

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)**

Report on the Financial Statements

We have audited the accompanying financial statements of **KALZIP INDIA PRIVATE LIMITED** (Formerly CORUS INDIA PRIVATE LIMITED) ("the Company"), which comprise 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 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 prescribed under Section 133 of the Act.

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 and the Order under Section 143 (11) of the Act.



We conducted our audit of the financial statements 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 standalone 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, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 38 to the financial statements, wherein it is indicated the Company has foreign currency payables amounting to Rs. 22,77,509 outstanding as at 31 March, 2016 for which the Company will need to get requisite approvals under the Foreign Exchange Management Act, 1999. The consequential impact of this matter, including the liability for penal charges, if any, on the financial statements is presently not ascertainable.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.



- 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 the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 does not have any pending litigations which would impact its financial position. Refer Note 25[i] to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 25[ii (b)] to financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 40 to financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 29 September, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **KALZIP INDIA PRIVATE LIMITED** (Formerly CORUS INDIA PRIVATE LIMITED) ("the Company") as at 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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.

Auditor's 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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 31 March, 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 29 September, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and buildings and hence reporting under clause (i) (c) of the CARO 2016 order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals other than for stock lying with third party for which confirmations have been obtained and goods in transit for which subsequent receipts have been verified. No material discrepancies were noticed on physical verification.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) Other than certain delays in deposit of Income-Tax, Service Tax, Excise Duty and Value Added Tax, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Sales Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company.
 - (b) There are no other undisputed amounts payable in respect of Provident Fund, Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable. We are



informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company.

- (c) There are no dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, bank and government or has issued any debentures. Hence, reporting under Clause (viii) of CARO 2016 Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of Section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions has been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Alka Chadha
Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 29 September, 2016

KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
BALANCE SHEET AS AT 31 MARCH, 2016

	Note No.	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
EQUITY AND LIABILITIES			
1 Shareholders' funds			
a. Share capital	3	5,46,00,000	5,46,00,000
b. Reserves and surplus	4	5,28,76,301	4,47,94,497
		10,74,76,301	9,93,94,497
2 Non-current liabilities			
a. Long-term provisions	5	79,29,217	65,09,564
3 Current liabilities			
a. Trade payables			
i) Total outstanding dues to micro enterprises and small enterprises	6	40,60,165	16,55,950
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	6	12,18,91,789	5,87,14,566
b. Other current liabilities	7	2,99,86,948	11,82,26,702
c. Short-term provisions	8	1,40,130	1,16,333
		15,60,79,032	17,87,13,551
		27,14,84,550	28,46,17,612
ASSETS			
4 Non-current assets			
a. Fixed assets			
- Tangible assets	9	2,80,87,250	2,47,22,560
b. Non-current investments	10	20,000	-
c. Deferred tax assets (net)	37	32,13,390	42,55,045
d. Long-term loans and advances	11	1,28,69,334	1,77,59,412
e. Other non-current assets	12	3,81,981	2,32,536
		4,45,71,955	4,69,69,553
5 Current assets			
a. Current investments	13	41,03,633	1,01,17,729
b. Inventories	14	5,00,89,969	4,02,10,538
c. Trade receivables	15	15,08,11,888	9,77,09,860
d. Cash and cash equivalents	16	77,92,948	21,97,598
e. Short-term loans and advances	17	1,07,60,212	8,73,62,028
f. Other current assets	18	33,53,945	50,306
		22,69,12,595	23,76,48,059
		27,14,84,550	28,46,17,612

See accompanying notes forming part of the financial statements

1 to 41

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha

Partner

Place: Gurgaon
Date: 29, September, 2016



For and on behalf of the Board of Directors

Horst Dieter Schulz
Horst Dieter Schulz

Director

DIN: 06691414

Place: Koblenz
Date: 28, September, 2016

Willem Faas
Willem Faas

Director

DIN: 05160812

Place: Koblenz
Date: 28, September, 2016

Suresh K. Pillai
Suresh K. Pillai

Managing Director

DIN: 03326552

Place: Gurgaon
Date: 29, September, 2016

Ankita Duneja
Ankita Duneja

Company Secretary

Membership No. 36313

Place: Gurgaon
Date: 29, September, 2016



KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

	Note No.	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
1 Revenue from operations (gross)	19	39,79,01,106	34,03,66,173
Less: Excise duty	19	2,52,18,381	1,91,81,880
Revenue from operations (net)		<u>37,26,82,725</u>	<u>32,11,84,293</u>
2 Other income	20	43,16,573	43,41,126
		<u>37,69,99,298</u>	<u>32,55,25,419</u>
3 Expenses			
a. Cost of materials consumed	21.a	12,46,35,590	9,96,83,083
b. Purchases of stock-in-trade (traded goods)	21.b	8,53,02,119	7,29,68,302
c. Changes in inventories of stock-in-trade	21.c	3,24,485	27,08,093
d. Employee benefits expenses	22	4,06,61,712	3,49,04,873
e. Finance costs	23	7,23,416	4,35,013
f. Depreciation	9	25,94,826	25,65,838
g. Other expenses	24	11,04,15,941	7,58,68,998
		<u>36,46,58,089</u>	<u>28,91,34,200</u>
4 Profit before tax		1,23,41,209	3,63,91,219
5 Tax expense			
a. Current tax expense for current year		32,17,750	88,77,600
b. Deferred tax credit	37	10,41,655	35,74,446
Net tax expense		<u>42,59,405</u>	<u>1,24,52,046</u>
6 Profit after tax		<u>80,81,804</u>	<u>2,39,39,173</u>
7 Earnings per share (of Rs. 1,000 each):	36		
Basic and diluted		148.02	438.45

See accompanying notes forming part of the financial statements

1 to 41

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha

Alka Chadha
Partner

Place: Gurgaon
Date: 29, September, 2016



For and on behalf of the Board of Directors

Horst Dieter Schulz

Horst Dieter Schulz
Director
DIN: 06691414
Place: Koblenz
Date: 28, September, 2016

Willem Faas

Willem Faas
Director
DIN: 05160812
Place: Koblenz
Date: 28, September, 2016

Suresh K. Pillai

Suresh K. Pillai
Managing Director
DIN: 03326552
Place: Gurgaon
Date: 29, September, 2016

Ankita Duneja

Ankita Duneja
Company Secretary
Membership No. 36313
Place: Gurgaon
Date: 29, September, 2016



KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	Note No.	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
A. Cash flow from operating activities			
Profit before tax		1,23,41,209	3,63,91,219
Adjustments for:			
Depreciation		25,94,826	25,65,838
Provision for doubtful trade receivables		-	49,35,836
Interest income		(96,026)	(55,383)
Finance costs		7,23,416	4,35,013
Profit on sale of fixed assets		-	(31,240)
Unrealised exchange (gain)/loss		12,09,829	(4,98,578)
Dividend on current non- trade investments		(3,04,030)	(11,76,957)
Operating profit before working capital changes		<u>1,64,69,224</u>	<u>4,25,65,748</u>
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Long- term loans and advances		43,91,043	(31,42,574)
Trade receivables		(5,30,76,026)	(6,12,49,898)
Short- term loans and advances		7,66,01,816	(4,91,52,888)
Other current assets		(32,82,281)	
Inventories		(98,79,431)	3,00,65,921
Long - term provisions		14,19,653	20,80,029
Trade payables		6,39,46,249	(77,22,026)
Other current liabilities		(7,37,03,703)	5,79,30,832
Short- term provisions		23,797	29,112
Cash generated operations		<u>2,29,10,341</u>	<u>1,14,04,256</u>
Taxes paid		(27,18,715)	(53,76,838)
Net cash flow from operating activities		<u>2,01,91,626</u>	<u>60,27,418</u>
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(2,02,43,064)	(1,32,45,747)
Proceeds from sale of fixed assets		-	37,500
Interest received		59,820	44,871
Purchase of non-current investments		(20,000)	-
Current investments in mutual funds not considered as cash and cash equivalents			
- Purchased		(3,85,00,000)	(15,55,00,000)
- Proceeds from sale		4,45,00,000	14,55,00,000
Dividend received from current investments in mutual funds		3,18,125	10,59,228
Deposits not considered as cash and cash equivalents		(11,12,782)	(18,560)
Net cash used in investing activities		<u>(1,49,97,901)</u>	<u>(2,21,22,708)</u>
C. Cash flow from financing activities			
Finance costs		(5,76,560)	(55,798)
Net cash used in financing activities		<u>(5,76,560)</u>	<u>(55,798)</u>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		<u>46,17,165</u>	<u>(1,61,51,088)</u>
Cash and cash equivalents as at the beginning of the year		<u>17,36,830</u>	<u>1,78,87,918</u>
Cash and cash equivalents as at the end of the year		<u>63,53,995</u>	<u>17,36,830</u>
Cash and cash equivalents as at the end of the year, comprising:			
Cash on hand		80,117	4,874
Balance with banks in current accounts		62,73,878	17,31,956
Cash and cash equivalents at the end of the year	16	<u>63,53,995</u>	<u>17,36,830</u>

See accompanying notes forming part of the financial statements 1 to 41

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha
Partner

Place: Gurgaon

Date: 29 September 2016



For and on behalf of the Board of Directors

Horst Dieter Schulz
Horst Dieter Schulz

Director

DIN: 06691414

Place: Koblenz

Date: 28 September, 2016

Suresh K. Pilla
Suresh K. Pilla

Managing Director

DIN: 03326552

Place: Gurgaon

Date: 29 September, 2016

Willem Faas
Willem Faas

Director

DIN: 05160812

Place: Koblenz

Date: 28 September, 2016

Ankita Duneja
Ankita Duneja

Company Secretary

Membership No. 36313

Place: Gurgaon

Date: 29 September, 2016



KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Background

KALZIP INDIA PRIVATE LIMITED (Formerly CORUS INDIA PRIVATE LIMITED) ('the Company') is primarily engaged in installation of sophisticated lightweight building systems and carrying out related activities. The Company's operating activities include primarily designing and moulding aluminium coils into corrugated sheets for roof and cladding. The 'Roll forming' activity is carried out at customers project site primarily using machinery acquired on operating lease. The Company is also engaged in trading accessories related to corrugated steel sheets.

A fresh certificate of incorporation consequent to the change in name to KALZIP INDIA PRIVATE LIMITED ('the Company') was issued by the Registrar of Companies, N.C.T of Delhi & Haryana on 21 December, 2011 under Section 23(1) of the Companies Act, 1956.

Note 2 - Significant accounting policies

I Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

II Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed and intangible assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

III Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on First In First Out (FIFO) basis and includes all applicable costs incurred in bringing goods to their present location and condition. Cost of work-in-progress and finished goods include applicable manufacturing overheads.

IV Revenue recognition

Sale of products:

Sales are recognised when the property in the goods is transferred and all significant risks and rewards of ownership have been transferred to the customers. Sales are recorded net of excise duty, sales tax and returns.

Income from services:

Design fees is recognised on accrual basis upon completion of services rendered. Revenues from installation contracts are recognised when services are rendered as per the terms of the contract.

Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

V Fixed assets and depreciation

Fixed assets are stated at their original cost of acquisition/installation less depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Asset type	Useful Life
Furniture and fixtures	4 years
Office equipment	4 years
Data processing equipment	3 years

Assets costing less than Rs. 5,000 individually are fully depreciated in the year of purchase.



Handwritten signatures in blue ink, including one that appears to be 'S.A.' and another that is partially obscured.

KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

VI Foreign exchange transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts

Premium / discount on forward exchange contracts, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

Derivative contracts

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign exchange transactions. Any profit or loss on arising on cancellation or renewal of such a forward exchange contract is recognised as income or expense in the period in which such cancellation or renewal is made. All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

VII Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

VIII Employee benefits

a. Short term

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, wages, bonus and performance incentives.

b. Provident fund

The Company's employee provident fund scheme is a defined contribution plan. The Company's contribution paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

c. Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan 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 is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

d. Compensated absences

Benefits comprising compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

IX Taxes on income

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted at the balance sheet.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

X Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

XI Earnings per share

- a. Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.
- b. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

XII Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

XIII Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

XIV Cash flow statement

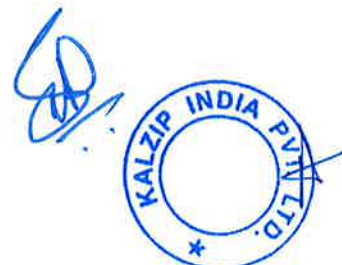
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

XV Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

XVI Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Share capital

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Rupees	Number	Rupees
Authorised				
Equity shares of Rs. 1,000 each with voting rights	2,50,000	<u>25,00,00,000</u>	2,50,000	<u>25,00,00,000</u>
Issued, subscribed and paid up				
Equity shares of Rs. 1,000 each fully paid up	54,600	<u>5,46,00,000</u>	54,600	<u>5,46,00,000</u>

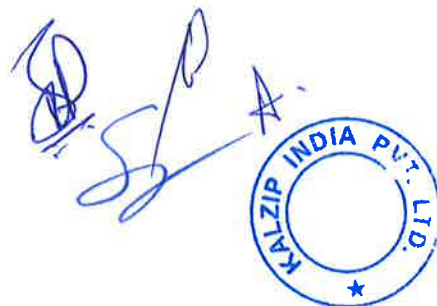
Notes

- Of the above 54,599 (Previous year 54,599) equity shares are held by British Steel Nederland International B.V., the holding company and one share (previous year one share) is held by Mr. Sankar Ghosh as a nominee of holding company. The ultimate holding company is Tata Steel Limited.
- The Company has one class of equity shares having a par value of Rs. 1000 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	54,600	5,46,00,000	54,600	5,46,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	54,600	5,46,00,000	54,600	5,46,00,000

d. Shareholder holding more than 5 percent shares:

Particulars	As At 31.03.2016		As At 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
British Steel Nederland International B.V. and its nominee	54,600	100.00%	54,600	100.00%



KALZIP INDIA PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Note 4 - Reserves and surplus		
Surplus in Statement of Profit and Loss		
Opening balance	4,47,94,497	2,08,55,324
Add: Profit for the year	80,81,804	2,39,39,173
Closing balance	<u>5,28,76,301</u>	<u>4,47,94,497</u>
Note 5 - Long-term provisions		
Provision for employee benefits		
- Provision for compensated absences	13,72,396	9,84,160
- Provision for gratuity (see note 32)	65,56,821	55,25,404
	<u>79,29,217</u>	<u>65,09,564</u>
Note 6 - Trade payables		
Trade payables (see note 31)		
- Other than acceptances		
a. Total outstanding dues to micro enterprises and small enterprises	40,60,165	16,55,950
b. Total outstanding dues to creditors other than micro enterprises and small enterprises	12,18,91,789	5,87,14,566
	<u>12,59,51,954</u>	<u>6,03,70,516</u>
Note 7 - Other current liabilities		
Other payables		
- Statutory liabilities (including TDS, VAT, Excise duty and Service tax)	1,35,71,222	1,28,13,243
- Advances from customers	1,31,79,511	73,26,692
- Payable on purchase of fixed assets	32,36,215	1,75,49,091
- Payable on account of forward contracts	-	8,05,37,676
	<u>2,99,86,948</u>	<u>11,82,26,702</u>
Note 8 - Short-term provisions		
Provisions for income tax [(net of advance tax Rs. 402,475) (previous year Rs. Nil)]	-	-
Provisions for employee benefits		
- Provision for compensated absences	49,982	38,899
- Provision for gratuity (see note 32)	90,148	77,434
	<u>1,40,130</u>	<u>1,16,333</u>



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KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9 - Fixed assets

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 31.03.2015	Additions	Deletion	As at 31.03.2016	As at 31.03.2015	Depreciation expense for the year	Deletion	As at 31.03.2016	As at 31.03.2015
Tangible assets (Owned)									
Plant and equipment (Previous year)	3,85,63,115 (3,84,61,738)	56,21,781 (1,01,377)	- (-)	4,41,84,896 (3,85,63,115)	1,48,23,479 (1,30,68,865)	20,47,963 (17,54,614)	- (-)	2,73,13,454 (2,37,39,636)	2,37,39,636 (2,53,92,873)
Furniture and fixtures (Previous year)	24,00,660 (23,93,222)	1,13,012 (7,438)	- (-)	25,13,672 (24,00,660)	21,74,382 (16,51,410)	2,23,037 (5,22,972)	- (-)	1,16,253 (2,26,278)	2,26,278 (7,41,812)
Office equipment (Previous year)	10,60,085 (5,84,140)	54,748 (5,48,430)	- (72,485)	11,14,833 (10,60,085)	5,16,234 (4,44,516)	1,91,231 (1,37,943)	- (66,225)	4,07,368 (5,43,851)	5,43,851 (1,39,624)
Data processing equipment (Previous year)	14,39,402 (13,35,402)	1,69,975 (1,04,000)	- (-)	16,09,377 (14,39,402)	12,26,607 (10,76,298)	1,32,595 (1,50,309)	- (-)	2,50,175 (2,12,795)	2,12,795 (2,59,104)
Total	4,34,63,262 (4,27,74,502)	59,59,516 (7,61,245)	- (72,485)	4,94,22,778 (4,34,63,262)	1,87,40,702 (1,62,41,089)	25,94,826 (25,65,838)	- (66,225)	2,13,35,528 (1,87,40,702)	2,47,22,560 (2,47,22,560)

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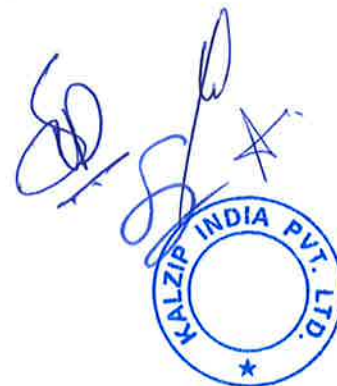
KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Note 10 - Non-current investments (Unsecured, considered good)		
Investments in Government securities (unquoted)		
- National savings certificate *	20,000	-
	<u>20,000</u>	<u>-</u>
* certificate pledged with sales tax authorities		
Note 11 - Long-term loans and advances (Unsecured, considered good)		
a. Security deposits	23,47,800	11,90,800
b. Advance tax [(net of provisions Rs. 31,100,201) (previous year Rs. 27,882,451)]	1,00,362	5,99,397
c. Balances with government authorities		
- Service tax credit receivable	1,04,21,172	1,59,69,215
	<u>1,28,69,334</u>	<u>1,77,59,412</u>
Note 12 - Other non-current assets (Unsecured, considered good)		
Balances with banks		
- in deposit accounts held under lien *	3,67,133	2,32,536
- Interest accrued on deposits	14,848	-
	<u>3,81,981</u>	<u>2,32,536</u>
* Lien with government authorities		
Note 13 - Current investments		
Other current investments (At lower of cost or fair value, unless otherwise specified)		
Investments in mutual funds(unquoted)		
Kotak Liquid Scheme	20,99,758	-
ICICI Prudential Liquid -Regular Plan - Daily dividend	20,03,875	50,07,183
Tata Liquid Fund Plan A - Daily dividend	-	51,10,546
Total	<u>41,03,633</u>	<u>1,01,17,729</u>
Note:		
Aggregate amount of current unquoted investments	41,03,633	1,01,17,729
Mutual Fund	No of Units	Face value (Rupees)
Kotak Banking & PSU fund - Daily dividend	2,09,274.720	10.0335
	(-)	(-)
ICICI Prudential Liquid -Regular Plan - Daily dividend	20018.952	100.0989
	(50,040.004)	(100.0636)
Tata Liquid Fund Plan A - Daily dividend	-	-
	(4,585.423)	(1,114.520)
Note 14 - Inventories (At lower of cost and net realisable value)		
a. Raw materials [(including goods-in-transit Rs. Nil (previous year Rs. 6,311,281)]	3,85,68,197	2,83,64,281
b. Traded goods (including goods-in-transit of Rs. 797,289) (previous year Rs. Nil)	1,15,21,772	1,18,46,257
	<u>5,00,89,969</u>	<u>4,02,10,538</u>
Note 15 - Trade receivables		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	3,41,73,222	1,37,50,947
- Doubtful	49,35,836	49,35,836
	3,91,09,058	1,86,86,783
Less: Provision for doubtful trade receivables	49,35,836	49,35,836
	3,41,73,222	1,37,50,947
b. Other trade receivables (Unsecured, considered good)	11,66,38,666	8,39,58,913
	<u>15,08,11,888</u>	<u>9,77,09,860</u>



KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Note 16 - Cash and cash equivalents		
a. Cash on hand	80,117	4,874
b. Balances with banks		
- in current accounts	62,73,878	17,31,956
- in deposit accounts (see note below)	14,38,953	4,60,768
	77,92,948	21,97,598
Notes:		
i. Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3, "Cash Flow Statements"	63,53,995	17,36,830
ii. Deposit accounts held as margin money against guarantees and under lien with government authorities	14,38,953	4,60,768
Note 17 - Short-term loans and advances (Unsecured, considered good)		
a. Loans and advances to employees	1,36,341	67,979
b. Prepaid expenses	8,09,278	17,11,360
c. Security deposits	75,000	30,000
d. Balances with government authorities		
- CENVAT credit receivable	74,18,023	48,57,907
- VAT credit receivable	4,70,978	1,20,438
- Others	11,76,438	5,41,066
e. Others		
- Advance to vendors	6,74,154	5,46,859
- Receivable on account of forward contracts	-	7,94,86,419
	1,07,60,212	8,73,62,028
Note 18 - Other current assets (Unsecured, considered good)		
Insurance claim receivable	32,82,281	-
Interest accrued on deposits	71,664	50,306
	33,53,945	50,306



KALZIP INDIA PRIVATE LIMITED
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Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
Note 19 - Revenue from operations (gross)		
a. Sale of products (see note i)	38,11,08,739	31,46,59,064
b. Sale of services (see note ii)	1,65,90,677	2,55,88,860
c. Other operating revenue (see note iii)	2,01,690	1,18,249
Revenue from operations (gross)	39,79,01,106	34,03,66,173
Less: Excise duty	2,52,18,381	1,91,81,880
	37,26,82,725	32,11,84,293
Notes		
i. Sale of products comprises		
a. Manufactured goods		
- Aluminium corrugated sheets	21,84,02,515	16,76,78,150
- Flat sheets	1,48,57,400	1,59,71,582
	<u>23,32,59,915</u>	<u>18,36,49,732</u>
b. Traded goods		
- Accessories	8,02,25,473	3,57,08,737
- Profile and deck	2,65,60,059	65,98,854
- Coils	1,18,74,608	8,71,34,623
- Flat sheets	18,43,410	4,43,718
- Rockwool	18,78,410	-
- Latchway Fall arrest system	1,90,43,714	-
- Tools	17,83,444	10,99,130
- VCL	20,02,402	-
- Liner	24,65,304	-
- Gutter	1,72,000	-
- Others	-	24,270
	<u>14,78,48,824</u>	<u>13,10,09,332</u>
Total- Sales of products	38,11,08,739	31,46,59,064
ii. Sale of services comprise:		
- Design service	-	68,96,686
- Installation service	1,65,90,677	1,84,09,944
- Job-work	-	2,82,230
Total- Sales of services	1,65,90,677	2,55,88,860
iii. Other operating revenues comprise:		
- Sale of scrap	2,01,690	1,18,249
Total- Other operating revenue	2,01,690	1,18,249
Note 20 - Other income		
a. Interest income		
- on deposits with bank	96,026	55,383
b. Rental income		
	80,000	2,40,000
c. Dividend on current non- trade investments		
	3,04,030	11,76,957
d. Liabilities / provisions no longer required written back		
	5,15,917	17,26,368
e. Net gain on foreign currency transactions and translations		
	-	11,11,178
f. Profit on sale of fixed assets		
	-	31,240
g. Insurance claim		
	32,82,281	-
h. Miscellaneous income		
	38,319	-
	<u>43,16,573</u>	<u>43,41,126</u>



KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
Note 21.a - Cost of materials consumed		
a. Opening stock (including goods-in-transit)	2,83,64,281	5,57,22,109
b. Add: Purchases	13,48,39,506	7,23,25,255
	16,32,03,787	12,80,47,364
c. Less: Closing stock (including goods-in-transit)	3,85,68,197	2,83,64,281
	12,46,35,590	9,96,83,083
Materials consumed comprises:		
- Aluminium coil	12,46,35,590	9,96,83,083
	12,46,35,590	9,96,83,083
Note 21.b - Purchases of stock-in-trade (traded goods)		
Purchases of:		
- Accessories	3,67,15,860	1,95,53,917
- Profiles and decks	2,06,48,783	36,28,739
- Coils	88,72,868	4,65,18,329
- Flat sheets	8,94,345	1,16,075
- Rockwool	13,06,195	16,55,343
- Latchway Fall arrest system	1,30,08,823	-
- Tools	11,09,629	7,90,284
- VCL	10,00,550	3,54,538
- Liner	16,10,521	3,35,568
- Gutter	1,34,545	15,509
	8,53,02,119	7,29,68,302
Note 21.c - Changes in inventories of stock-in-trade		
a. Inventories at the end of the year:		
- Traded goods	1,15,21,772	1,18,46,257
b. Inventories at the beginning of the year:		
- Traded goods	1,18,46,257	1,45,54,350
	3,24,485	27,08,093



**KALZIP INDIA PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
Note 22 - Employee benefits expenses		
Employee benefits expenses		
a. Salaries and wages	3,65,26,990	3,04,26,004
b. Contribution to provident fund	23,03,273	20,70,006
c. Gratuity expense (see note 32)	10,44,131	16,85,856
d. Staff welfare expenses	7,87,318	7,23,007
	<u>4,06,61,712</u>	<u>3,49,04,873</u>
Note 23 - Finance costs		
a. Interest expense on:		
- Trade Payable	3,70,030	-
- Interest on delayed payment of certain statutory dues	3,53,386	4,35,013
	<u>7,23,416</u>	<u>4,35,013</u>



KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
Note 24 - Other expenses		
a. Lease rent (see note 35)	2,45,99,980	2,04,42,346
b. Job work charges	1,89,29,607	1,73,10,280
c. Freight and handling charges	98,65,497	52,74,401
d. Communication expenses	13,97,183	13,68,423
e. Legal and professional fees	54,07,837	13,68,988
f. Payments to auditors (see note i below)	17,02,538	11,55,612
g. Printing and stationery	1,16,902	1,85,054
h. Repairs and maintenance		
- Machinery	23,61,738	6,45,359
- Others	17,22,788	20,29,385
i. Travelling and conveyance	94,52,553	77,28,076
j. Rates and taxes	81,91,434	5,46,888
k. Insurance charges	16,04,777	14,42,690
l. Business promotion expenses	91,345	1,26,105
m. Advertisement expenses	2,17,728	11,24,821
n. Net loss on foreign currency transactions and translations	58,13,569	-
o. Global cost allocation towards support services	1,61,26,710	88,14,022
p. Provision for doubtful trade receivables	-	49,35,836
q. Bad debts written off	12,48,219	14,59,604
Less: adjusted from provision for doubtful debts	-	(14,59,604)
r. Bank charges	4,07,679	4,87,304
s. Miscellaneous expenses	11,57,857	8,83,408
	11,04,15,941	7,58,68,998

Note

i. Payments to the auditors comprises (net of service tax input credit, where applicable):

a. To statutory auditors

-Audit	15,00,000	8,00,000
-Tax audit	1,00,000	1,00,000
-Certification	75,000	-
-Taxation matter	-	2,00,000
-Reimbursement of out of pocket expenses	27,538	30,612
Subtotal	17,02,538	11,30,612

b. To cost auditors for cost audit

Total	17,02,538	11,55,612
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**KALZIP INDIA PRIVATE LIMITED
(FORMERLY CORUS INDIA PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL**

Note 25 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	As At 31.03.2016 (Rupees)	As At 31.03.2015 (Rupees)
i Contingent liabilities		
ii Commitments		
a. Capital commitments (Net of capital advance of Rs.Nil (Previous year Rs.Nil))	13,77,000	30,93,902
	13,77,000	30,93,902
b. The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits, in normal course of business. The Company did not have any long term commitments/contracts including derivative contracts for which there were be any material foreseeable losses.		

Note 26 - Value of imports calculated on CIF basis:

Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
a. Raw materials	12,76,46,836	10,88,18,202
b. Traded goods	4,67,41,641	1,21,18,014
c. Capital goods	31,97,965	-
	17,75,86,442	12,09,36,216

Note 27 - Expenditure in foreign currency (accrual basis)

Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
a. Lease rent	1,31,00,148	1,20,08,204
b. Global cost allocation towards support services	1,60,60,462	88,14,022
c. Legal and professional fees	19,40,263	1,81,077
d. Travelling and conveyance	11,61,903	8,46,671
e. Repairs and maintenance	10,24,627	1,05,611
f. Miscellaneous expenses	1,61,471	99,023
	3,34,48,874	2,20,54,608

Note 28 - Earnings in foreign exchange:

Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
a. Export of goods calculated on FOB basis	1,15,40,345	-
	1,15,40,345	-

Note 29 - Details of consumption of imported and indigenous Items

Particulars	%	Year ended 31.03.2016	%	Year ended 31.03.2015
Imported	94%	11,76,90,032	89%	8,84,86,952
Indigenous	6%	69,45,558	11%	1,11,96,131
Total		12,46,35,590		9,96,83,083

Note 30 - Details on derivatives instruments and unhedged foreign currency exposures

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments.

Nature of Derivative	Number of deals	Purpose	Amount in foreign currency	Amount In Rupees
Forward contract	-	Hedge	-	-
	(6)	(Hedge)	USD (1,271,408)	(7,94,86,419)

Figures in brackets represent previous year's figures.

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as on 31 March, 2016 is as follows:

Currency	As at 31.03.2016 Amount in foreign currency	As at 31.03.2015 Amount in foreign currency	As at 31.03.2016 Amount in Indian Rupees	As at 31.03.2015 Amount in Indian Rupees
Advance to vendors				
a. USD		5,405		3,37,934
Trade payables				
a. SGD	2,99,879	5,13,091	1,47,80,329	2,34,31,045
b. GBP	67,435	16,506	64,26,098	15,35,055
c. USD	5,26,485	17,410	3,48,81,576	10,88,445
d. EUR	4,78,126	1,01,705	3,60,63,508	69,02,689
e. CHF	8,515	18,897	5,87,582	12,24,242
f. CNY	3,07,603	-	31,56,192	-
Trade receivables				
a. USD	1,68,294	-	1,11,50,086	-
b. SGD	26,113	-	12,87,027	-



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Note 31 - Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
a Amounts payable to suppliers under MSMED (suppliers) as at the year end		
- Principal	36,86,672	16,52,487
- Interest due thereon	3,73,493	3,463
b Payments made to suppliers beyond the appointed day during the year		
- Principal	96,95,138	5,06,704
- Interest due thereon	2,75,859	3,463
c Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d Amount of interest accrued and remaining unpaid as on 31 March, 2016	3,73,493	3,463
e Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	3,70,030	3,463
f The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	69,613	43,789

Note:

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied by the auditors.

Note 32 - Employee benefit plans

a. Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2,303,273 (Previous year Rs. 2,070,006) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plans

i. Description of gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary plus dearness allowance) for each completed year of service subject to completion of five years service.

ii. Policy for recognising actuarial gains and losses

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss as income or expense.

iii. The following tables set out the status of the gratuity plan (which is unfunded) and amounts recognised in the Company's financial statements

Particulars	31.03.2016 (Rupees)	31.03.2015 (Rupees)
i. Change in benefit obligation		
- Present value of obligation at the beginning of the year	56,02,838	40,03,974
- Current service cost	10,71,288	10,04,667
- Interest expenses	4,34,220	3,40,338
- Benefits paid	-	(86,992)
- Actuarial (gain) / loss	-4,61,377	3,40,851
- Present value of obligations at the end of the year	66,46,969	56,02,838
ii. Expenses recognised in Statement of Profit & Loss Account		
- Current service costs	10,71,288	10,04,667
- Interest expense	4,34,220	3,40,338
- Net actuarial loss/ (gain) recognized during the year	-4,61,377	3,40,851
- Expenditure recognised in the Statement of Profit and Loss	10,44,131	16,85,856
Long-term provision for gratuity	65,56,821	55,25,404
Short-term provision for gratuity	90,148	77,434

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

iv. Principal actuarial assumptions for gratuity and compensated absences

- Discount rate (p.a.) (see note 1 below)	8.00% p.a.	7.75% p.a.
- Salary escalation rate (p.a.) (see note 2 below)	10.00% p.a.	10.00% p.a.

v. Experience adjustment on actuarial gain/(loss) for defined benefit obligations

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of defined benefit obligation	66,46,969	56,02,838	40,03,974	30,17,893	19,74,460
Funded status (Surplus / (Deficit))	(66,46,969)	(56,02,838)	(40,03,974)	(30,17,893)	(19,74,460)
Experience gain / (loss) adjustments on plan liabilities	2,23,220	1,95,685	(1,80,491)	83,196	43,043



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Notes

1. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
3. The gratuity plan is unfunded.

Demographic assumptions

Retirement age	60 years
Mortality rate	IALM (2006-08)
Withdrawal rate (%)	Upto 30 years 3
	From 31 to 44 years 2
	Above 44 years 1

Note 33 - Segment reporting

Based on the guiding principles given in the Accounting Standard on 'Segment Reporting' (Accounting Standard 17), specified under section 133 of the Act, the Company's primary business segment is installation of sophisticated lightweight building systems and carrying out related activities. The Company's operating activities include primarily designing and moulding aluminium coils into corrugated sheets for roof and cladding.

Secondary segmental reporting is performed on the basis of the geographical location of customers.

Geographical revenues are segregated based on the location of the customer who is involved or in relation to which the revenue is otherwise recognised.

Particulars	Domestic (Rupees)	Overseas (Rupees)	Total (Rupees)
Segment revenue	36,45,88,185 (32,55,25,419)	1,24,11,113 -	37,69,99,298 (32,55,25,419)
Segment assets	25,90,47,437 (28,42,79,678)	1,24,37,113 (3,37,934)	27,14,84,550 (28,46,17,612)
Capital expenditure	2,02,43,064 (1,32,45,747)	- -	2,02,43,064 (1,32,45,747)

Amount in brackets represent previous year's figures.

Note 34 - Related party disclosures

List of related parties

Related parties where control exists	British Steel Nederland International B.V. (Holding company) Tata Steel Limited (Ultimate holding company)
Fellow subsidiaries	Kalzip Asia Pte Ltd. Kalzip Limited Kalzip GmbH Kalzip Guangzhou Tata Steel UK Limited Tata Steel International (India) Limited
Key management personnel	Suresh K. Pillai



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Transactions / balances outstanding with related parties

S. No	Particulars	Fellow Subsidiaries (Rupees)	Key Management personnel (Rupees)
TRANSACTIONS DURING THE YEAR			
1	Lease rent		
	- Kalzip Asia Pte Ltd.	1,31,00,148 (1,20,08,204)	- (-)
	- Tata Steel International (India) Limited	7,80,000 (7,80,000)	- (-)
	Total	1,38,80,148 (1,27,88,204)	- (-)
2	Global cost allocation towards support services		
	- Kalzip GmbH	80,48,529 (67,68,760)	- (-)
	-Tata Steel UK Limited	80,11,933 (20,45,262)	- (-)
	Total	1,60,60,462 (88,14,022)	- (-)
3	Purchase of raw materials		
	- Kalzip Asia Pte Ltd.	-	-
	Total	(32,65,834) (32,65,834)	(-) (-)
4	Purchase of traded goods		
	- Kalzip GmbH	2,35,96,829 (11,94,051)	- (-)
	- Kalzip Guangzhou	-	-
	Total	2,35,96,829 (40,42,606)	- (-)
5	Purchase of fixed assets		
	- Kalzip Guangzhou	31,97,965 (-)	- (-)
6	Rental income		
	-Tata Steel International (India) Limited	80,000 (2,40,000)	- (-)
7	Sale of products		
	- Kalzip Asia Pte Ltd	12,36,403 (-)	- (-)
8	Others		
	- Kalzip Asia Pte Ltd.	68,277 (16,775)	- (-)
	- Kalzip Limited UK	18,154 (-)	- (-)
	- Kalzip GmbH	9,61,107 (1,87,859)	- (-)
	Total	10,47,538 (2,04,634)	- (-)
9	Managerial remuneration		
	- Suresh K, Pillai	-	87,28,889
		(-)	(79,06,162)
BALANCES OUTSTANDING			
a.	Trade payables		
	- Kalzip Asia Pte Ltd.	1,47,96,880 (59,70,110)	- (-)
	- Kalzip GmbH	3,48,17,340 (62,00,580)	- (-)
	-Tata Steel UK Limited	64,09,547 (15,18,903)	- (-)
	- Tata Steel International (India) Limited	6,77,625 (66,534)	- (-)
	Total	5,67,01,392 (1,37,56,127)	- (-)
b.	Other current liabilities		
	- Kalzip Asia Pte Ltd.	-	-
		(1,74,77,088)	(-)
	- Kalzip Guangzhou	31,56,192 (-)	- (-)
	- Kalzip GmbH	80,023 (72,003)	- (-)
	Total	32,36,215 (1,75,49,091)	- (-)
c.	Managerial remuneration payable		
	- Suresh K. Pillai	-	10,04,051
		(-)	(9,62,449)
d.	Receivables		
	- Kalzip Asia Pte Ltd.	12,87,027 (-)	- (-)

Amount in brackets represent previous year's figures.



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Note 35 - Leases

Operating lease:

The Company has acquired certain premises and machinery under cancellable operating lease. The total lease rentals recognised as expenses during the year under the above lease agreement aggregates to Rs. 24,599,980 (Previous year Rs. 20,442,346).

Note 36 - Earnings per share

Particulars	Unit	Year ended	Year ended
		31.03.2016	31.03.2015
Net profit after tax	Rs.	80,81,804	2,39,39,173
Weighted average number of equity shares outstanding during the year	Nos.	54,600	54,600
Nominal value of equity shares	Rs.	1,000	1,000
Basic and diluted earnings per share	Rs.	148.02	438.45

Note 37 - Deferred tax assets (net)

Component of Net deferred tax asset / (liability)

Particulars	As at	Debited/(Credited)	As at
	01.04.2015	to the Statement	31.03.2016
	(Rupees)	(Rupees)	(Rupees)
Deferred tax asset:			
a. Provision for doubtful debts	16,31,935	-	16,31,935
b. Provision for compensated absences and gratuity	21,90,720	4,77,248	26,67,968
c. Provision for others	14,47,674	(14,53,403)	(5,729)
	<u>52,70,329</u>	<u>(9,76,155)</u>	<u>42,94,174</u>
Deferred tax liability:			
a. On difference between book balance and tax balance of fixed assets	10,15,284	65,500	10,80,784
Net deferred tax asset	<u>42,55,045</u>	<u>(10,41,655)</u>	<u>32,13,390</u>
	(78,29,491)	(35,74,446)	(42,55,045)

Note

i. Amount in brackets represent previous year's figures

Note 38 As at 31 March, 2016, the Company has dues to related parties amounting to Rupees 22,77,509 outstanding for a period exceeding three years for which the Company will need to get requisite approvals under the Foreign Exchange Management Act, 1999 for making payments in respect thereof. The consequential impact of this matter, including the liability for penal charges, if any, on the financial statements is presently not ascertainable.

Note 39 During the previous year, the Company had revised the estimated useful life of its assets except data processing equipment, furniture and fixtures and office equipment to align the useful life with those specified in Schedule II. The details of previously applied depreciation rates / useful life are as follows:

Asset	Depreciation method	Previous useful life	Revised useful life
Plant and equipment	Straight line method	5 years	15 years

The depreciation expense in the Statement of Profit and Loss for the previous year was lower by Rs. 5,325,287 consequent to the change in the useful life of the assets.

Note 40 There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

Note 41 - Previous year figures

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.



For and on behalf of the Board of Directors

Horst Dieter Schulz
Director
DIN: 06691414
Place: Koblenz
Date: 28, September, 2016

Willem Faas
Director
DIN: 05160812
Place: Koblenz
Date: 28, September, 2016

Suresh K. Puri
Managing Director
DIN: 03326552
Place: Gurgaon
Date: 29, September, 2016

Ankita Duneja
Company Secretary
Membership No. 36313
Place: Gurgaon
Date: 29, September, 2016

