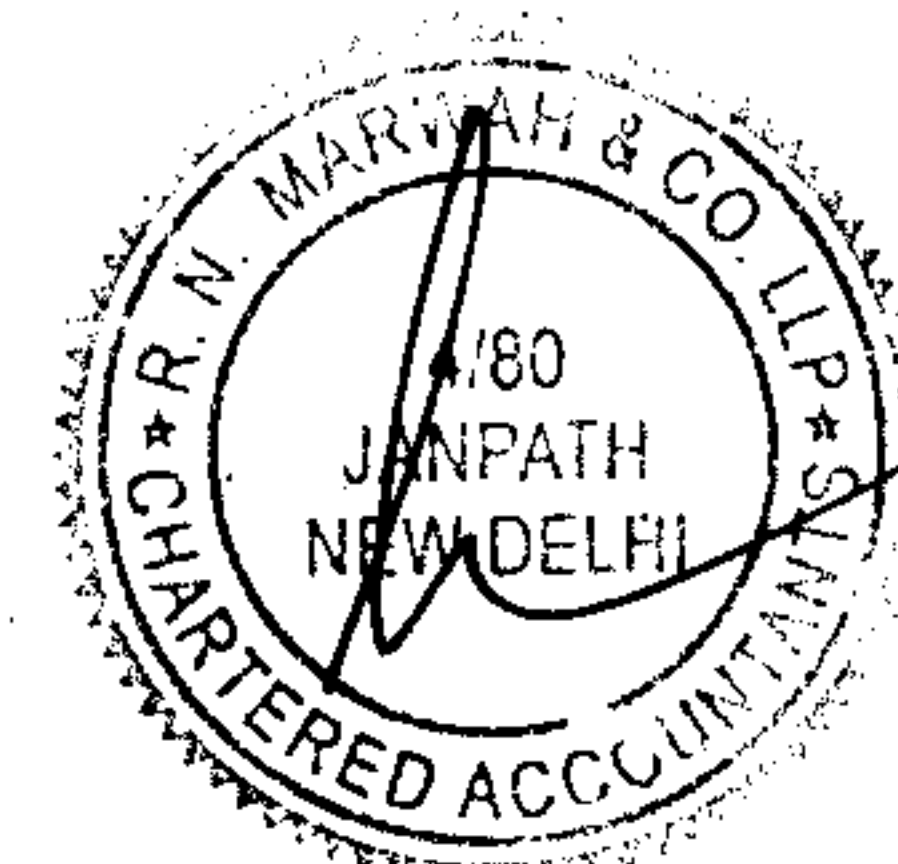
Notes to financial statement for the year ended March 31, 2017

Note 9 : Property, Plants & Equipments

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01-04-2016	ADDITION	ADJUSTMENT	AS AT 31-03-2017	AS AT 01-04-2016	FOR THE YEAR	ADJUSTMENT	AS AT 31-03-2017	AS AT 31-03-2017	AS AT 31-03-2016
PROPERTY, PLANT & EQUIPMENT										
LAND - LEASE HOLD	13,665,277	-		13,665,277	355,794	183,098		538,892	13,126,385	13,309,483
LAND - FREEHOLD	74,197,650	-		74,197,650	-	-		-	74,197,650	74,197,650
FACTORY BUILDING	99,633,348	33,314,277		132,947,625	39,311,645	3,784,668		43,096,313	89,851,312	60,321,703
PLANT & MACHINERY	845,004,828	74,074,154		919,078,982	580,166,937	59,528,212		639,695,149	279,383,833	264,837,891
FURNITURE & FIXTURES	17,595,101	2,262,306		19,857,407	11,432,347	1,140,820		12,573,167	7,284,240	6,162,754
EQUIPMENTS	58,865,444	4,121,426		62,986,870	48,042,030	3,409,589		51,451,619	11,535,251	10,823,414
VEHICLES	38,420,208	20,324,530	11,651,450	47,093,288	15,887,157	4,215,112	5,014,292	15,087,977	32,005,311	22,533,051
ELECTRIC INSTALLATION	19,218,722	-		19,218,722	14,814,012	1,488,425		16,302,437	2,916,285	4,404,710
SUB TOTAL	1,166,600,578	134,096,693	11,651,450	1,289,045,821	710,009,922	73,749,924	5,014,292	778,745,554	510,300,267	456,590,656
INTANGIBLE ASSETS										
TRADE MARKS	5,278,306	-		5,278,306	4,464,982	187,128		4,652,110	626,196	813,324
COMPUTER SOFTWARES	18,513,173	847,383		19,360,556	18,005,698	295,400		18,301,098	1,059,458	507,476
TECHNICAL KNOWHOW FEES	16,146,696	-		16,146,696	16,146,394	302		16,146,696	-	302
SUB TOTAL	39,938,175	847,383		40,785,558	38,617,074	482,830		39,099,904	1,685,654	1,321,102
CWIP BUILDING	19,501,653	7,470,729	19,501,653	7,470,729					7,470,729	19,501,653
GRAND TOTAL	1,226,040,406	142,414,805	31,153,103	1,337,302,108	748,626,996	74,232,754	5,014,292	817,845,458	519,456,650	477,413,411
Previous Year	1,140,158,296	94,151,110	8,268,999	1,226,040,406	682,648,058	70,303,233	4,324,293	748,626,995	477,413,411	457,510,236



10	Non-Current Investment		As at	As at 31.03.2016
			31.03.2017	Amount
			Amount	Amount
INVESTMENTS-OTHER THAN TRADE				
Quoted (At Cost)				
Fully paid up Equity Share				
Name of the Company				
	Qty.	Face Value		
Talbro Automotive Components Ltd	48	10	48,000	48,000
	(48)			
Un-Quoted (At Cost)				
Long Term				
A) Subsidiaries				
Allied Comline Ltd. U.K	51	£ 1	3,371	3,371
	(51)			
Krishnaav Engineering Ltd.	481,800	10	119,736,092	119,736,092
	(481,800)			
Allied Nippon Components Ltd.	1,319,999	10	13,199,990	10,999,990
	(1,099,999)			
B) Joint Ventures				
Allied JB Friction Pvt. Ltd.	12,312,377	10	288,170,666	288,170,666
	(12,312,377)			
C) Others				
Liners India Limited	-	10	-	75,000
	(4500)			
Kotak India Real Estate Fund-I	28.82	100,000	2,882,465	6,947,765
	(69.48)			
Goldman Sachs Mutual Fund	24.756	1,000	24,757	24,757
	(24.756)			
Effluent Investment and Finance Pvt Ltd	-	100	-	3,666,000
	(390)			
T & T Motors Pvt. Ltd.	128,847	10	8,375,055	8,375,055
(Previously named as T & T Motors Ltd.)	(128,847)			
Fully paid up Debentures				
Krishnaav Engineering Ltd.				
0% Optionally Convertible Debenture	3,000,000	10	30,000,000	50,000,000
	(5,000,000)			
Allied Intertrade Co. Limited				
0% Compulsory Convertible Debenture into Redeemable Preference Shares.	1,650,000	10	16,500,000	16,500,000
	(1,650,000)			
			478,940,396	504,546,696
TOTAL			478,940,396	504,546,696
Aggregate book value of Investments				
Quoted			48,000	48,000
Un-Quoted			478,892,396	504,498,696
Market value of quoted Investments			6,929	4,298



11	Long Term Loan and Advances	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	Security Deposits		
	Unsecured, considered good	10,460,582	10,229,582
		10,460,582	10,229,582
	Loans and advances		
	Unsecured, considered good		
	- Advance to Supplier for Capex	71,192,349	20,368,795
	Less: Provision for doubtful loans and advances	-	-
		71,192,349	20,368,795
	Total	81,652,931	30,598,377

12	Inventories (Valued at lower of cost or realisable value, as certified by Management)	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	Raw Materials and components	54,146,398	58,593,493
	Work-in-progress	45,431,255	37,753,199
	Finished goods	164,315,324	125,353,774
	Stores and spares	8,550,781	5,284,393
	Packing Material	7,405,735	5,239,149
	Total	279,849,493	232,224,008

13	Trade Receivables (Unsecured, considered good)	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	Outstanding for a period less than six months	604,552,302	706,479,843
	Trade receivables outstanding for a period exceeding six months	37,831,905	37,637,627
	Total	642,384,207	744,117,470

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Allied Nippon Limited
Notes to financial statement for the year ended March 31, 2017



14	Cash & Cash Equivalents	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	<u>Balances with Banks</u>		
	Balance with Banks (Bank Balance includes Rs. 65,779/- (Previous Year Rs. 32,842)- earmarked for payment of dividend)	343,550	416,830
	Cash in hand	39,937	446,948
	Total	383,487	863,778

15	Short-term loans and advances	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	<u>Loans and advances to related parties</u>		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
	Less: Provision for doubtful loans and advances	-	-
	<u>Others</u>		
	Unsecured, considered good		
	Advance to Staff	1,067,768	1,837,861
	Advance to Supplier	7,596,799	16,376,063
	Other Advances	749,540	70,002,272
	Security Deposit	520,000	20,000
		9,934,107	88,236,196
	Total	9,934,107	88,236,196

16	Other Current Assets	As at 31.03.2017	As at 31.03.2016
		Amount	Amount
	Advance Tax	-	4,958,397
	Bank deposits (Margin Money)	300,000	90,613,547
	Excise Duty Deposit/VAT/Service Tax	21,359,985	20,059,946
	Gratuity Funds(LIC)	36,902,623	40,901,704
	Claims	19,098,271	1,270,601
	Interest Accrued	863	161,568
	Others	986,784	50,078
	Prepaid Expenses	3,344,686	9,277,175
	Total	81,993,212	167,293,016

