

**SARA ELGI ARTERIORS LIMITED**

**11<sup>th</sup> ANNUAL REPORT**

**2014 -15**

## SARA ELGI ARTERIORS LIMITED

<b>Board of Directors</b>	Mr. Sumanth Ramamurthi Mrs. Hemalatha Ramamurthi Mr. A.S. Thirumoorthy
<b>Auditor</b>	M/s. S.Murali Dharan & Co 1 Dhuruva Tara Apartments 241 Dr. Rajendra Prasad Road Tatabad, Coimbatore - 641012
<b>Bankers</b>	Indian Bank Puliakulam Branch Coimbatore
<b>Registered Office</b>	"Elgi Towers", 737-D Green Fields, Puliakulam Road Coimbatore - 641045, Tamilnadu
<b>Phone</b>	(0422) 2311711
<b>Fax</b>	(0422) 2311611

**SARA ELGI ARTERIORS LIMITED**

CIN: U28111TZ2003PLC010797

Regd. Off.: Elgi Towers", 737-D Puliakulam Road

Coimbatore – 641045

Phone No.: 0422 – 2311711 Fax No.: 0422 – 2311611

E-mail: [investors@ssh.saraelgi.com](mailto:investors@ssh.saraelgi.com) Website: [www.saraelgi.com](http://www.saraelgi.com)

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON MONDAY, THE 17<sup>TH</sup> DAY OF AUGUST 2015 AT 10.00 A.M AT ELGI TOWERS", 737-D, GREEN FIELDS, PULIAKULAM ROAD, COIMBATORE – 641 045, THE REGISTERED OFFICE OF THE COMPANY, TO TRANSACT THE FOLLOWING BUSINESS

**AGENDA**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements including Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Smt.Hemalatha Ramamurthi (DIN 02363051), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 139(1) & 142 of the Companies Act, 2013, the appointment of M/s.Murali Dharan & Co. (Firm Registration No.: 0096175), Chartered Accountants, Coimbatore as the Statutory Auditors of company for the financial year 2015-16 be and is hereby ratified on such remuneration as may be decided by the Board of Directors of the Company.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into contracts and/or agreements with respect to the sale,

purchase or supply of goods or materials, leasing of property of any kind and availing or rendering of services with the following Related Parties of the Company.

S. No.	Name of the Related Party	Nature of Transaction	Period of Contract	Value of Transaction
1.	Elgi Building Products Limited	Purchase and sale of goods	01.01.2016 to 31.12.2020	Rs.25 Crores per annum

**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its discretion may deem necessary or desirable and its decision shall be final and binding.

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4**

The Board of Directors at their meeting held on 18<sup>th</sup> May 2015 have approved the proposed transactions to be entered into with the related parties for such period as mentioned in the resolution.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the approval of the members by way of a special resolution is required for entering into such transactions with the related parties.

In the above context, the necessary Special Resolution is being proposed in Item No. 4 of the Notice for the approval of the members.

The following are the details of the related party transaction(s) in accordance with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014;

Name of the Related Party	Elgi Building Products Limited	
Name of the Director/KMP who is related, if any	Mr.Sumanth Ramamurthi & Mr.A.S.Thirumoorthy	
Nature of Relationship	Subsidiary Company	
Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement	<b>Particulars of Transaction</b>	<b>Value of Transaction (per annum)</b>
	Purchase and sale of goods	Rs.25 Crores
Any other information relevant or important for the members to take decision on the proposed resolution	Nil	

The Board recommends the Special Resolution as set out in Item No. 4 of the Notice for the approval of the members who are not related party.

The Directors, Key Managerial Personnel(s) of the Company and their Relatives as mentioned in the above are deemed to be interested or concerned in this Resolution.

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

Place: Coimbatore

Date: 18.05.2015

By Order of the Board  
For Sara Elgi Arteriors Limited



Sumanth Ramamurthi

Director

DIN: 00002773

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 11<sup>th</sup> Annual Report of the Company along with audited financial statements for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS:

The summary of the financial performance of the Company for the year ended 31<sup>st</sup> March 2015 is as follows.

Particulars	(Rs. In Lakhs)	
	31.03.2015	31.03.2014
Sales	435.50	528.63
Total Income	435.50	528.90
Earnings before Interest, Depreciation & Tax	22.71	22.32
Less: Finance Cost	7.82	9.06
Earnings before Depreciation & Tax	14.89	13.26
Less: Depreciation	5.61	6.69
Profit before Tax	9.28	6.57
Less: Provision for Taxation	3.49	3.93
Less: Deferred Tax	0.26	-1.79
Profit after Tax	5.53	4.43
Less: Tax Expenses of earlier years	---	---
Net profit for the period	5.53	4.43

### REVIEW OF BUSINESS PERFORMANCE

Your Company has earned a total income of Rs.435.50 Lakhs and a profit of Rs.5.53 Lakhs, as compared to the total income of Rs.528.90 Lakhs and profit of Rs.4.43 Lakhs during the preceding year.

### DIVIDEND

In order to conserve the reserves, the Directors have not recommended any Dividend for the year ended 31<sup>st</sup> March 2015.

### TRANSFER TO RESERVES

The Company has not transferred any amount to its reserves during the year under review. However, an amount of Rs.5.53 lakhs has been carried forward to the Surplus in the Profit and Loss account of the Company.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed Dividend, the provisions of Section 205A & 205C of the Companies Act, 1956 relating to transfer of Unclaimed dividend to Investor Education and Protection fund does not arise.

## **SHARE CAPITAL**

The issued, subscribed and paid-up share capital of the Company as at 31.03.2015 stood at Rs.2,50,00,000/- divided into 25,00,000 equity shares of Rs.10/- each. During the year under review the Company has not made any fresh issue of shares.

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in the prescribed Form No.MGT-9 pursuant to Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished as Annexure 1 and is attached to this Report.

## **BOARD MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW**

The Company had conducted Four (4) Board meetings during the period under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from those standards;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 of the Companies Act, 2013 pertaining to the appointment of Independent Directors do not apply to our Company.

## **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013.**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## **AUDITORS' REPORT**

There were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their report.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not granted any loans or given any security or made any investments pursuant to the provisions of Section 186 of the Companies Act, 2013 during the year under review. However, the details in respect of investments made by the Company in earlier years have been disclosed in the notes to the Financial Statements.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year 2014-15 were in the ordinary course of business and on an arm's length basis. The particulars of the contracts or arrangements entered into with the related parties have been disclosed in Form AOC-2 and are attached herewith as Annexure 2 to this report.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company which has occurred between the financial year ended 31<sup>st</sup> March, 2015 and the date of the report.



## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as Annexure 3 to this report.

## **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is minimal.

## **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM**

The Company was not required to constitute an Audit Committee of the Board as the provisions of Section 177 read with Rule 6 of Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company. The Company is not required to establish a vigil mechanism since it does not satisfy the conditions prescribed under Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence, disclosure regarding the details of such mechanism in this report is not applicable.

## **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not initiated any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## **ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS**

The Board has not undertaken an annual evaluation of its own performance and of the Individual Directors as the said provisions are not applicable to the company.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mrs.Hemalatha Ramamurthi (DIN: 02363051), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Your Directors recommend her re-appointment.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company has one Subsidiary namely Elgi Building Products Limited. However, the Company does not have Joint venture or Associate Companies.

Further, the Company is a subsidiary of Super Spinning Mills Limited.

A report containing the salient features of the subsidiary 'Elgi Building Products Limited' as required under Section 129(3) of the Companies Act, 2013 has been annexed herewith in Form AOC-1 and is attached as **Annexure 4** to this report.

## **FIXED DEPOSITS**

Since the Company has not accepted any fixed deposits covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31<sup>st</sup> March 2015 and accordingly, the question of default in repayment of deposits or payment of interest thereon, during the year, does not arise.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The Company periodically reviews the adequacy and effectiveness of the control systems based on the reports of the Internal Auditors of the Company.

## **AUDITORS**

### **STATUTORY AUDITORS**

M/s.S.Murali Dharan & Co, Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the company for a period of five years at the Annual General Meeting held on 8<sup>th</sup> August 2014. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the ratification of their appointment is to be done at the ensuing Annual General Meeting. The Company has obtained written confirmation from the Auditors to the effect that the ratification of their appointment if made would be in conformity with the provisions of Companies Act, 2013. Members are requested to ratify their appointment.

## PARTICULARS OF EMPLOYEES

Since the Company is an Unlisted Company, provisions of Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, does not apply to the Company.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.60,00,000/- if employed throughout the year or Rs.5,00,000/- per month if employed for part of the year.

The Company has not employed any women employees on any part of the financial year under review. Hence the Company has not formulated and implemented the Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## COST COMPLIANCE

Pursuant to Section 209(1)(d) of the Companies Act, 1956, Cost Compliance Report for the financial year ended 31<sup>st</sup> March 2014 was submitted to the Central Government on 27<sup>th</sup> September 2014.

## ACKNOWLEDGEMENTS

Your Directors wish to thank the Company's Bankers, Financial Institutions, Customers and Suppliers for their unstinted support and co-operation.

Your Directors wish to place on record their appreciation of the confidence reposed by the shareholders in the Company at all times.

The Board of Directors also wishes to thank the employees at all levels for their excellent support and contribution made by them.

By order of the Board  
For SARA ELGI ARTERIORS LIMITED



Sumanth Ramamurthi  
Director  
DIN : 00002773



A S Thirumoorthy  
Director  
DIN : 03604474

Place : Coimbatore  
Date : 18.05.2015

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U28111TZ2003PLC010797
ii)	Registration Date	16.10.2003
iii)	Name of the Company	SARA ELGI ARTERIORS LIMITED
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office and contact details	Elgi Towers, 737 D Puliakulam Road, Coimbatore – 641045 Tel. No: 0422-2311711 Fax No: 0422-2311611 Email ID: <a href="mailto:investors@ssh.saraelgi.com">investors@ssh.saraelgi.com</a> Website: <a href="http://www.saraelgi.com">www.saraelgi.com</a>
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	UPVC Windows	39252000	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Super Spinning Mills Limited 'ELGI Towers', P.B. No.:7113, Green Fields, Puliakulam Road, Coimbatore – 641045	L17111TZ1962PLC001200	Holding company	100.00	2(46)



g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	4	4	0	-	4	4	0	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	4	4	0	-	4	4	0	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	4	4	0	-	4	4	0	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	2500000	2500000	100	-	2500000	2500000	100	-

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Super Spinning Mills Limited	2499994	100	-	2499994	100	-	-
2	Sumanth Ramamurthi	1	0.00	-	1	0.00	-	-
3	Hemalatha Ramamurthi	1	0.00	-	1	0.00	-	-
<b>TOTAL</b>		<b>2499996</b>	<b>100</b>	<b>-</b>	<b>2499996</b>	<b>100</b>	<b>-</b>	<b>-</b>

iii) Change in Promoters' Shareholding

S. NO	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Increase / Decrease in Promoters Shareholding during the year	There has been no change in the shareholding of the promoters during the year.			
	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	NAME OF SHAREHOLDER	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>K. R. SEETHAPATHY</b>				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
2	<b>V.SOUNDARARAJAN</b>				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
3	<b>S.MALLIKA</b>				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
4	<b>K.BHASKARAN</b>				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	NAME OF DIRECTOR AND KEY MANAGERIAL PERSONNEL	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>SUMANTH RAMAMURTHI</b>				
	At the beginning of the year	1	0	1	0
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
2	<b>A S THIRUMOORTHY</b>				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	<b>HEMALATHA RAMAMURTHI</b>				
	At the beginning of the year	1	0	1	0
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0

**V. INDEBTEDNESS -**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	79,57,204	-	79,57,204



ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>79,57,204</b>	-	<b>79,57,204</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	18,15,391	-	-	18,15,391
* Reduction	-	79,57,204	-	79,57,204
<b>Net Change</b>	<b>18,15,391</b>	<b>(79,57,204)</b>	-	<b>(61,41,813)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18,15,391	-	-	18,15,391
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>18,15,391</b>	-	-	<b>18,15,391</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :

S. No.	Particulars of Remuneration	MD/WTD/MANAGER		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total (A)			
	Ceiling as per the Act			

NOT APPLICABLE

### B. Remuneration to Other Directors

S. No	Particulars of Remuneration	Name of Directors			Total Amount
		Sumanth Ramamurthi	A.S. Thirumoorthy	Hemalatha Ramamurthi	
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-

	Others	-	-	-	-
	Total (1)	-	-	-	-
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Not exceeding Rs.1 lakh per Board Meeting	Not exceeding Rs.1 lakh per Board Meeting	Not exceeding Rs.1 lakh per Board Meeting	

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total				

NOT APPLICABLE

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis**

The Company has not entered into any contracts or arrangements or transactions which are not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

S. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Elgi Building Products Limited	Subsidiary Company	Purchase & Sale of Goods	2 Years with effect from 01.01.2014	Purchase & Sale of Goods for an amount of Rs.10 Crores per annum	31.10.2013	Nil
2.	Elgi Electric and Industries Limited	Sumanth Ramamurthi, Director is interested as a Director	Rendering of services	5 Years with effect from 01.04.2014	Rendering of services for an amount of Rs.20 lakhs	15.05.2014	Nil
3.	Super Spinning Mills Limited	Holding Company	Sale of Goods, Leasing of property and Payment of interest	1 Year with effect from 01.04.2014	Sale of Goods, Leasing of property and Payment of interest for an amount of Rs.20 lakhs	15.05.2014	Nil

By order of the Board  
For SARA ELGI ARTERIORS LIMITED

Place : Coimbatore  
Date : 18.05.2015

DIN : 00002773

  
Sumanth Ramamurthi  
Director

DIN : 03604474

  
A S Thirumoorthy  
Director

**Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**  
 [Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies  
 (Accounts) Rules, 2014]

**A. Conservation of Energy**

**(i) Steps taken for conservation of energy:**

Though the operations of the Company are not power intensive, the Company is making continuous efforts to conserve and optimise energy consumption by economising on fuel and power.

**(ii) Steps taken by the Company for utilising alternate sources of energy**

The Company has not undertaken any steps for utilising alternate sources of energy.

**(iii) Capital investment on energy conservation equipment**

The Company has not undertaken any capital investment on energy conservation equipment during the year.

**B. Technology Absorption:**

The Company has not absorbed any technology nor incurred any expenditure on Research and development during the year under review.

**C. Foreign Exchange Earnings and outgo**

(in Rs.)

Particulars	2014-15	2013-14
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	-	-
CIF Value of Imports of Raw Materials	44,68,848	22,87,765

By Order of the Board

For SARA ELGI ARTERIORS LIMITED

  
**Sumanth Ramamurthi**  
 Director  
 DIN : 00002773

  
**A S Thirumoorthy**  
 Director  
 DIN : 03604474

Place : Coimbatore

Date : 18.05.2015

## Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiary**

S. No.	Particulars	Details
1.	Name of the subsidiary	Elgi Building Products Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
4.	Share capital	14,69,60,000
5.	Reserves & surplus	(8,33,43,435)
6.	Total assets	7,90,85,112
7.	Total Liabilities	7,90,85,112
8.	Investments	-
9.	Turnover	2,21,11,664
10.	Profit before taxation	(5,11,305)
11.	Provision for taxation	1,49,766
12.	Profit after taxation	(3,61,539)
13.	Proposed Dividend	-
14.	% of shareholding	58.32%

**Notes:**

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	-
2.	Shares of Associate/Joint Ventures held by the company on the year end	-
	No. of shares	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3.	Description of how there is significant influence	-
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	-
6.	Profit/Loss for the year	-
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations:

Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

By Order of the Board

For SARA ELGI ARTERIORS LIMITED

Place : Coimbatore

Date : 18.05.2015



Sumanth Ramamurthi

Director

DIN : 00002773



A S Thirumoorthy

Director

DIN : 00002773

# S. MURALI DHARAN & CO

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARA ELGI ARTERIORS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Sara Elgi Arteriors Limited**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for 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 financial statements based on our audit. We have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.



P.B. No. 2974 # 1 DHARUVATARA 241 Dr. RAJENDRA PRASAD ROAD TATABAD COIMBATORE 641 012

PHONE : 2422-2493786, 6475599 TELEFAX : 2494479 E-mail : [smdservices1963@gmail.com](mailto:smdservices1963@gmail.com) / [dharan2001@eth.net](mailto:dharan2001@eth.net)

Website : [www.smdconsultancy.com](http://www.smdconsultancy.com)



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 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, 2015;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by 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 purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the other matters to be included in the Auditor's Report - 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;
  - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and
  - iii. there were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.Murali Dharan & Co  
Chartered Accountants  
(Firm Regn. No. 009617S)

Place : Coimbatore  
Date : 18.05.2015

S.M. Dharan

S.Murali Dharan  
Partner  
(M. No. 026554)



## ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE

*(As required by Companies (Auditor's Report) Order, 2015 & referred to in our report of even date)*

- 1) (a) As per the information provided by the management, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 2) (a) As per the information & explanations given to us, physical verification of inventory has been conducted by the management at reasonable intervals during the year.  
  
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3) (a) According to the information and explanations provided to us, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained u/s 189 of the Companies Act, 2013.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services.

Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.

- 5) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- 6) According to the information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the company.
- 7) According to the information and explanations given to us in respect of the statutory dues:
  - a) We report that wherever applicable, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues as at March 31, 2015, which have not been deposited on account of a dispute pending are as under:

Name of the Statute	Nature of the Disputed Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where disputes are pending
i) Sales Tax	Rate Difference	149.42	2004-2008	Chennai-High Court
ii) Sales Tax	Detention of Goods by Roving Squad II	0.83	2010-2011	JCCT (RP), Coimbatore
iii) Income Tax	Disallowance u/s 14A	10.48	2011-2012	CIT (Appeals), Coimbatore.
iv) Sales Tax	CST Rate Difference	0.78	2010-2011	Appellate Deputy Commissioner of Commercial Taxes, Coimbatore.
v) Sales Tax	CST Rate Difference	0.46	2011-2012	

- c) According to the information and explanations given to us and the records of the company examined by us, the company is not required to transfer any amount to Investor Education and Protection Fund in accordance with the relevant provisions of the act and the rules framed thereunder.
- 8) The company reported is an entity, which has been registered for a period not less than five years and the company has no accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- 9) According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- 10) According to the information and explanations given to us and as per our examination of relevant records, we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- 11) According to the information and explanations given to us, no fresh term loans have been availed by the company during the year.
- 12) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the company has been noticed / reported during the year.

For **S.Murali Dharan & Co.**  
Chartered Accountants  
(Firm Reg. No.009617S)

Place : Coimbatore  
Date : 18.05.2015

*S.M. Dharan*  
**S. Murali Dharan**  
Partner  
(M. No.026554)



**SARA ELGI ARTERIORS LIMITED**  
Balance Sheet as on 31st March 2015

Rs.in lacs

Sl.No	Particulars	Note No.	As on 31.03.2015	As on 31.03.2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	250.00	250.00
	(b) Reserves and surplus	4	350.23	345.68
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Deferred tax liabilities (Net)	5	4.12	3.85
	(b) Non -Current liabilities	6	-	13.12
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	18.15	79.57
	(b) Trade payables	8	63.86	55.64
	(c) Other current liabilities	9	42.33	65.20
	(d) Short-term provisions	10	4.47	122.70
	<b>TOTAL</b>		<b>733.16</b>	<b>935.75</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	(a) Fixed assets			
	Tangible assets	10.a	241.19	247.39
	(b) Non-current investments	11	293.75	293.75
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	12	129.13	100.46
	(b) Trade receivables	13	64.43	162.56
	(c) Cash and cash equivalents	14	0.22	11.83
	(d) Short-term loans and advances	15	4.44	119.77
	(e) Other current assets	16	0.00	0.00
	<b>TOTAL</b>		<b>733.16</b>	<b>935.75</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For S.Murali Dharan & Co**

Chartered Accountants

Registration No.009617S

*S.M. Dharan*  
**S Murali Dharan**

Partner, Membership No.026554

Coimbatore, 18 th May 2015



For and on behalf of the Board

*Sumanth Ramamurthi*  
**Sumanth Ramamurthi**  
Director

*A S Thirumoorthy*  
**A S Thirumoorthy**  
Director

**SARA ELGI ARTERIORS LIMITED**  
Statement of Profit and Loss for the year ended 31st March 2015

(Rs in Lakhs)

Sl.No	Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I.	Revenue from operations	17	435.50	528.63
II.	Other income	18	0.00	0.27
III.	<b>Total Revenue (I + II)</b>		<b>435.50</b>	<b>528.90</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	19.a	273.05	359.35
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19.b	4.46	0.70
	Employee benefits expense	20	65.20	73.20
	Finance costs	21	7.82	9.06
	Depreciation and amortization expense	10	5.61	6.69
	Other expenses	22	70.07	73.33
	<b>Total expenses</b>		<b>426.22</b>	<b>522.33</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>9.28</b>	<b>6.57</b>
VI.	Extraordinary Items		0.00	0.00
VII.	<b>Profit before tax (V- VI)</b>		<b>9.28</b>	<b>6.57</b>
VIII	Tax expense:			
	(1) Current tax		3.49	3.93
	(2) Deferred tax		0.26	(1.79)
IX	<b>Profit (Loss) for the year (VII-VIII)</b>		<b>5.53</b>	<b>4.43</b>
X	Tax expense of earlier years		0.00	0.00
XI	<b>Profit/(loss) for the year after tax (IX-X)</b>		<b>5.53</b>	<b>4.43</b>
XII	Earnings per equity share:			
	(1) Basic		0.22	0.18
	(2) Diluted		0.22	0.18

See accompanying notes forming part of the financial statements

As per our report of even date attached

For S.Murali Dharan & Co  
Chartered Accountants  
Registration No.009617S

  
S Murali Dharan  
Partner, Membership No.026554



For and on behalf of the Board



Sumanth Ramamurthy  
Director



A S Thirumoorthy  
Director

Coimbatore, 18 th MAY'2015

# SARA ELGI ARTERIORS LIMITED

Notes forming part of the financial statements

## 1 Corporate Information

Sara Elgi Arteriors Limited is a closely held company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture and selling of UPVC Windows and Doors. The Company have manufacturing unit in Coimbatore-Tamil Nadu.

## 2 Significant Accounting Policies

### 2.1 Accounting Convention

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the applicable Accounting Standards referred to in Section 143 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

### 2.2 Fixed Assets

- Fixed assets are stated at historical cost of acquisition (Net of Cenvat credits) less accumulated depreciation / amortization and cumulative impairment, if any. Cost of acquisition includes freight, duties, taxes, installation, directly attributable costs, interest and commissioning.
- a.
- b. Capital Work in Progress projects under commissioning are carried forward at cost. Incidental expenditure in relation to projects under commissioning is carried forward till completion of project and comprises of direct cost, related incidental expenditure and attributable interest.

### 2.3 Depreciation

- Depreciation on Fixed assets is charged on straight line method based on the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013, on a pro-rata basis corresponding to the date of installation / commissioning.
- a.
- b. Fixed assets, other than intangible assets are depreciated to the extent of 95% of its gross value over the useful life of the asset.

### 2.4 Investments

Long-term investments are stated at cost less provision, if any, for diminution in value which is other than temporary. Current investments are stated at lower of cost and fair value.

### 2.5 Valuation of Inventories

Inventories of Raw Materials, Work-in Process, Finished goods, Stores and Spares are stated at lower of cost and net realisable value. Cost comprises all cost of purchases, cost of conversion and any other costs incurred in bringing the inventories to their present location and condition. Cost formula used is weighted average. Due allowance is estimated and made for defective and obsolete items, wherever necessary based on the past experience of the Company.



## 2.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent liabilities are not recognised but are disclosed in the Notes forming part of financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

## 2.7 Recognition of Income and Expenditure

- a. The Company follows the mercantile system of accounting and recognised income and expenditure on accrual basis except those with significant uncertainties.
- b. Sale of good is accounted when the risk and reward of ownership are passed on to the customers.
- c. Domestic sales are reported in the statement of profit and loss are inclusive of excise duty, wherever applicable and exclusive of other taxes, if any, and trade discounts. Income from export entitlements is accounted as and when the certainty of entitlement is determined.
- d. Revenue from services rendered is recognised as the service is performed based on agreements /arrangements with the concerned parties.

## 2.8 Employee benefits / Retirement benefits of employees

- a. Gratuity benefits are administered by Trust formed for this purpose through the group scheme of Life Insurance Corporation of India. The provision of gratuity liability is actuarially determined at the year end and the liability arising on such valuation is charged to the statement of profit and loss.
- b. Provident Fund contribution is as per the rates prescribed by the Employees' Provident Fund Act, 1952 and the same is charged to revenue.
- c. Super Annuation Fund contribution is paid according to Company rules to the Life Insurance Corporation of India and charged to revenue.

## 2.9 Exchange Fluctuation

- a. Balances in the form of Current Assets and Current Liabilities in foreign exchange outstanding at the close of the year, are converted in Indian currency at the appropriate rate of exchange prevailing on the date of the Balance sheet. Resultant gain or loss is charged to the statement of Profit and Loss.
- b. All other income or expenditure in foreign currency is recorded at the rates of exchange prevailing on the date when the transactions took place.

## 2.10 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

## 2.11 Operating Lease

Assets taken on lease, under which, all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.



## 2.12 Taxes on Income

Tax expense comprises of current tax and Deferred Tax. Current Tax and Deferred Tax are accounted for in accordance with Accounting Standards (AS 22) on "Accounting for Taxes on Income", issued by The Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted / substantially enacted tax rates. At each Balance sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation as the case may be.

## 2.13 Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. As asset is impaired when the carrying amount of the assets exceeds the recoverable amount. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss is recognised in prior accounting periods is reversed in current accounting period if there has been a change in the estimate of the recoverable amount.

## 2.14 Earnings Per Share

Basic and Diluted earning per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

## 3 Share Capital

Rs.in Lakhs

Particulars		As on 31-03-2015	As on 31-03-2014
<b>Authorised</b>			
25,00,000 Equity Shares of Re 10/- each		250.00	250.00
<b>Issued, Subscribed &amp; Fully Paid</b>			
25,00,000 Equity Shares of Re 10/- each		250.00	250.00
<b>Total</b>		<b>250.00</b>	<b>250.00</b>
<b>Shareholders holding more than 5% of paid up capital</b>		<b>No. of Shares &amp; % of shares</b>	
Name of the Shareholder		2014-2015	2013-2014
<b>Equity Shares</b>			
Super Spinning Mills Limited		24,99,994 100.00%	24,99,994 100.00%

## 4 Reserves and Surplus

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
a.	Securities Premium Reserves	100.00	100.00
b.	General Reserve	-	-
	Opening Balance	13.03	13.03
	Add: Amount Transferred		
	Closing Balance	13.03	13.03
c.	Surplus in Statement of Profit and Loss account	-	-
	Opening Balance	232.65	228.21
	Less: Depreciation adj. as per new act'2013	(0.98)	-
	Add: Amount Transferred	5.53	4.43
	Closing Balance	237.20	232.65
	<b>Total Reserves and Surplus</b>	<b>350.23</b>	<b>345.68</b>

5 Deferred Tax Assets / ( Liabilities )

Sr. No	Particulars	Balance as of 31.03.2014	Charge / Credit	Closing Balance as 31.03.2015
	Depreciation	5.08	0.94	4.14
	Others	(1.22)	(1.20)	(0.02)
	<b>Total ( Assets) / Liabilities</b>	<b>3.85</b>	<b>(0.26)</b>	<b>4.11</b>

6 Non- Current Liabilities

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	Sundry Creditors (Outstanding more than 1 Year)-Bangalore		2.15
	Sundry Creditors (Outstanding more than 1 Year)-Coimbatore		0.46
	Advance from Customers		10.47
		-	13.12

7 Short Term Borrowings

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	Loans repayable on demand		
	From Banks (Secured)		
	-Working Capital facilities	18.15	-
	-Short Term Loan	-	-
	-From Corporates (Unsecured)	-	79.57
	<b>Total</b>	<b>18.15</b>	<b>79.57</b>

7.1 Working Capital loans are secured by hypothecation of Company's Inventories, Book Debts and Other Current Assets and Corporate Guarantee of Parent Company.

8 Trade Payables

As on 31.03.2015 As on 31.03.2014

Sundry Creditors for the year	63.86	55.64
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The Company has initiated the process of obtaining confirmation from suppliers who are covered under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information and evidence available with the Company, there are no dues to Micro, Small and Medium Enterprises, outstanding as on 31.03.2015

9 Other Current Liabilities

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	Statutory liabilities	14.04	16.42
	Liabilities for Employees cost	2.82	7.72
	Liabilities for Expenses	5.70	7.51
	Advance against sales	19.76	33.54
	<b>TOTAL</b>	<b>42.33</b>	<b>65.20</b>

10 Short Term Provisions

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	For Bonus	1.00	2.08
	For Gratuity	(0.21)	0.61
	Provision for Taxation	3.69	120.01
		4.47	122.70

**11 Non Current Investments**

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	<b>Investments in Subsidiaries</b>		
	Elgi Building Products Ltd 41,96,408 equity shares of Rs.10 each fully paid	293.75	293.75
	<b>Total</b>	293.75	293.75

**12 Inventories**

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	<b>Valued at Cost or Net Realisable value whichever is lower</b>		
	Raw Materials	108.75	75.62
	Work in Process	19.11	23.15
	Trading Goods	1.27	1.68
	<b>Total</b>	129.13	100.46

**13 Trade Receivables**

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	(Unsecured, considered good)		
	Outstanding for a period exceeding 6 months	43.09	87.52
	Others	21.34	75.04
	<b>Total</b>	64.43	162.56

**14 Cash and Cash Equivalents**

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	Balance with Banks	0.18	11.35
	Cash on Hand	0.04	0.48
	Balance with Deposits accounts	-	-
	<b>Total</b>	0.22	11.83

**15 Short Term Loans and Advances**

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	<b>Unsecured, considered good</b>		
	Loans and Advances	0.57	2.45
	Advance payment of taxes	3.46	117.01
	Deposits with Excise and Customs Authorities	0.38	0.31
	Other Deposits	0.02	-
	<b>Total</b>	4.44	119.77

**16 Other Non Current assets**

Sr. No	Particulars	As on 31-03-2015	As on 31-03-2014
	Interest Accrued		
	<b>Total</b>		

**17 Revenue from Operations**

Sr. No	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
	Sale of products	445.45	564.89
	Other operating revenues	37.38	25.17
	Less: Excise duty	47.33	61.43
	<b>Total</b>	<b>435.50</b>	<b>528.63</b>

**18 Other Income**

Sr. No	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
	Interest Income(Refer Note 18.1 below)	-	0.27
	<b>Total</b>	<b>-</b>	<b>0.27</b>

**18.1 Interest Income**

Sr. No	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
	Interest on EB Deposits	-	0.15
	Interest on Bank Deposits	-	0.12
	<b>Total</b>	<b>-</b>	<b>0.27</b>

**19.a Cost of Materials Consumed**

Sr. No	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
	Opening Stock	75.62	56.82
	Add: Purchases	306.18	378.15
	Less: Closing Stock	108.75	75.62
	<b>Total</b>	<b>273.05</b>	<b>359.35</b>

**19.b Changes in Inventories**

Sr. No	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
	<b>Change in Inventories of Finished goods, WIP and Stock in Trade Inventories at the end of the year</b>		
	Finished goods		
	Stock in process	19.11	23.15
	Stock in Trade	1.27	1.68
	<b>Total</b>	<b>20.38</b>	<b>24.84</b>
	<b>Inventories at the beginning of the year</b>		
	Finished goods		
	Stock in process	23.15	23.99
	Stock in Trade	1.68	1.55
	<b>Total</b>	<b>24.84</b>	<b>25.54</b>
	<b>Net (Increase) / Decrease</b>	<b>4.46</b>	<b>0.70</b>

**20 Employee Expenses Benefits**

Sr. No	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
	Salaries	61.98	67.35
	Contributions to	-	-
	- Provident Funds	1.63	1.91
	- Super Annuation Funds	-	0.05
	Gratuity Fund Contributions	(0.84)	1.39
	Welfare Expenses	2.44	2.50
	<b>Total</b>	<b>65.20</b>	<b>73.20</b>

**21 Finance Cost**

Sr. No	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
	Interest	6.52	8.25
	Other Borrowing cost	1.31	0.81
	<b>Total</b>	<b>7.82</b>	<b>9.06</b>

**22 Other Expenses**

Sr. No	Particulars	As on 31-03-2015	For the year ended 31-03-2014
	Power and Fuel	5.54	5.71
	Repairs and Maintenance	2.13	4.18
	Processing Charges	4.20	7.32
	Selling Expenses	35.76	34.55
	Rent	4.40	3.23
	Insurance Charges	0.74	0.27
	Postage, Telephone and Printing	1.57	1.85
	Travelling and Transport charges	8.65	6.46
	Bank charges and commission	0.00	-
	Taxes and Licenses	0.42	0.20
	Exchange Rate Loss	(0.26)	0.23
	Professional Charges	1.31	0.99
	Audit Fees	0.80	0.80
	Advocate fees	-	0.12
	Others	4.81	7.41
	<b>Total</b>	<b>70.07</b>	<b>73.33</b>

**22.1 Auditors' Remuneration:**

Particulars	As on 31-03-2015	For the year ended 31-03-2014
As Auditor	0.55	0.55
For other services	0.25	0.25
	<b>0.80</b>	<b>0.80</b>

**23 Additional Information to the Financial Statements**

**23.1 Contingent Liabilities:**

	As on 31-03-2015	For the year ended 31-03-2014
Bank Guarantees		-
Disputed Sales tax liability	161.97	150.25

**23.2 Expenditure in Foreign Exchange:**

	As on 31-03-2015	For the year ended 31-03-2014
CIF value of imports of Raw Materials	44.69	22.88
Logo Designing Charges		
	<b>44.69</b>	<b>22.88</b>

23.3	Earnings per Share: The following reflects the income and share data	As on 31-03-2015	For the year ended 31-03-2014
	used in the computation of		
	Basic Earnings per Share.		
	Amount used as Numerator		
	Net Profit attributable to the ordinary shareholders for Basic		
	and Diluted Earnings per Share -Rs.in lakhs	5.53	4.43
	No. of ordinary shares used as denominator applicable:	-	-
	Balance at the beginning of the year	2,500,000	2,500,000
	Issue of shares	-	-
		-	-
	Nominal value per share(Rs.)	10.00	10.00
	No. of Equity Shares(Weighted Average)	2,500,000	2,500,000
	Basic Earnings per Share(Rs.)	0.22	0.18

23.4 Details of employee benefits as required by the Accounting Standard 15(Revised) are as under:

- a Description of the Company's defined plan: The Company operates a defined plan for payment of post employment benefits in the form of Gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of benefit are common for all the employees of the Company.

- b Reconciliation in respect of the changes in the present value of the obligation:

Particulars	In Rs.	
	31.03.2015	31.03.2014
Present value of the Obligation as on 1st April	286773	186181
Current Service Cost	58561	54859
Interest Cost	22942	14894
Actuarial ( Gains) and Losses	-145076	92334
Benefits Paid	0	-61495
Present value of the Obligation as on 31st March	223200	286773

The liability of the Company as of 31st of March 2014 has been funded to the extent of Rs.2.44 lakhs

- c Reconciliation in respect of the changes in the Fair Market Value of the Plan Assets:

Particulars	In Rs.	
	31.03.2015	31.03.2014
Fair value of the Plan Assets as on 1st April	225562	264093
Expected Return on Plan Assets	20886	23077
Contributions by the Employer	-2062	-113.42
Benefits paid	0	-61495
Fair value of the Plan Assets as on 31st March	244386	225562

No reimbursement rights were available at the beginning or end of the year for recognition as an asset.

- d The total expenses recognised in the Statement of Profit and Loss is as follows:

Particulars	In Rs.	
	31.03.2015	31.03.2014
Current Service Cost	58561	54859
Interest Cost	22942	14894
Expected Return on Plan Assets	-20886	-23077
Post Service tax	0	0
Actuarial (Gains) and Losses	-145076	92334
Amount recognised in the Profit and Loss Account	-84459	139010

The expenses has been included under the head "Contribution to Gratuity" under the " Employee cost" in the Statement of Profit and Loss.

- e Investment Details: LIC Group Gratuity(Cash Accumulation) Policy - 100% invested in Debt instruments:

- f Principal Actuarial Assumptions used at the Balance Sheet date is as follows:

Particulars	In %	
	31.03.2015	31.03.2014
Discount Rate	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Rate of escalation in salary(per annum)	6.00%	6.00%

The estimates of rates 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.

- g Reconciliation of Fair Value of Plan Assets and Obligations:

Particulars	In Rs.	
	31.03.2015	31.03.2014
Present value of the Defined Benefit Obligation	223200	286773
Fair value of Plan Assets	244386	225562
Deficit in Plan Assets	21185	-61211
Experience Adjustments arising on Plan Liabilities as an amount	21185	-61211
Experience Adjustments arising on Plan Assets as an amount	0	0

**SARA ELGI ARTERIORS LIMITED**  
**STATEMENT OF DEPRECIATION FOR THE YEAR ENDED 31ST MARCH'2015**

2014-15

10.a Fixed Assets

SI No	Particulars	Gross Block					Depreciation			Net Block		
		As at 01.04.14	Additions	Disposals	As at 31.03.14	As at 01.04.14	For the year	Prior yr Dep. as per new coy's act 2013	As at 31.03.15	As at 31.03.14		
<b>a</b>	<b>Tangible Assets</b>											
1	Land	206.41	0.00	0.00	206.41	0.00	0.00	0.00	206.41	206.41		
2	Plant & Machinery	67.33	0.30	0.00	67.63	36.29	4.28	-4.69	31.75	31.03		
3	Electrical Fittings	3.58	0.09	0.00	3.67	1.48	0.35	0.95	0.89	2.10		
4	Computers	15.47	0.00	0.00	15.47	14.39	0.02	0.29	0.77	1.08		
5	Furniture & Fittings	9.65	0.00	0.00	9.65	5.34	0.72	2.68	0.90	4.31		
3	Office furniture & fittings	4.47	0.00	0.00	4.47	2.00	0.25	1.75	0.46	2.46		
	<b>Total</b>	<b>306.89</b>	<b>0.39</b>	<b>0.00</b>	<b>307.28</b>	<b>59.50</b>	<b>5.61</b>	<b>-0.98</b>	<b>241.19</b>	<b>247.39</b>		
	Previous Year	306.13	0.76	0.00	306.89	52.81	6.69	0.00	247.39	253.32		

Rs in lacs

**SARA ELGI ARTERIORS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR FINANCIAL YEAR 2014-15**

		2014-15	Rs.in lakhs 2013-14
<b>A.</b>	<b>Cash Flow from operating activities :</b>		
	Net Profit before tax and extraordinary items	9.28	6.57
	Adjustment for :		
	Depreciation	5.61	6.69
	Miscellaneous Income		(0.00)
	(Interest Income)		(0.15)
	Interest Payments	6.52	8.25
	<b>Operating Profit before working capital changes</b>	<b>21.41</b>	<b>21.35</b>
	Adjustments for :		
	Trade receivables	98.13	(12.27)
	Other receivables	115.33	11.94
	Inventories	(28.67)	(18.09)
	Trade and other payables	(149.48)	19.48
	<b>Cash generated from operations</b>	<b>56.72</b>	<b>22.40</b>
	Direct taxes paid		
	<b>Net Cash Flow from operating activities</b>	<b>56.72</b>	<b>22.40</b>
<b>B</b>	<b>Cash Flow from Investing activities :</b>		
	Purchase of fixed assets	(0.39)	(0.76)
	Sale of fixed assets		
	Purchase of investments		
	Miscellaneous Income		
	Interest received		0.15
	<b>Net cash used for investing activities</b>	<b>(0.39)</b>	<b>(0.61)</b>
<b>C</b>	<b>Cash Flow from financing activities :</b>		
	Short term borrowings	(61.42)	(2.85)
	Long term borrowings		0.00
	Interest paid	(6.52)	(8.25)
	Share Capital		
	Unsecured loans & deposits		
	Dividends and Tax on Dividend paid		
	<b>Net cash flow from financing activities</b>	<b>(67.93)</b>	<b>(11.11)</b>
	<b>Net Increase / (Decrease) in cash and cash equivalent</b>	<b>(11.61)</b>	<b>10.69</b>
	Cash and cash equivalents - Opening	11.83	1.14
	Cash and cash equivalents - Closing	0.22	11.83

As per our report of even date attached

**For S.Murali Dharan & Co**

Chartered Accountants

Registration No.009617S

*S.M. Dharan*

**S Murali Dharan**

Partner, Membership No.026554

Coimbatore, 18 th May'2015



For and on behalf of the Board

*Sumanth Ramamurthy*

**Sumanth Ramamurthy**

Director

*A S Thirumoorthy*

**A S Thirumoorthy**

Director



## 23.5 Related Party Disclosure(as certified by the Management)

(i) Names of Related parties and description of Relationship:

a) Key Management Personnel	Sumanth Ramamurthi, Director A S Thirumoorthy, Director
b) Holding Company	Super Spinning Mills Ltd
c) Subsidiary	Elgi Building Products Ltd

d) Others

Elgi Electric and Industries Ltd

Sara Elgi Industries Ltd

Sara Elgi Envirotech LLP

Precot Meridian limited

(ii) Related Party Transactions

(Rs.in Lakhs)

Nature of Transaction	Subsidiary Company		Holding Company		Others		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Purchase of goods	113.68	205.41					113.68	205.41
Sales of goods	3.94	3.91	1.10	0.01	0.00	6.04	5.04	9.97
Purchase of Fixed Assets								
Rent paid			3.37	3.37			3.37	3.37
Interest Paid			6.29	8.25			6.29	8.25
Loan Received							0.00	0.00
Other Expenses					4.60	8.11	4.80	8.11
Other Receipts			0.16	0.00	0.89	1.25	1.05	1.25
Amount outstanding at year end - Dr			0.82				0.82	0.00
Amount outstanding at year end - Cr	39.84			79.57	0.48		40.32	79.57

23.6 The Company operates in one primary segment, viz Builder's ware of Plastics - PVC Frames.

23.7 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classifications / disclosure.

As per our report of even date attached

For S.Murali Dharan & Co

Chartered Accountants

Registration No.009617S

S Murali Dharan

Partner, Membership No.026554

Coimbatore, 18 th May 2015



For and on behalf of the Board

Sumanth Ramamurthi  
Director

A S Thirumoorthy  
Director