

**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 2016, 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**

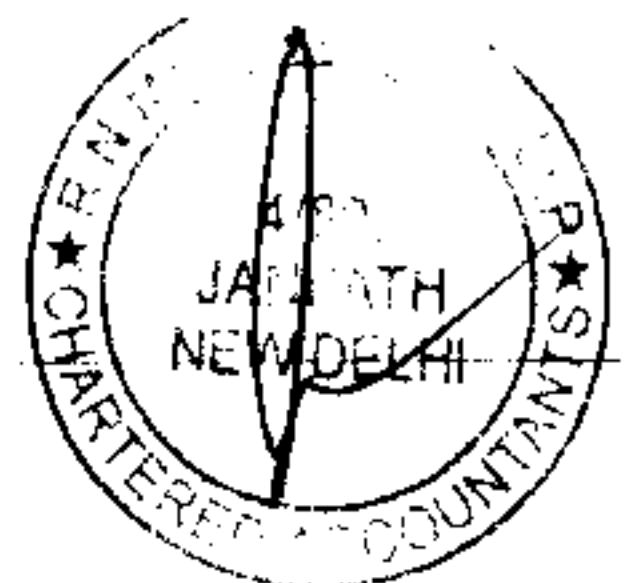
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position and financial performance 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:

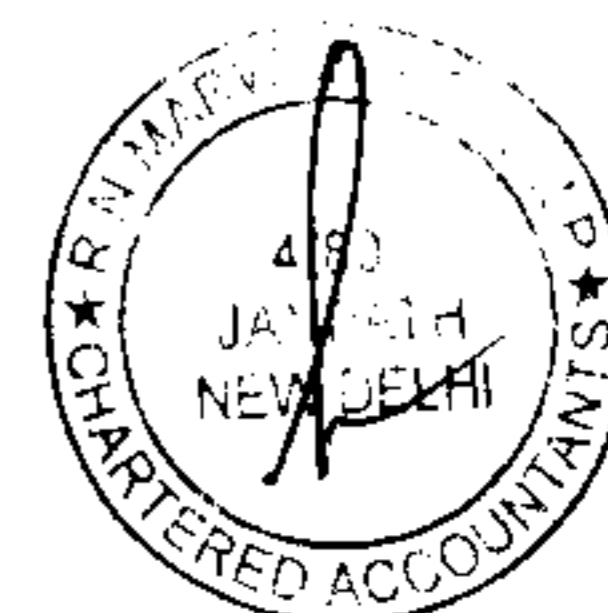
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date;
- c) in the case of the Cash Flow Statement for the year ended on that date;

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor Report) Order, 2015 ("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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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'



- (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.

for R. N. MARWAH & CO. LLP

Chartered Accountants

FRN: 001210/N500019



Membership number: 13595

Place: New Delhi

Date: 30/08/2016

Annexure A

**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 Fixed Assets regarding full particulars, including quantitative details and situation of fixed assets;
- (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 2016.



- (viii) The company did not have any outstanding dues to financial institutions, 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 have any term loans outstanding 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: 31/08/2016

**Auditor's Report on Internal financial control****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

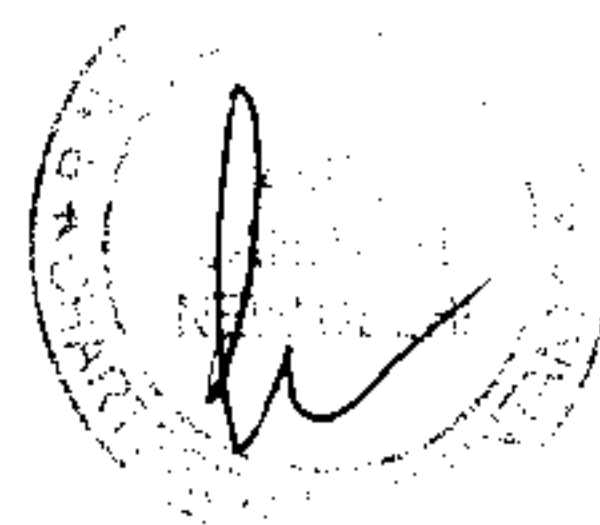
We have audited the internal financial controls over financial reporting of Allied Nippon Ltd ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on March 31, 2016.

**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, 2016, 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: 31/08/2016

**ALLIED NIPPON LIMITED**  
Balance Sheet as at 31st March, 2016



Amount in Rs.

Particulars	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	55,867,840	55,867,840
(b) Reserves and surplus	2	929,580,659	813,494,914
		<u>985,448,499</u>	<u>869,362,754</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	146,444,189	258,184,161
(b) Deferred tax liabilities (Net)	25	9,358,952	17,434,135
(c) Long-term Provisions	4	31,018,425	26,713,045
		<u>186,821,566</u>	<u>302,331,341</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	565,386,197	430,040,577
(b) Trade payables	6		
Total outstanding dues to micro enterprises and small enterprises			
Total outstanding dues to other than micro enterprises and small enterprises		317,702,558	249,988,810
(c) Other current liabilities	7	109,495,784	56,454,388
(d) Short-term provisions	8	80,438,348	89,313,538
		<u>1,073,022,887</u>	<u>825,797,313</u>
<b>TOTAL</b>		<b><u>2,245,292,952</u></b>	<b><u>1,997,491,408</u></b>
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets		456,590,656	452,223,900
(ii) Intangible assets	9	1,321,102	2,781,491
(iii) Capital Work in Progress		19,501,653	2,504,848
		<u>477,413,411</u>	<u>457,510,239</u>
(b) Non-Current Investment	10	504,546,696	502,046,939
(c) Long-term loans and advances	11	30,598,377	17,100,706
		<u>1,012,558,484</u>	<u>976,657,884</u>
<b>2 Current assets</b>			
(a) Inventories	12	232,224,008	264,754,635
(b) Trade receivables	13	744,117,470	602,716,208
(c) Cash and cash equivalents	14	863,778	7,581,776
(d) Short-term loans and advances	15	88,236,196	54,674,928
(e) Other current assets	16	167,293,016	91,105,977
		<u>1,232,734,468</u>	<u>1,020,833,524</u>
<b>TOTAL</b>		<b><u>2,245,292,952</u></b>	<b><u>1,997,491,408</u></b>

Summary of Significant accounting policies

A

The notes referred above are integral part of the standalone financial statements

B

As per our report of even date.

For R.N.Marwah & Co LLP  
Firm Regd. Number: 001211N/N500019  
Chartered Accountants  
U-1, Market, New Delhi  
Partner  
Membership No.: 043595

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

Rohan Talwar  
Managing Director  
(DIN-00177963)

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

Samir Jain  
DGM (F&A)

Monika Dhingra  
GM (Corporate Affairs) & C.S

Place : New Delhi

Date : 31/08/2016



**ALLIED NIPPON LIMITED**  
Statement of Profit & Loss Account  
for the period ended 31st March, 2016

Allied  
Nippon 

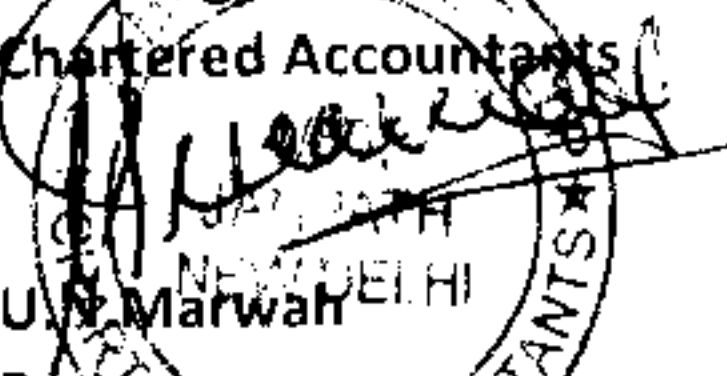
Amount in Rs.

Particulars	Note	2016	2015
<b>INCOME:</b>			
Revenue from operations	17	2,797,017,622	2,527,117,117
Other income	18	25,610,864	77,392,547
<b>Total Revenue</b>		<b>2,822,628,486</b>	<b>2,604,509,664</b>
<b>EXPENDITURE:</b>			
Cost of materials consumed	19	1,148,437,067	965,792,341
Purchase of trading items		475,524,451	535,772,390
Changes In Inventories of Finished Goods & Work-In-Progress	20	38,097,726	54,231,931
Employee benefits expense	21	163,213,093	134,373,795
Auditor's Remuneration	22	1,650,000	1,650,000
Finance costs	23	55,609,856	84,006,428
Depreciation and amortization expense	9	70,303,233	73,883,491
Other expenses	24	708,493,749	634,236,208
<b>Total Expenses</b>		<b>2,661,329,175</b>	<b>2,483,946,584</b>
Profit before exceptional and Extraordinary item		161,299,311	120,563,080
Prior Period Items		870,090	546,525
Extraordinary Items	41	-	-
<b>Profit before tax</b>		<b>160,429,221</b>	<b>120,016,555</b>
<b>Tax expense:</b>			
Current tax		47,442,410	28,611,499
Deferred tax	25	(8,075,184)	(10,601,231)
Taxes of Earlier Years		4,976,250	(4,856,787)
<b>Profit (Loss) for the period</b>		<b>116,085,745</b>	<b>106,863,074</b>
Proposed Dividend		-	8,380,176
Dividend Tax		-	1,706,007
Transfer to General Reserve		-	8,500,000
		<b>116,085,745</b>	<b>88,276,891</b>
Earnings per equity share:			
(1) Basic		20.78	19.13
(2) Diluted		20.78	19.13
Summary of Significant accounting policies	A		

The notes referred above are integral part of the standalone financial statements


B

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

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

  
Rohan Talwar  
Managing Director  
(DIN-00177963)

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

  
Samir Jain  
DGM (F&A)

  
Monika Dhingra  
GM (Corporate Affairs) S.C.S

Place : New Delhi

Date : 31/08/2016

Allied Nippon Limited



Statement of Cash Flow for the year ended March 31, 2016

(All figures in Rupees)  
March 31 2015

	March 31 2016	March 31 2015
<b>A. Cash Flow from operating Activities</b>		
Net Profit Before Tax	161,299,311	120,563,080
Adjustment for :		
Depreciation	70,303,233	73,883,491
Interest Expenses	55,609,856	84,006,428
Interest income	(3,301,960)	(4,882,482)
(Profit)/Loss on Sale of Fixed Assets	527,367	824,952
(Profit)/Loss on Sale of Investment	-	1,095,408
Exceptional Item	-	-
Unrealised (Gains)/Loss on restatement of Monetary Assets	(2,261,865)	(664,065)
Unrealised(Gain)/ loss on restatement of Monerary Liabilities	(827,372)	(69,779)
Dividends Received	(128,919)	(38,634,088)
Prior Period Items	(870,090)	(546,525)
Dividend Tax	-	(1,706,007)
<b>Operating profit before Working Capital Changes</b>	<b>280,349,561</b>	<b>233,870,413</b>
<b>Movement in Working Capital</b>		
Decrease / (Increase) in Sundry Debtors	(139,139,397)	40,681,377
Decrease / (Increase) in Inventories	32,530,626	52,833,577
Decrease / (Increase) in Loans and Advances	(47,058,939)	67,653,468
Decrease / (Increase) in Other Current Assets	(76,187,039)	(35,153,795)
Increase/ (Decrease)in Sundry Creditors	68,541,120	(121,194,228)
Increase/ (Decrease)in Current Liabilities	53,041,395	35,005,337
Increase/ (Decrease)in Provisions	(3,699,439)	24,124,261
Direct Taxes (Net of Refunds)	(53,289,031)	(12,819,016)
<b>Net Cash from operating Activities</b>	<b>115,088,857</b>	<b>285,001,344</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(94,151,110)	(59,674,113)
Investments made	(2,499,756)	(11,125,055)
Proceeds from sale of fixed assets	3,417,339	1,245,478
Sale of Investment	-	3,791,859
Interest Received	3,301,960	4,882,482
Dividend Received	128,919	38,634,088
<b>Net Cash from Investing Activities</b>	<b>(89,802,648)</b>	<b>(22,245,261)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital including share premium	-	-
Proceeds from borrowings	266,318,864	120,651,751
Repayment of borrowings	(242,713,215)	(318,820,860)
Interest Paid	(55,609,856)	(84,006,428)
Dividend Paid	-	(8,380,176)
<b>Net Cash used in Financing Activities</b>	<b>(32,004,207)</b>	<b>(290,555,713)</b>
Net Increase/ (Decrease) in cash and Cash Equivalents (A+B+C)	<b>(6,717,998)</b>	<b>(27,799,630)</b>
As at 31 March ,2015		
Cash and Cash Equivalents (Opening Balance)	7,581,776	35,381,406
Cash and Cash Equivalents (Closing Balance)	863,778	7,581,776
	<b>(6,717,998)</b>	<b>(27,799,630)</b>

As per our report of even date.

For B. N. Marwah & Co.  
Firm Regd. Number: 001711N/N500019  
Chartered Accountants  
U. N. Marwah  
Partner  
Membership No. 023595

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

Rohan Talwar  
Managing Director  
(DIN-00177963)

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

Samir Jain  
DGM (F&A)

Monika Dhingra  
GM (Corporate Affairs) S.C.S

Place : New Delhi

Date : 31/08/2016

**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 Fixed Assets**

a) Tangible Assets

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 specific usage of the machine.

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

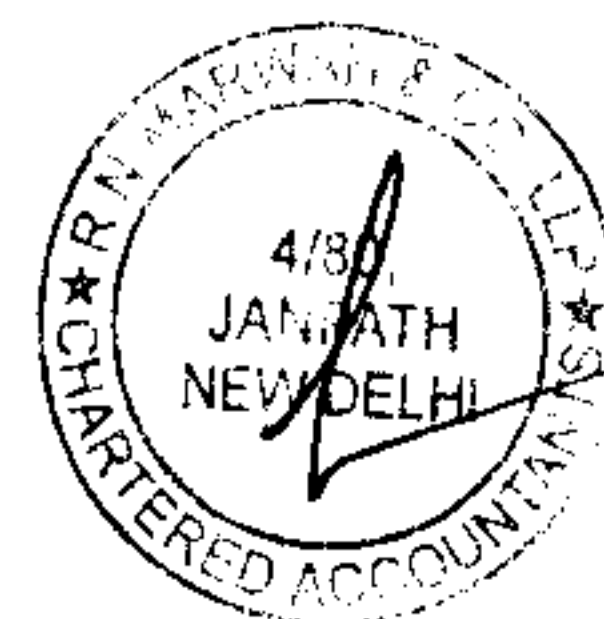
Expenditure incurred in connection with acquiring and implementation of various software and licenses are amortized @ 20% on SLM basis.

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.

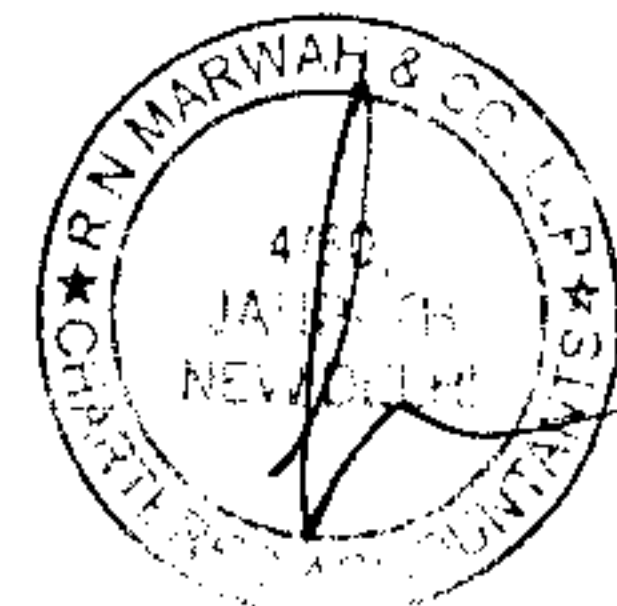
### c) Focus

Income from Focus Product Scheme is recognised on the receipt of FPS Lincese by the concerned authority

## 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.

Current 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 Profit & Loss Account



## 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 Profit & Loss Account.

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

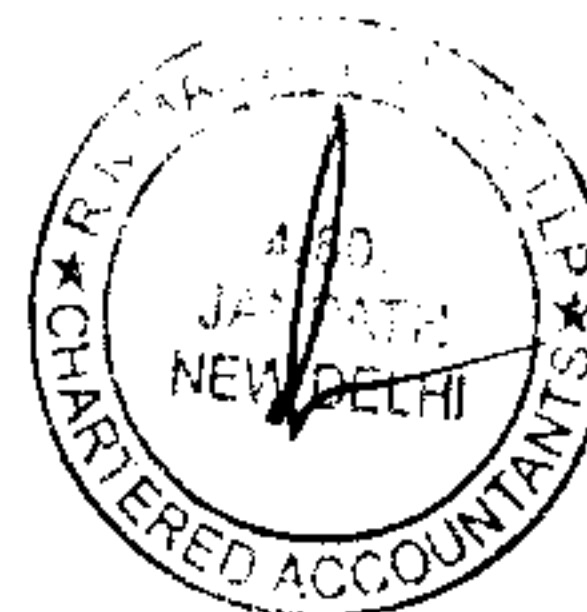
Revenue expenditure on research and development is charged to Profit and Loss Account under separate head. Capital expenditure on research and development is shown under separate head "Laboratory Equipment" as part of fixed assets and depreciated on the same basis as other fixed assets

## 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.



**ALLIED NIPPON LIMITED**  
**Significant Accounting Policies**



**14 Scrap**

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

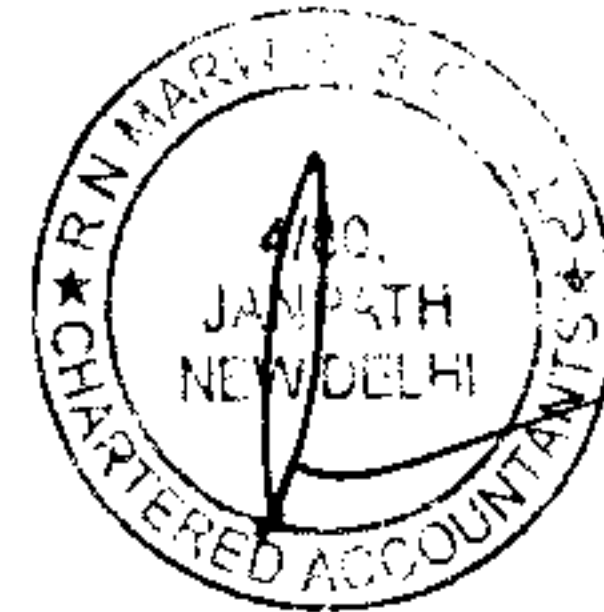
**15 Taxes on Income**

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 Forming part of Balance Sheet**



1 Share Capital	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of Rs. 10/-each	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued</b> Equity Shares of Rs. 10/-each	5,586,784	55,867,840	5,586,784	55,867,840
<b>Subscribed &amp; Paid up</b> Equity Shares of Rs. 10/-each, fully paid	5,586,784	55,867,840	5,586,784	55,867,840
<b>Subscribed but not fully Paid up</b> Equity Shares of Rs.10/-each, not fully paid	-	-	-	-
<b>Total</b>	<b>5,586,784</b>	<b>55,867,840</b>	<b>5,586,784</b>	<b>55,867,840</b>

**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

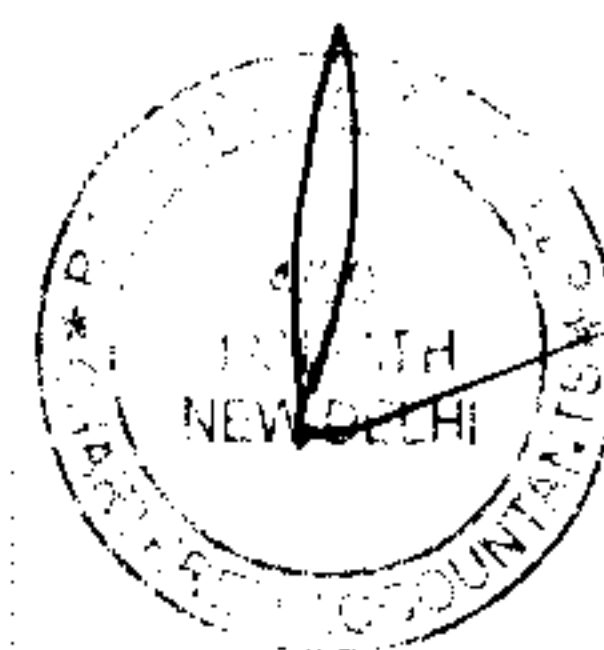
**Detail of Shareholders holding more than 5% shares:**

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>A) Foreign Companies</b>				
Citi Establishment Ltd.	1155960	20.69	1155960	20.69
<b>B) Domestic Companies</b>				
Talwar Impex Pvt. Ltd.	375000	6.71	375000	6.71
Allied Intertrade Co.Ltd.	2067817	37.01	2067817	37.01
<b>C) Promoters and relatives</b>				
Rohan Talwar	306875	5.49	306148	5.48
Madhu Talwar	397256	7.11	397256	7.11



2

Reserves & Surplus	As at 31.03.2016	As at 31.03.2015
	Amount	Amount
<b><u>General Reserve</u></b>		
Opening Balance	49,287,435	64,858,012
Add: As per Profit & Loss Appropriation A/c	-	8,500,000
Less: Reserve utilised for Fixed Assets	-	24,070,577
Closing Balance	49,287,435	49,287,435
<b><u>Capital Redemption Reserve</u></b>		
Opening Balance	7,089,260	7,089,260
Closing Balance	7,089,260	7,089,260
<b><u>Profit and Loss Account</u></b>		
Opening balance	757,118,219	668,841,328
(+) Net Profit/(Net Loss) For the current year	116,085,745	88,276,891
Closing Balance	873,203,964	757,118,219
<b>Total</b>	<b>929,580,659</b>	<b>813,494,914</b>





**Allied Nippon Limited**  
Notes Forming part of Balance Sheet



3	Long Term Borrowings	As at 31.03.2016		As at 31.03.2015	
		Non Current	Current	Non Current	Current
<b>SECURED</b>					
<b>Term loans</b>					
<b>From banks</b>					
	- YES Bank Ltd.	144,702,517	97,881,539	242,500,000	37,500,000
	- State Bank of India	-	-	10,316,984	6,600,000
<b>From banks (Hire Purchase Agreement)</b>					
	- HDFC Bank Ltd.	1,741,672	3,625,294	5,367,177	7,046,232
		<b>146,444,189</b>	<b>101,506,833</b>	<b>258,184,161</b>	<b>51,146,232</b>

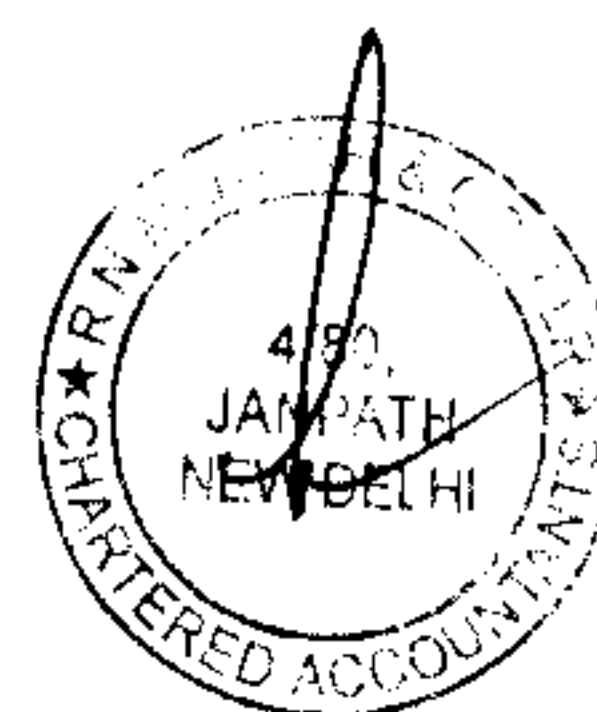
The Company had taken Term Loan from Yes Bank which was required to be repaid in 24 equal quarterly installments commencing after moratorium period of 24 months from the date of first disbursement of loan. During the year, out of the outstanding amount of Term Loan of Rs. 26.20 Crores, the amount of Rs. 20.00 Crores (equivalent to USD 30,07,066.61) was converted to FCNR Loan. The balance Term Loan of Rs. 6.20 Crores was since repaid on 10 May, 2016. The FCNR Loan shall be repaid in 22 equal quarterly installments, repayment commencing from December, 2015 upto March, 2021.

The Term Loan/ FCNR Loan is secured by exclusive charge on the Land & Building, Plant & Machinery pertaining to Plant situated in Rajasthan (both present and future) and also on assets procured out of the TL/LC/BC proceeds. It is further secured by unconditional & irrevocable Personal Guarantee of Mr. Rohan Talwar, Managing Director of the Company.

Term Loan from State Bank of India stands repaid during the year 2015-16.

Term Loans from HDFC are taken for the period of 36 months @ 9% to 11% and are secured by way of hypothecation of specific assets.

4	Long Term Provisions	As at 31.03.2016		As at 31.03.2015	
		Non Current	Current	Non Current	Current
<b>Provision for employee benefits</b>					
	Gratuity (funded)	27,819,341	14,460,203	24,070,608	13,145,791
	Leave Encashment (unfunded)	3,199,084	2,337,952	2,642,437	2,262,643
	<b>Total</b>	<b>31,018,425</b>	<b>16,798,155</b>	<b>26,713,045</b>	<b>15,408,434</b>



5	Short Term Borrowings	As at 31.03.2016	As at 31.03.2015
		Amount	Amount
	<b><u>SECURED</u></b>		
	<b>Working Capital Loans from banks</b>		
	- YES Bank	224,153,974	144,827,125
	- HDFC Bank	132,101,764	66,546,951
	- DBS	198,730,459	-
	- SBI Bank	-	208,266,501
	<b>Other loans and advances</b>		
	- LIC of India	10,400,000	10,400,000
	<b>Total</b>	<b>565,386,197</b>	<b>430,040,577</b>

#### Secured Loan

Working Capital Loan from Yes Bank, HDFC Bank and DBS Bank are secured by pari passu first charge by way of hypothecation of 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, HDFC Bank and DBS Bank are secured by personal guarantee of Mr. Rohan Talwar.

Loan from Yes Bank, HDFC Bank and DBS Bank is further secured by way of First pari passu charge on entire 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 Land & Building located at Plot No. 43, 44 & 45, Industrial Area, Parwanoo, District Solan, H.P.

Working Capital Loan from Yes Bank includes Packing Credit in Foreign Currency which is secured by Fixed Deposits to the extent of 100%.

Working Capital Loan from State Bank of India stands repaid during the year.

Loan from LIC is secured by Keyman Insurance Policy.



**Allied Nippon Limited**  
Notes Forming part of Balance Sheet

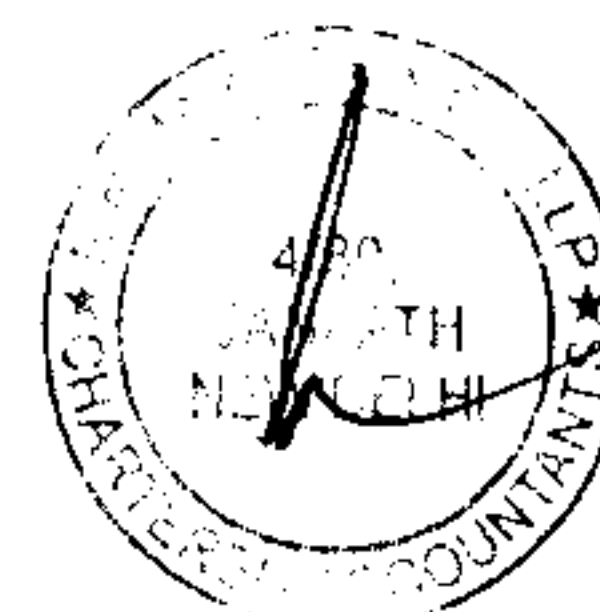


6	Trade Payables	As at	As at
		31.03.2016	31.03.2015
		Amount	Amount
	Micro, Small & Medium Enterprises	-	-
	Others	317,702,558	249,988,810
	<b>Total</b>	<b>317,702,558</b>	<b>249,988,810</b>

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

Particulars	As at	As at
	31.03.2016	31.03.2015
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 31.03.2016	As at 31.03.2015
		Amount	Amount
	Current maturities of long-term debt		
	-Term Loan from Banks (Refer Note No. 3)	101,506,833	51,146,232
	Dealer Deposits	3,823,000	3,863,000
	Advances from Customers	2,766,253	24,025
	Other Advances	1,399,698	1,421,131
	<b>Total</b>	<b>109,495,784</b>	<b>56,454,388</b>



8	Short Term Provisions	As at 31.03.2016	As at 31.03.2015
		Amount	Amount
	<b>Provision for employee benefits</b>		
	Salary & Reimbursements	1,923,685	10,564,589
	Bonus	7,939,011	2,024,067
	Contribution to PF	2,158,374	1,810,065
	Contribution to ESI	191,582	272,533
	Gratuity (refer note 4)	14,460,203	13,145,791
	Leave Encashment (refer note 4)	2,337,952	2,262,643
	<b>Other Provisions</b>	-	-
	Provision for Taxation	7,076,534	7,946,905
	Unclaimed Dividend	33,709	29,707
	Proposed Dividend	-	8,380,176
	Dividend Tax	-	1,706,007
	Provision for Excise Duty	1,416,338	1,765,473
	Government Dues	4,154,903	3,484,890
	Expenses Payable	38,746,057	35,920,692
	<b>Total</b>	<b>80,438,348</b>	<b>89,313,538</b>

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. 14,16,338 /- (PY Rs. 17,65,473/-) 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.

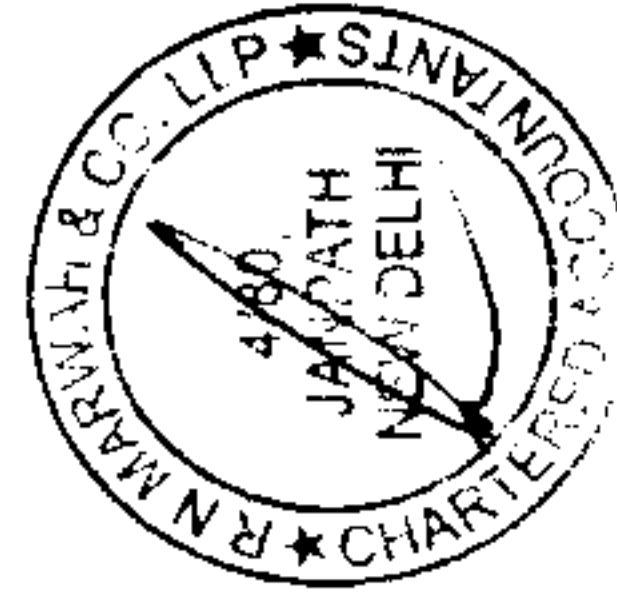


NOTES FORMING PART OF THE BALANCE SHEET

Note 9 : FIXED ASSETS

ASSETS	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	AS AT 01-04-2015	ADDITION	ADJUSTMENT	AS AT 31-03-2016	AS AT 01-04-2015	FOR THE YEAR	TRANSFER FROM GENERAL RESERVE	ADJUSTMENT	AS AT 31-03-2016	AS AT 31-03-2015
<b>TANGIBLE ASSETS</b>										
LAND - LEASE HOLD	13,665,277			13,665,277	177,653	178,141			355,794	13,309,483
LAND - FREEHOLD	74,197,650			74,197,650	708,990	(708,990)			-	74,197,650
FACTORY BUILDING	99,633,348			99,633,348	36,094,026	3,217,619			39,311,645	63,539,322
PLANT & MACHINERY	773,822,320	71,182,508		845,004,828	524,984,393	55,182,543			580,166,936	248,837,927
FURNITURE & FIXTURES	16,906,871	688,230		17,595,101	9,764,123	1,668,224			11,432,347	7,142,748
EQUIPMENTS	56,124,580	2,740,864	8,268,999	58,865,444	45,419,748	2,622,282			48,042,030	10,704,832
VEHICLES	44,840,805	1,848,402		38,420,208	15,650,641	4,560,810		4,324,293	15,887,158	29,190,164
ELECTRIC INSTALLATION	18,655,671	563,051		19,218,722	12,823,048	1,990,964			14,814,012	5,832,623
<b>SUB TOTAL</b>	<b>1,097,846,522</b>	<b>77,023,055</b>	<b>8,268,999</b>	<b>1,166,500,578</b>	<b>645,622,622</b>	<b>68,711,593</b>		<b>4,324,293</b>	<b>710,009,922</b>	<b>452,223,900</b>
<b>INTANGIBLE ASSETS</b>										
TRADE MARKS	5,278,306			5,278,306	4,276,150	188,832			4,464,982	1,002,155
COMPUTER SOFTWARES	18,381,923	131,250		18,513,173	17,332,626	673,072			18,005,698	1,049,298
TECHNICAL KNOWHOW FEES	16,146,696			16,146,696	15,416,658	729,736			16,146,394	730,038
<b>SUB TOTAL</b>	<b>39,806,925</b>	<b>131,250</b>		<b>39,938,175</b>	<b>37,025,434</b>	<b>1,591,640</b>			<b>38,617,074</b>	<b>2,781,491</b>
<b>CWIP BUILDING</b>	<b>2,504,848</b>	<b>16,996,805</b>		<b>19,501,653</b>					<b>19,501,653</b>	<b>2,504,848</b>
<b>GRAND TOTAL</b>	<b>1,140,158,295</b>	<b>94,151,110</b>	<b>8,268,999</b>	<b>1,226,040,406</b>	<b>682,648,056</b>	<b>70,303,233</b>		<b>4,324,293</b>	<b>748,626,996</b>	<b>457,510,239</b>

Previous Year 1,084,891,571 59,674,113 4,407,389 1,140,158,295 587,030,944 73,883,491 24,070,578 2,336,957 682,648,056 457,510,239 497,860,627



Allied Nippon Limited

Notes Forming part of Balance Sheet



10

Non-Current Investment			As at	As at
			31.03.2016	31.03.2015
			Amount	Amount
<b>INVESTMENTS-OTHER THAN TRADE</b>				
<b>Quoted (At Cost)</b>				
<b>Fully paid up Equity Share</b>				
<b>Name of the Company</b>	<b>Qty.</b>	<b>Face Value</b>		
Talbro Automotive Components Ltd	48	10	48,000	48,000
	(48)	10		
<b>Un-Quoted (At Cost)</b>				
<b>Long Term</b>				
<b>A) Subsidiaries</b>				
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.	1,099,999	10	10,999,990	8,524,990
	(852,499)			
<b>B) Joint Ventures</b>				
Allied JB Friction Pvt. Ltd.	12,312,377	10	288,170,666	288,170,666
	(12,312,377)			
Allied Gregurek, Croatia	1		-	-
	(1)			
<b>C) Others</b>				
Liners India Limited	4,500	10	75,000	75,000
	(4500)			
Kotak India Real Estate Fund-I	69.48	100,000	6,947,765	6,947,765
	(69.48)			
Goldman Sachs Mutual Fund	24.756	1,000	24,757	-
Effluent Investment and Finance Pvt Ltd	390	100	3,666,000	3,666,000
	(390)			
T & T Motors Ltd.	128,847	10	8,375,055	8,375,055
	(128,847)			
<b>Fully paid up Debentures</b>				
<b>Krishnaav Engineering Ltd.</b>				
0% Optionally Convertible Debenture	5,000,000	10	50,000,000	50,000,000
	(5,000,000)			
<b>Allied Intertrade Limited</b>				
0% Compulsory Convertible Debenture into Redeemable Preference Shares.	1,650,000	10	16,500,000	16,500,000
	(1,650,000)			
			504,546,696	502,046,939
Less : Provision for diminution in value of Investment			-	-
<b>TOTAL</b>			<b>504,546,696</b>	<b>502,046,939</b>
<b>Aggregate book value of Investments</b>				
Quoted			48,000	48,000
Un-Quoted			504,498,696	501,998,939
Market value of quoted Investments			4,298	6,766



11	Long Term Loan and Advances	As at 31.03.2016	As at 31.03.2015
		Amount	Amount
	<b>Security Deposits</b>		
	Unsecured, considered good	10,229,582	13,180,661
		<b>10,229,582</b>	<b>13,180,661</b>
	<b>Loans and advances</b>		
	Unsecured, considered good		
	- Advance to Supplier for Capex	20,368,795	3,920,045
	Less: Provision for doubtful loans and advances	-	-
		20,368,795	3,920,045
	<b>Total</b>	<b>30,598,377</b>	<b>17,100,706</b>

12	Inventories (Valued at lower of cost or realisable value, as certified by Management)	As at 31.03.2016	As at 31.03.2015
		Amount	Amount
	Raw Materials and components	58,593,493	55,966,957
	Work-in-progress	37,753,199	30,181,820
	Finished goods	125,353,774	171,022,879
	Stores and spares	5,284,393	4,489,361
	Packing Material	5,239,149	3,093,618
	<b>Total</b>	<b>232,224,008</b>	<b>264,754,635</b>

13	Trade Receivables (Unsecured, considered good)	As at 31.03.2016	As at 31.03.2015
		Amount	Amount
	Outstanding for a period less than six months	706,479,843	561,048,193
	Trade receivables outstanding for a period exceeding six months	37,637,627	41,668,015
	<b>Total</b>	<b>744,117,470</b>	<b>602,716,208</b>



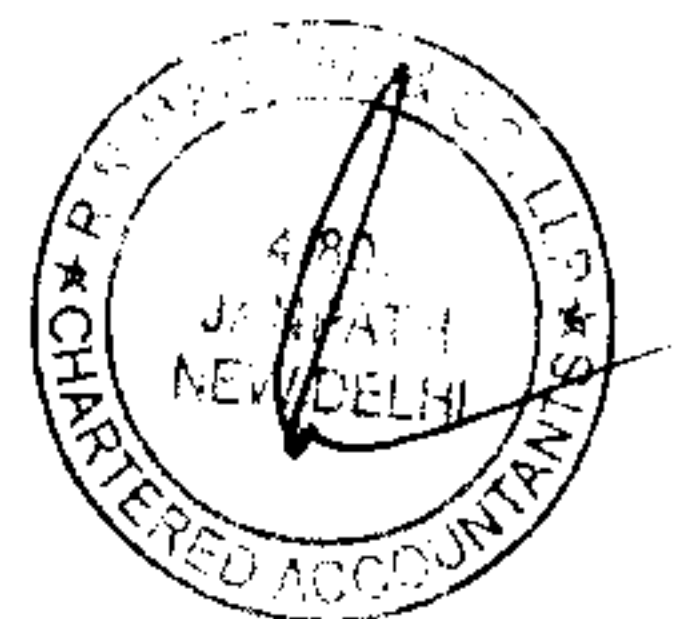
**Allied Nippon Limited**  
Notes Forming part of Balance Sheet



14	Cash & Cash Equivalents	As at	As at
		31.03.2016	31.03.2015
		Amount	Amount
<u>Balances with Banks</u>			
	Balance with Banks	416,830	7,232,637
(Bank Balance includes Rs. 32,842(Previous Year Rs. 29599)- earmarked for payment of dividend)			
	Cash in hand	446,948	349,139
	<b>Total</b>	<b>863,778</b>	<b>7,581,776</b>

15	Short-term loans and advances	As at	As at
		31.03.2016	31.03.2015
		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>			
	<u>Unsecured, considered good</u>		
	Advance to Staff	1,837,861	1,051,708
	Advance to Supplier	16,376,063	43,302,560
	Other Advances	70,002,272	10,010,660
	Security Deposit	20,000	310,000
		88,236,196	54,674,928
	<b>Total</b>	<b>88,236,196</b>	<b>54,674,928</b>

16	Other Current Assets	As at	As at
		31.03.2012	31.03.2011
		Amount	Amount
	Advance Tax	4,958,397	4,628,997
	MAT Credit	-	13,332,931
	Bank deposits ( Margin Money)	90,613,547	9,114,134
	Excise Duty Deposit/VAT/Service Tax	20,059,946	30,773,044
	Gratuity Funds(LIC)	40,901,704	24,894,536
	Claims	1,270,601	4,028,399
	Interest Recoverable	161,568	586,744
	Others	50,078	316,490
	Prepaid Expenses	9,277,175	3,430,702
	<b>Total</b>	<b>167,293,016</b>	<b>91,105,977</b>



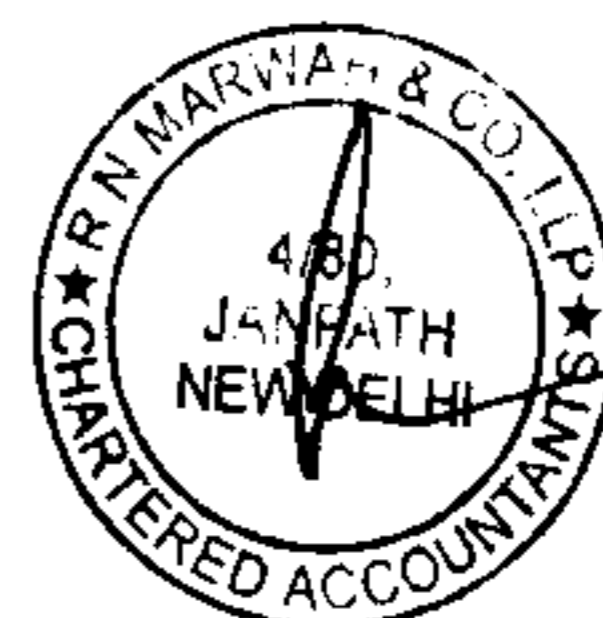


**Allied Nippon Limited**  
Notes Forming part of Profit & Loss Account



17	Revenue from Operations	For the year ended 31.03.2016	For the year ended 31.03.2015
		Amount	Amount
	Sale of products	2,854,154,478	2,540,453,092
	<u>Less:</u>		
	Excise duty	78,693,702	68,688,134
		2,775,460,776	2,471,764,958
	Export Related Income	6,113,807	25,448,943
	Job Work Income	15,443,039	29,903,216
	<b>Total</b>	<b>2,797,017,622</b>	<b>2,527,117,117</b>

18	Other Income	For the year ended 31.03.2016	For the year ended 31.03.2015
		Amount	Amount
	Gain on Foreign Exchange Fluctuation	11,585,002	16,439,242
	Dividend Income	128,919	38,634,088
	Interest income	3,301,960	4,882,482
	Claims Written off \ bad-debts	-	7,634,587
	Brand Fee	10,311,342	8,892,687
	Miscellaneous Income	283,641	909,461
	<b>Total</b>	<b>25,610,864</b>	<b>77,392,547</b>



19 Raw Material Consumed	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Amount	Amount	Amount	Amount
Opening Stock	55,966,957		54,048,462	
Add: Purchases	1,151,063,603		967,710,836	
Less: Closing stock	58,593,493	1,148,437,067	55,966,957	965,792,341
<b>Total</b>		<b>1,148,437,067</b>		<b>965,792,341</b>

**Opening and Closing Stocks of Raw Material**

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
		Amount		Amount
Asbestos		931,836		1,605,225
Resin		456,127		635,687
Aluminium Casting		809,018		2,805,667
Back Plates		15,596,265		14,787,408
Others		40,800,247		36,132,970
<b>Total</b>		<b>58,593,493</b>		<b>55,966,957</b>

**Purchase of Raw Material**

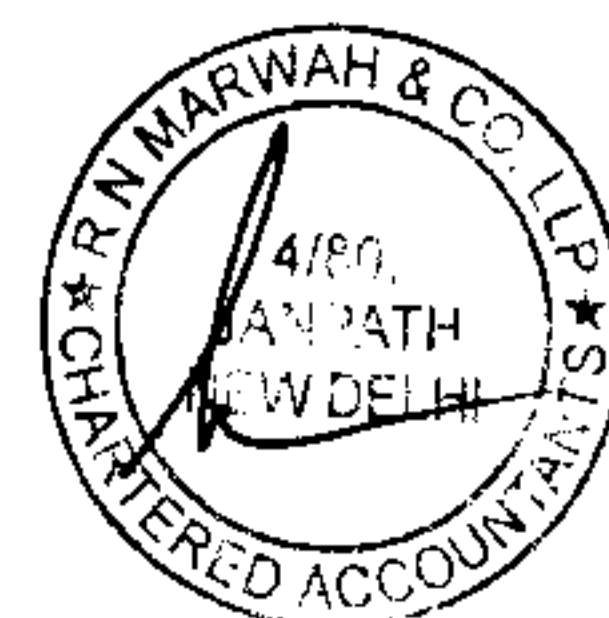
Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
		Amount		Amount
Asbestos		26,583,169		38,968,106
Resin		58,389,037		62,559,439
Aluminium Casting		317,897,344		293,453,814
Back Plates		141,883,563		128,629,039
Others		606,310,490		444,100,438
<b>Total</b>		<b>1,151,063,603</b>		<b>967,710,836</b>

**Consumption of Raw Material**

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
		Amount		Amount
Asbestos		27,256,558		20,832,543
Resin		58,568,597		58,220,754
Aluminium Casting		319,893,992		250,893,196
Back Plates		141,074,706		116,612,525
Others		601,643,214		519,233,323
<b>Total</b>		<b>1,148,437,067</b>		<b>965,792,341</b>

**Consumption of Raw Material Consumed**

Particulars	2015-16	Percentage	2014-15	Percentage
Imported	2,788,481	0.24%	120,525,470	12.48%
Indegenious	1,145,648,586	99.76%	845,266,871	87.52%
<b>Total</b>	<b>1,148,437,067</b>	<b>100.00%</b>	<b>965,792,341</b>	<b>100.00%</b>



21	Employee Benefits Expense	For the year ended 31.03.2016	For the year ended 31.03.2015
		Amount	Amount
	(a) Salaries and incentives	129,182,889	102,471,150
	(b) Contributions to Provident & other funds	13,275,679	14,323,174
	(c) Gratuity expenses	6,844,361	5,969,426
	(d) Recruitment expenses	365,922	446,656
	(e) Staff welfare expenses	13,544,242	11,163,389
	<b>Total</b>	<b>163,213,093</b>	<b>134,373,795</b>

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

**Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

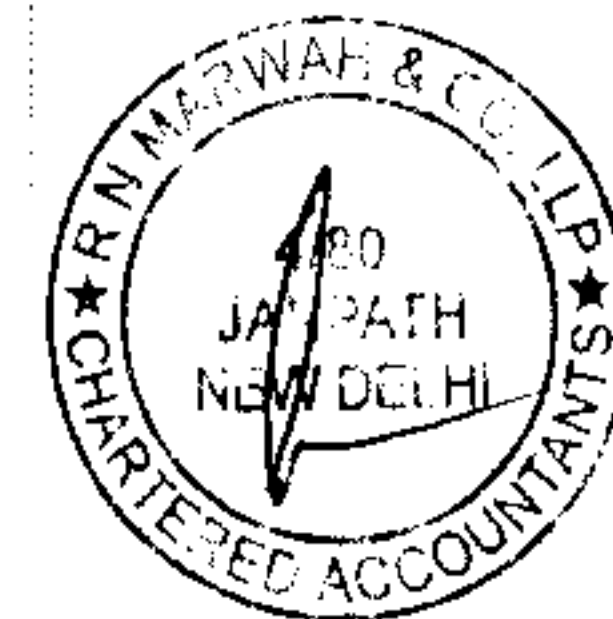
	2015-16	2014-15
Employer's Contribution to Provident Fund	11,707,837	12,252,978
Employer's Contribution to ESI	1,567,842	2,070,196
<b>Total</b>	<b>13,275,679</b>	<b>14,323,174</b>

**Defined Benefit Plan**

The present value of obligation is determined based on Actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

**(I) Reconciliation of opening and closing balances of Projected Benefit Obligation**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of year	27,829,512	24,133,808	3,833,654	4,343,167
Provision for terminated Employees at Beginning of the Year	9,386,887	9,505,097	1,071,426	1,075,929
Current Service Cost	2,866,363	2,435,264	922,621	772,351
Interest Cost	2,156,787	2,051,374	297,108	369,169
Acquisition Adjustment	-	-	-	-
Benefit Paid to terminated Employees	(192,115)	(118,210)	(8,181)	(4,503)
Actuarial (gain)/loss	1,797,547	1,419,855	1,614,733	1,647,181
Benefits paid	(1,565,437)	(2,210,789)	(2,194,325)	(3,298,214)
Present value of obligations as at the end of the year as per actuarial Valuation	33,084,772	27,829,512	4,473,791	3,833,654
Provision for terminated Employees	9,194,772	9,386,887	1,063,245	1,071,426
<b>Defined Benefit obligation at year end</b>	<b>42,279,544</b>	<b>37,216,399</b>	<b>5,537,036</b>	<b>4,905,080</b>



(II) Fund Status

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Fair Value of Plan Assets at the Beginning of the year	24,894,536	10,952,279	NA	NA
Expected Return on Plan assets	2,178,272	958,324	-	-
Contribution	15,251,752	15,000,000	-	-
Actuarial Gain/(Loss)	142,581	194,722	-	-
Benefit Paid	(1,565,437)	(2,210,789)	-	-
fair Value of Plan assets at the end of the year	<b>40,901,704</b>	<b>24,894,536</b>	-	-

(III) Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Discount rate (per annum)	8.00%	7.75%	8.00%	7.75%
Rate of escalation in salary (per annum)	6.00%	5.25%	6.00%	5.25%
Expected Rate of return on plan assets	8.75%	8.75%	8.75%	8.75%

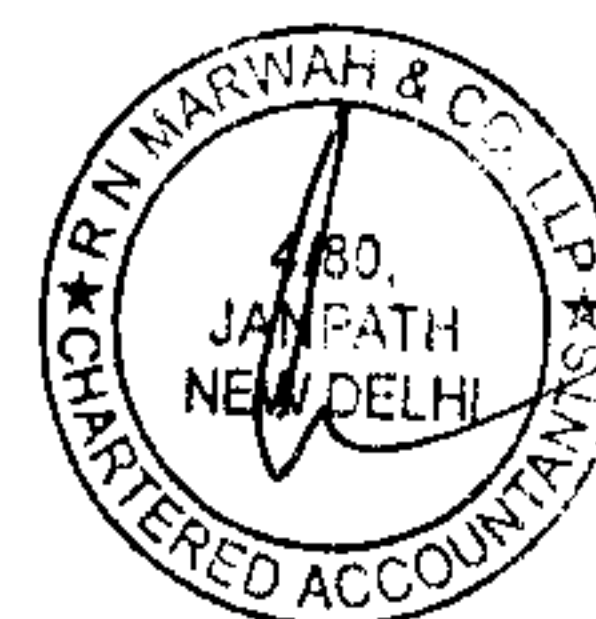
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Current	14,460,203	13,145,791	2,337,952	2,262,643
Non current	27,819,341	24,070,608	3,199,084	2,642,437
<b>Total PBO at the end of year</b>	<b>42,279,544</b>	<b>37,216,399</b>	<b>5,537,036</b>	<b>4,905,080</b>

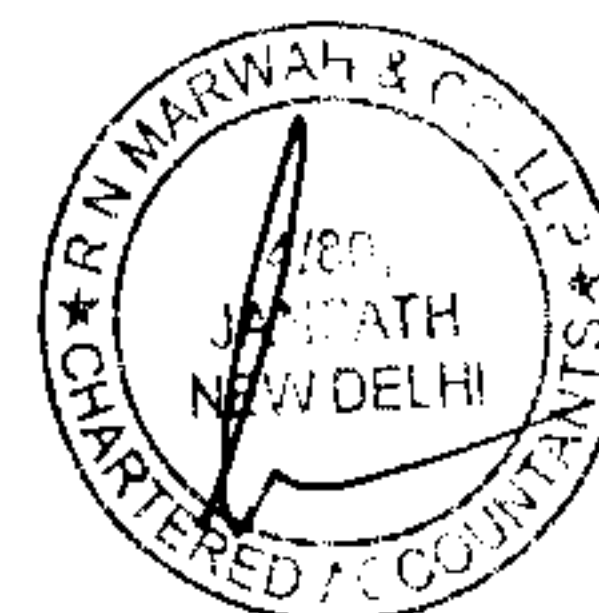
22	Payments to the auditor as	For the year ended	For the year ended
		31.03.2016	31.03.2015
		Amount	Amount
	a. Auditor	900,000	900,000
	b. For tax audit	100,000	100,000
	c. For other services	650,000	650,000
	<b>Total</b>	<b>1,650,000</b>	<b>1,650,000</b>

23	Finance Cost	For the year ended	For the year ended
		31.03.2016	31.03.2015
		Amount	Amount
	<u>Interest &amp; Finance expense</u>		
	On Term Loans	27,176,812	30,408,306
	On Working Capital Facilities	25,325,706	47,351,809
	On Fixed Deposit	-	118,831
	Other Finance Charges	3,107,338	6,127,482
	<b>Total</b>	<b>55,609,856</b>	<b>84,006,428</b>



Other Expenses	For the year ended 31.03.2016	For the year ended 31.03.2015
	Amount	Amount
<b>Manufacturing Expenses :</b>		
Stores, Spares & Tools Consumed	22,822,486	25,458,277
Wages	208,249,537	176,087,784
Excise Duty*	31,986,531	22,007,198
Power & Fuel	86,371,099	98,323,180
Repairs to Machinery & Other Assets	13,063,749	8,773,566
Other Manufacturing Expenses	1,067,453	1,227,185
<b>Administrative Expenses :</b>		
Rates & Taxes	1,588,101	1,370,766
Rent	4,119,800	13,588,320
Insurance	4,646,455	3,959,891
Repairs & Maintenance	5,930,436	7,344,793
Repairs & Maintenance-Building	2,408,253	2,105,134
Travelling & Conveyance	43,459,372	32,254,429
Donation/CSR	1,692,354	1,478,780
Director Meeting Fees	202,779	90,557
Legal & Professional Charges	10,898,909	15,568,370
Printing, Stationery	2,112,654	2,190,778
Claims Written off \ bad-debts	9,468,257	-
Loss on Insurance Claim/Investment	-	1,095,408
Communication Expenses	3,150,022	4,052,653
Other Expenses	1,366,618	2,215,607
Profit/loss on sales of fixed assets(Net)	527,367	824,952
Membership subscriptions	207,415	341,479
Security Services	3,076,220	2,781,742
Training Expenses	62,230	56,450
Research & Development	13,799,385	12,749,454
<b>Selling &amp; Distribution Expenses</b>		
Consumption of Packing Material	72,638,834	60,660,094
Discount,Commission & Incentive	76,915,199	63,742,127
Forwarding Expenses	61,890,331	52,010,589
Sales Promotion	24,771,903	21,876,645
<b>Total</b>	<b>708,493,749</b>	<b>634,236,208</b>

\* Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening & closing of Finished Goods.



## Notes Forming part of Profit &amp; Loss Account

25 In accordance with AS-22, the accounting standards on "Accounting on Taxes on Income", The Company has recognised deferred tax expense/(income) of Rs. (80,75,184), ( Previous year deferred tax expense of Rs. (1,06,01,231) recognised during the year.

Deferred Tax	FY 2015-16	FY 2014-15
<b>Deferred Tax Liability</b>		
Difference In Block of Assets	22,207,812	24,904,765
<b>TOTAL</b>	<b>22,207,812</b>	<b>24,904,765</b>
<b>Deferred Tax Assets</b>		
Provision For Gratuity	476,843	4,249,772
Provision For Leave Encashment	1,916,256	1,667,237
Provision For Bonus	2,451,947	392,702
Provision For Excise Duty	490,167	600,084
Provision For Expenses	7,513,647	560,835
<b>TOTAL</b>	<b>12,848,860</b>	<b>7,470,630</b>
<b>Deferred Tax Liability/ (Assets)</b>	<b>9,358,952</b>	<b>17,434,135</b>

## Additional Disclosure

26 Contingent liabilities and commitments (to the extent not provided for)	As at 31.03.2016	As at 31.03.2015
	Amount	Amount
<b>(i) Contingent Liabilities</b>		
Bank Guarantees	5,000,000	5,000,000
Service Tax for Emark Expenses	2,731,370	2,731,370
	<b>7,731,370</b>	<b>7,731,370</b>
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	21,257,549	15,371,220
	<b>21,257,549</b>	<b>15,371,220</b>
	<b>28,988,919</b>	<b>23,102,590</b>

(iii) The Company has terminated 203 permanent workers after the dispute between management and workers on 13th November 2010 in the factory and filed the criminal proceeding against 27 out of them in Hon'ble Allahabad High Court. The company is under negotiation with remaining terminated workers. The Company has provided all the dues such as salary, bonus, leave encashment till 13<sup>th</sup> November 2010 in respect of terminated workers which has not been paid as yet since the proceeding is still pending in the Hon'ble High Court. As on 31.03.2016, 151 terminated employees has not been paid their dues since negotiation is under process with them.

iv) Directorate of Revenue Intelligence made an inquiry and found that company claimed Focus Incentive wrongly and claimed excess of Rs.1,05,00,081/- till January 2016. Company has paid back Rs.1,03,50,000/- . The same has been netted off with Focus incentive received during the year. Legal Proceeding with respect to interest and penalty are in process.

v) The effect of pending forward contract as on March 2016 amounting to Rs. 916.78 Lacs ( 12.20 Lacs Euro) Previous year ( NIL ) outstanding at the year end are not accounting.

vi) Upon representations from various industry bodies by way of writ petitions in various State High Courts challenging the retrospective effect from FY 2014-15, several high courts have stayed the retrospective operation temporarily. Therefore the company has not provided provision for Bonus for FY 2014-15 at the amended rates.



**27 The Outstanding amount of subsidiaries are as under:-**

	Amount	Debtors/Creditors
Allied Comline Limited	241,836,304	Debtor
Krishnaav Engineering Limited	14,614,372	Creditor

**28 Research & Development Expenses included in different heads comprises of:**

Particulars	Year ended March 31 2016 (In Rupees)	Year ended March 31 2015 (In Rupees)
Salary	4,316,129	3,632,158
Material Consumed	513,449	638,962
Depreciation on Assets	9,842,162	9,974,969
Overheads	8,969,807	8,478,334
	<b>23,641,547</b>	<b>22,724,423</b>

**29** Scrap Sale of Rs. 6.45 Lacs (Previous year Rs. 12.61 Lacs) have been accounted for during the current year and reflected under 'Sales'.

**30 Segment Information**

The Company is engaged in the Business of manufacture of "Automobile Parts" which is considered to be the only reportable business segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India. However, the secondary segment is bifurcated in to two sectors:-

- A) Exports  
B) Domestic

Secondary segment reporting	Exports	Domestic	Total
Sales	1,359,261,841 (1,266,815,119)	1,494,892,636 (1,273,637,973)	2,854,154,478 (2,540,453,092)

*(In Rupees)*

**31 a) No. of Non Resident Share Holders**

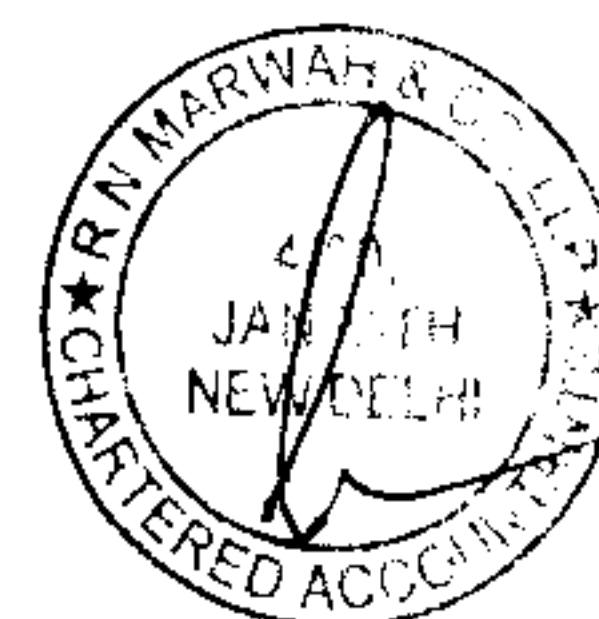
Particulars	March 31 2016	March 31 2015
i. Foreign Co.	-	-
ii. Non-Resident	7	7
iii. Overseas Corporate	1	1

**b) No. of Share Held**

i. Foreign Co.	-	-
ii. Non-Resident	589,001	589,001
iii. Overseas Corporate	1,155,960	1,155,960

**c) The amount remitted during the year in foreign currency on account of dividend**

<b>2,093,953</b>	<b>1,979,666</b>
------------------	------------------



**32 Composition of Stores Consumed**

Particulars	2015-16		2014-15	
	Amount	% of Consumption	Amount	% of Consumption
Imported	-	0.0%	102,992	0.4%
Indegenious	22,822,486	100.0%	25,355,285	100%
<b>Total</b>	<b>22,822,486</b>	<b>100%</b>	<b>25,458,277</b>	<b>100%</b>

**33 Value of Imports on CIF Basis in respect of :**

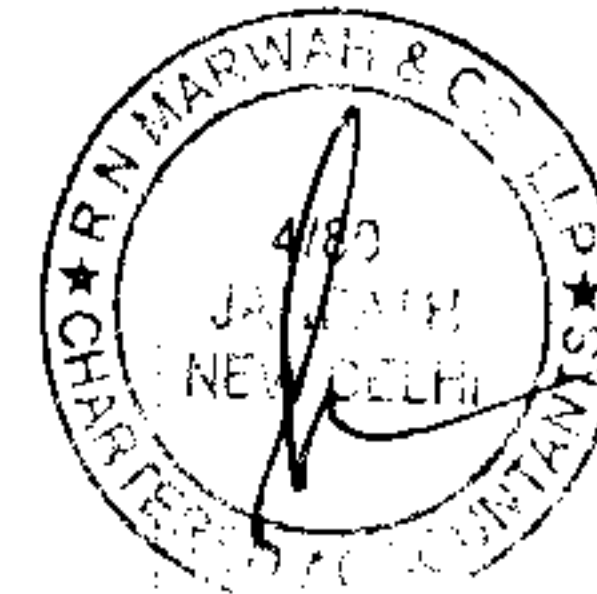
	2015-16	2014-15
Raw Material ,Components & Stores	654,622,196	655,440,048
Purchase of Machinery	2,187,454	2,285,385
<b>Total</b>	<b>656,809,650</b>	<b>657,725,433</b>

**34 Expenditure in Foreign Currency**

	2015-16	2014-15
Import of Raw Material and trading items	654,622,196	655,440,048
Travelling	23,127,942	9,337,056
Commission on Export Sale	774,678	439,996
Rent	-	7,207,720
Other	2,401,018	-
<b>Total</b>	<b>680,925,834</b>	<b>672,424,820</b>

**35 Earnings in Foreign Exchange**

	2015-16	2014-15
FOB Value of Exports	1,353,706,208	1,252,752,394
Dividend Income	-	38,634,088
<b>Total</b>	<b>1,353,706,208</b>	<b>1,291,386,482</b>





Particulars	Enterprises under direct control or control through intermediaries	Subsidiary	Joint Ventures	Key Management & Relatives	Enterprises Significantly Influenced By Key Management Personnel Or Their Relatives
Sales		991,898,642	73,278		
Purchase Of Raw Material		101,914,312	593,493		
Other Purchases	11,565,114				
Loan/ Fixed Deposit Accepted					
Loan Given					
Debtors		241,836,304	8,949,168		
others Advances taken				703,159	
others Advances paid back				436,353	
Advance to Supplier					11,128
Creditors		14,614,372	237,615		
Other Payable				436,479	
Royalty					
Dividend Paid					
Dividend Received					
Donation paid					900,000
Fixed Assets Sale		17,517			
Gain of Slump Sale					
Managerial Remuneration & Commission				20,060,724	
Investment			2,475,000		
Tour & Travelling Expenses					
Tour & Travelling Advance Return Back					
Shares Application					
Security					
Interest paid					
Advance received back		19,862,411			13,000,000
Advances given		3,822,799			13,000,000
Rent					2,400,000
Brand Fee Income (Exclusive of Service Tax)			10,311,342		
Job Work Expenses		31,367,196			
Job Work Income			15,443,246		
Other services taken			4,800,845		789,601
Income from Others Services			15,165,072		

**Notes :**

**Enterprises under direct control or control through intermediaries**

- RMT Ventures Ltd, British Virgin Islands
- RMT International Ltd, UAE
- Allied Motors Limited
- Talwar Tradex Private Limited
- Talwar Tradex Private Limited

**Joint Venture & Subsidiary**

- Allied Comline Ltd.
- Allied Nippon Components Ltd.

**Subsidiary**

- Krishnaav Engineering Ltd.

**Joint Venture**

- Allied JB Friction Pvt. Ltd.

**Key Management Personnel**

**Particulars**

**Nature of Relation**

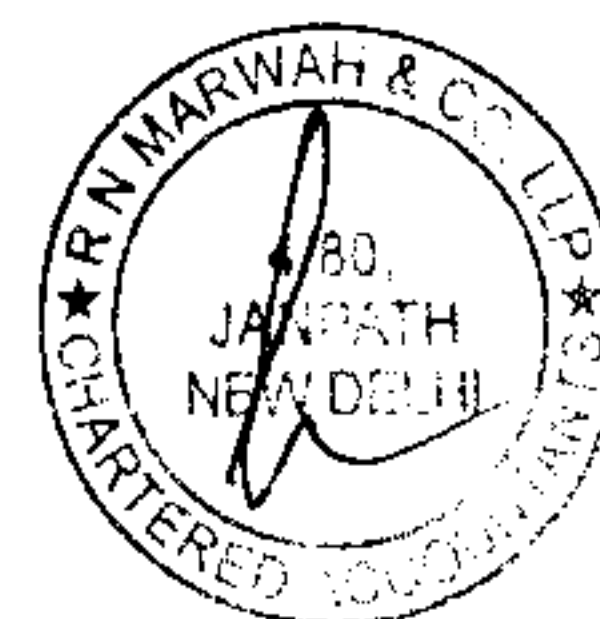
-Mr. Ravi Talwar	Whole Time Director
-Mr. Rohan Talwar	Managing Director
-Mr. Navin Chandra Agarwal	Whole Time Director

**Enterprises Owned Or Significantly Influenced By Key Management Personnel or their relatives**

- Effluent Investment And Finance Pvt. Ltd.
- T & T Motors Ltd.
- Ambience India Pvt. Ltd.
- B K Gupta & Associates
- Talwar Foundation

**Enterprises Owned Or Significantly Controlled By Key Management Personnel or their relatives**

- T & T Multitrading Private Limited
- Silverine India Private Limited
- Shivoham Holdings Ltd, Dubai
- ANL Automotives Pvt Ltd
- Ascot Estates Private Limited



**37 Earning Per Share**

Particulars	31.03.2016	31.03.2015
Net Profit as per Profit & Loss Account	116,085,745	106,863,074
Weighted Average number of Equity Share Outstanding	5,586,784	5,586,784
	20.78	19.13

**38**

The Company has appointed consultants for conducting a Transfer Pricing Study to determine whether associate enterprises were undertaken at "arm length basis". Adjustment, if any arising from the transfer Pricing study shall be accounted for as and when the study is completed. The management confirm that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms.

**39**

The Company has approved in Board meeting on 2nd November 2015 the Scheme of Amalgamation of the Company with the four companies namely Ambience India Pvt. Ltd. , Allied Intertrade Company Limited, Krishnaav Engineering Limited, Silverline India Private Limited with effect from 1st April 2015 subject to approval of Hon'able High Court of Delhi at Delhi, with the company under Section 391 to 394 of companies Act,1956 and also provision of companies act 2013 as may be notified from time to time.  
Further the Company has filed first motion application with the Hon'ble Delhi High Court vide an application No. 91/2016 on 23rd December 2015 with diary no 675746/2015.

**40**

The proposed final dividend Rs. 2 per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these accounts.

**41**

The balance of Debtors, Creditors and Advances to Suppliers are subject to confirmation.

**42**

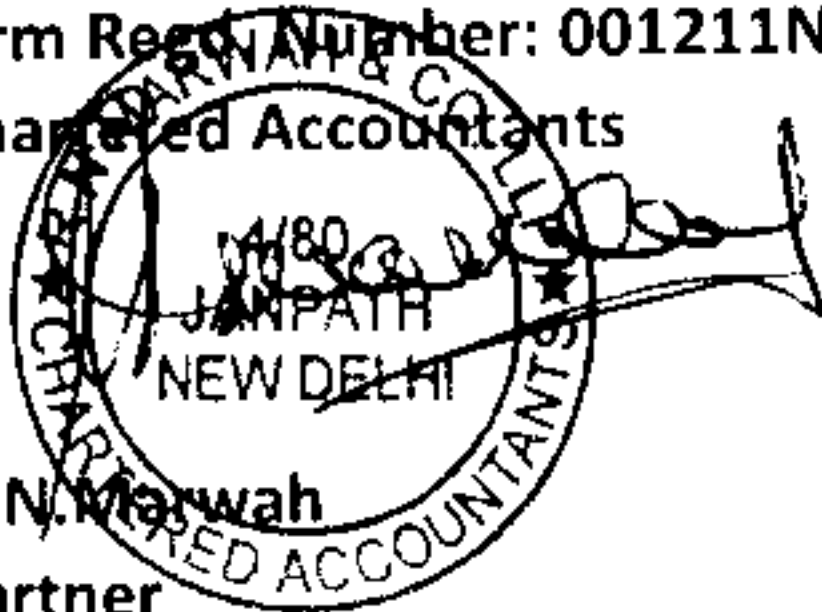
Previous year figures are regrouped and reclassified wherever necessary.

**43**

The Notes to account from 1 to 43 are integral part of financial statements.


As per our report of even date.


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



U.N. Marwah  
Partner  
Membership No.: 013595

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

  
Rohan Talwar  
Managing Director  
(DIN-00177963)

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

  
Samir Jain  
DGM (F&A)

  
Monika Dhingra  
GM (Corporate Affairs) & C.S

Place : New Delhi

Date : 31/08/2016