THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.
Udyog Bhawan, Tilak Marg, C-Scheme,
Jaipur-302005
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ANNUAL ACCOUNTS

2015-16

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.
(A Government Of Rajasthan Concern)
Jaipur
BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	AS AT 31st March2016		AS AT 31st March 2015	
			Rs		Rs
EQUITY & LIABILITIES					
SHARE HOLDERS' FUNDS					
Share Capital	1	696,40,300		696,40,300	
Reserves and Surplus	2	(1990,31,687)	(1293,91,387)	(2032,49,595)	(1336,09,295)
Share Application Money Pending Allotment			-		-
NON CURRENT LIABILITIES	3				
Long Term Borrowings	3.1	1437,44,000		664,44,000	
Other Long Term Liabilities	3.2	422,69,715		447,31,056	
Long Term Provision	3.3	301,51,586	2161,65,301	351,99,976	1463,75,032
CURRENT LIABILITIES	4				
Short- Term Borrowings	4.1	476,04,405		484,18,466	
Trade Payables	4.2	1297,67,719		1597,25,992	
Other Current Liabilities	4.3	639,80,340		580,70,588	
Short Term Provisions	4.4	2322,23,426	4735,75,890	2345,20,308	5007,35,354
TOTAL			5603,49,804		5135,01,091
ASSETS					
NON CURRENT ASSETS					
Fixed Assets	5				
Tangible Assets		2128,22,703		2247,36,177	
Capital work-in-progress		1,68,433	2129,91,136		2247,36,177
Non-Current Investments	6		1,86,140		1,86,140
Long Term Loans & Advances	7	61,72,106	61,72,106	61,64,276	61,64,276
Other Non Current Assets	8	-	-	2,51,800	2,51,800
CURRENT ASSETS	9				
Inventories	9.1	335,34,135		436,30,716	
Trade Receivables	9.2	40,36,301		12,16,439	
Cash And Bank Balances	9.3	2373,54,445		1431,30,339	
Short Term Loans and Advances	9.4	574,91,672		866,25,097	
Other Current Assets	9.5	85,83,869	3410,00,422	75,60,107	2821,62,698
TOTAL			5603,49,804		5135,01,091
Significant Accounting Polices and the notes forming part of the financial statements	1-22		-		-

AUDITORS REPORT
As per our report of even date

For R M K & CO.
Chartered Accountants
(FRNo.006811C)

K.L Choudhary
Partner
MNO.076964

(R.L.Meena)
Chief Accounts Officer

(R.S.Agarwal)
Company Secretary

(Rajeeva Swarup)
Managing Director

Director

Place: Jaipur
Dated: 22-8-2016

R M K & CO.
M. No. 076964
JAIPUR

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDING 31 MARCH 2016

PARTICULARS	Note No.	For the year ended 31st march 2016 Rs	For the year ended 31st march 2015 Rs
INCOME			
Revenue from Operation	10	10670,89,754	10963,47,791
Less:-Excise Duty			
Net Revenue from Operation		10670,89,754	10963,47,791
Other Income	11	317,93,992	248,63,060
Total Revenue	(a)	10988,83,746	11212,10,851
EXPENDITURE			
Cost of Material Consumed	12	26,565	-
Purchase of Stock in Trade	13	9199,93,585	10269,85,349
Change in Inventories of finished goods ,stock in process & stock in trade	14	100,89,902	(180,09,666)
Employee Benefit Expense	15	683,31,018	719,60,507
Finance Cost	16	50,87,916	56,32,968
Depreciation & Amortisation	5	70,78,433	81,98,129
Other Expenses	17	792,25,058	335,24,220
Provision for doubtful debts		-	
Prior Period Items:-	19	10,28,927	2,76,975
Total expenses	(b)	10908,61,404	11285,68,482
Profit/(Loss)before exceptional and extraordinary items and tax	(a-b)	80,22,342	(73,57,631)
Less:Exceptional Items			
Excess Provision Written-Back	18	2,48,650	46,15,675
Profit/(Loss)before extraordinary items and tax		82,70,992	(27,41,956)
Add:Extraordinary items	20	1,39,123	1,13,235
Profit/(Loss)before tax		84,10,115	(26,28,721)
Tax Expenses			
(a)Current Tax Expenses for the Year		-	-
(b)(Less): MAT Credit Entitlement		-	-
(c) Net Current Year Tax		-	-
(d) Current year tax expenses relating to prior years		-	-
(e)Net Tax Expenses		-	-
(f) Deferred Tax Provision		-	0
Profit/(Loss) for the year		84,10,115	(26,28,721)
Basic and Diluted Earning Per Share	21	12.08	(3.77)
Significant Accounting Polices and the notes forming part of the financial statements	1-22		

AUDITORS REPORT
As per our report of even date

For R M K & CO.
Chartered Accountants
(FRNo.006811C)

K.L Choudhary
Partner MNO.076964

R M K & CO.
M. No. 076964
JAIPUR

(R.L.Meena)
Chief Accounts Officer

(R.S.Agarwal)
Company Secretary

(Rajeeva Swarup)
Managing Director

Director

Place: Jaipur
Dated: 22-8-2016

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.

SIGNIFICANT ACCOUNTING POLICIES AND THE NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Forming Part of Balance Sheet as on 31.03.2016and Profit & Loss account on that date)

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(A) **ACCOUNTING POLICIES**

The Financial statement have been prepared under the historical cost convention on accrual basis of accounting and generally accepted accounting principals and the provision of the company Act 2013 and in accordance with accounting standards as applicable,as adopted consistently by the company. The significant accounting policies are stated hereunder: -

1 **GRANT-IN-AID:-**

The expenditure and realisation as dealt in Annexure "A" in respect of Grant-in-Aid have not been dealt in the Profit & Loss Account.

2 **INVESTMENT:-**

i) Long term investment are valued at cost however in case of permanent diminution in value of investment, carrying amount of investment is reduced by the amount of such decline

ii) Current investment are valued at cost or net realisable value which ever is lower

3 **DEPRECIATION**

i) Land:-Amortization is provided in the accounts in respect of leasehold land on the basis of lease period.

ii) Other Fixed Assets :Depreciation has been charged on Written down Value Method at the rates and methods in accordance with schedule II of the companies Act, 2013

4 **Retirement Benefits**

Gratuity :-The corporation has taken a policy from LIC for the payment of Gratuity to its employees and annual contribution payable to LIC is debited to the P & L account of the Corporation on the basis of the actuarial valuation

Leave Encashment :-Provision for the value of leave encashment benefit on retirement of employees/officers have been made on accrual basis on the basis of calculation made by the Corporation.As per RSIC service rules 1972, unavailed medical leave are not being encash at time of retirement.

5 **Government Grants**

i) For Capital Expenditure:-Government grants received for capital Expenditure are transferred to Capital reserve upon capitalization of concerned assets and proportionate depreciation on subsidy portion of concerned asset is charged to Capital Reserve account, unutilized grant is shown in current liabilities.

ii) For Others:-Government grants received for revenue expenditure is set off against the concerned expenditure head / scheme. The same is shown as liability before utilization.

6 Miscellaneous income, unrealised Warehousing, handling charges, wharfage charge, rent in dispute, leave encashment, honorarium incentive payment to official other than payment under incentive scheme (Handicrafts) are accounted for an actual receipts/payment basis.

7 Interest on the staff advances for the employees who have left the organization will be accounted for as & when it will be received.

8 Sales includes transfer and expenses

9 **VALUATION OF STOCK IN TRADE:-**

a) Stock in trade of Iron & Steel etc. is Valued at Cost on FIFO method.

b) Stock in trade of Central Stores & DDRC is valued at cost/standard cost or realizable value whichever is lower on FIFO method. The stock at Emporia is valued at issue price of Central store. DDRC etc. or at realizable value whichever is lower on FIFO method. Shop soiled and damaged articles of handicrafts have been valued at 45% (Rajasthali, Central Stores etc.) at 30% (SSD Wing) on an estimated basis as in earlier years.

c) Stores, spare parts and raw material is valued at cost on FIFO method generally.

d) Work in process is valued at cost.

10 **TAXATION:-**

i) Current tax is the provision made for Income Tax Liability, if any on the profits accordance with the Provisions of the Income Tax Act 1961

ii) Deferred Tax is recognized subject to the consideration of Prudence on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable or reversal in one or more subsequent period

iii) Deferred Tax Assets and Liabilities are measured using the Tax Rate and Tax Law that has been enacted on the Balance Sheet date. However no DTA/DTL was created during the year due to uncertainty of the profit

(B) **DISCLOSURE OF CONTINGENT LIABILITIES**

Contingent Liabilities are disclosed by way of notes on the Balance Sheet provision is made on account of those Liabilities, which are likely to materialize after the year end having effect on the position stated in the Balance Sheet as at year end.

i) **Claims against the company not acknowledged as debts.Peneltles/Recoveries/Interest etc has been raised by various Govt Departments (for LBT, Customs, House Tax, UD Tax etc) amounting to Rs.911.59 Lac (Previous year Rs.856.04 lacs), these Penelties/Recoveries/Interest are not yet acknowledged as debt as the appeals are pending at various stages.**

ii) **Various Court cases/ arbitration cases filed by clients and employees Rs.56.94 lakhs (Arbitrator has given award on 11-5-2016 in favour of company in case of M/s Navratan Pipe & Profile Ltd V/S RSIC)(Previous Year Rs 101.69 lakhs)**

R. M. K. & CO.
M. No. 075964
JAIPUR

iii)	**Claim of Rs. 3596.96 lacs filed by M/S Sadhu Ram Patel & Sons in which the District Magistrate, Jaipur city has passed award of Rs. 314.69 lakhs (Including Interest of Rs. 108.52 lakhs upto 31.03.12) against the corporation.**
	Sadhu Ram Patel & Sons (Erstwhile H & T Contractor of the corporation) has raised a claim of Rs. 3596.96 lakhs against the company against which the District Magistrate, Jaipur city has awarded a claim of Rs. 314.69 lakhs (Including Interest of Rs. 108.52 lakhs) against the corporation. The corporation has filed an appeal in High Court, Jaipur against the judgement of the District Magistrate, Jaipur city and Hon'ble High Court has ordered to be stayed the execution proceedings, Hon'ble High court has passed interim relief order dt 3.9.2008 that appellant shall deposit the amount of claim awarded by arbitrator and upheld by District Judge in favour of the respondent no. 1 one i.e Rs. 2,0,2,22,423/- Out of this amount a sum of Rs. 1,12,51,827/- will be paid to Syndicate Bank on furnishing usual undertaking by Bank for restitution of the amount with interest @ 9 % in case the appeal is allowed. The rest amount will be deposited in Fixed deposit in any nationalized bank during the pendancy of this appeal. In compliance of this order RSIC has deposited a sum of Rs. 2,02,22,423/- and same has been shown as advance against court order So far as amount of award relating to interest part is concerned, the same will remain stayed during the pendency of this appeal Therefore no liability has been provided against the same.
iv)	**Claim of Rs, 522.82 Lakhs filed by M/S Ganesh Container Movers Syndicate, Mumbai (Including Rs. 100.00 lakhs damages and compensation)**
	Ganesh Container Movers Syndicate (Erstwhile H & T Contractor of the corporation) has raised claims involving total amount of Rs.522.82 lakhs (including Rs. 100.00 Lakh towards damages and compensation) plus interest thereon against the company the matter is pending before Arbitrator involving several disputes, the corporation has not accepted his claims, hence no liability has been provided against the same
v)	**Estimated amount of contracts to be executed on capital account and not provided for this year Rs.Nil (Previous year**
vi)	**In respect of disallowance/additions in Income Tax assessments, the Company is in appeal before the appropriate Authorities. No material liability is likely to arise from the issues in dispute.**
vii)	**In respect of Sales Tax Demand of Rs.111.66 Lakhs, (Previous year Rs.21.57 Lakhs.) the Company is in appeal before the appropriate authorities and required documents /information submitted for set aside the demand**
viii)	**Service Tax on commission on consignment sale of Handicrafts amount unascertainable**
ix)	**The Corporation has given bank guarantee amounting to Rs.49.27Lakhs in favour of M/S SECL (Previous yearRs.49.27 Lakh)**
x)	**Claim of Rs. 400.46 lacs filed by M/s Max Logistics Pvt. Ltd. (including Rs. 100.00lakh towards business loss).Matter is pending before Arbitrator.**

(C) **(a) Value of imported raw material spare parts and component calculated on CIF basis by the Corporation.**

Current Year - Nil **Previous Year - Nil**

(b) The details of imported / indigenous raw material, spare parts and components consumed are as under:-

	Raw Material		Spares & Stores parts	
Current Year:	**Imported**	**Indigenous**	**Imported**	**In digenous**
Total Consumption	Nil	NIL	Nil	Nil
Percentage	Nil	Nil	Nil	Nil
Previous Year:				
Total Consumption	Nil	Nil	Nil	Nil
Percentage	Nil	Nil	Nil	Nil

(c)Earning in foreign currency on sale of goods:	**Current Year :24.58 Lakh**		**Previous Year :27.68 Lakh**
(d) Expenditure in foreign currency:	**Current Year - Nil**		**Previous Year - Nil**

(D)	**Figures for Previous year has been regrouped/ rearranged where are necessary.**
(E)	**Figures are rounded off to nearest rupee.**
(F)	**The Company has paid Rs. 10,52,000/- as interest for delays in payment beyond 45 days from the due date to suppliers covered micro, small and medium enterprises development Act 2006, This payment of Interest is related to the F.Y 2010-11. There is no delay in payment beyond 45 days from the due date to supplier ,hence no Payment or Provision of interest is made for F.Y 2015-16.**
(G)	**Micro Small and Medium to whom the company owes a sum of Rs 100000/- outstanding for more than 30 days as on 31st March 2016.Detail are at Annexxure "B".**
(H)	**Export and Import Operation at ICD, Bhilwara and Bhiwadi temporarily closed from 2012-13 (from 10.4.2012) similarly Rajasthali Mumbai and DDRC were remained temporarily closed during 2015-16**

(R.L.Meena) **Chief Accounts Office**

(R.S Agarwal) **Co. Secretary**

(Rajeeva Swarup) **Managing Director**

Director

AUDITORS REPORT

For RMK & CO.
Chartered Accountants
(FRNO 006811C)

(K.L Choudhary)
Partner M No.076964

RMK & CO
JAIPUR

Dated: 22 -8-2016
Place: Jaipur

			As at 31 March 16		As at 31 March 15
	Note-1 SHARE CAPITAL		Rs		Rs
	AUTHORISED 850000 Equity Shares of Rs 100/each		850,00,000		850,00,000
			850,00,000		850,00,000
	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		**As at 31 March 16**		**As at 31 March 15**
	Equity Shares,Rs100 par value 696403 Equity Shares of Rs 100/- each fully paid up		696,40,300		696,40,300
			696,40,300		696,40,300
	The detail of Share Holders holding more than 5%		**As at 31 March 16**		**As at 31 March 15**
	Name of the Shareholders	No of Shares	% held	No of Shares	% held
	Honr'ble Governor of Rajasthan	6,64,387	95.40	6,64,387	95.40

			As at 31 March 16		As at 31 March 15
	The reconcilation of the number of shares outstanding is setout				
	Particulars		**No of Shares**		**No of Shares**
	Equity Share at the bigning of the year Add:-Share issued during the year		6,96,403 -		6,96,403 -
	Equity Share at the end of the year		6,96,403		6,96,403

The Company has single class of the equity shares having face value of Rs. 100/- each. Each shareholder is eligible for vote in proportion to no. of equity shares held by him. In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

			As at 31 March 16		As at 31 Mrarch 15
	NOTE '2' - RESERVES AND SURPLUS				
	Capital Reserve(State Subsidy)				
	(a)Out of Sale Of Fixed Assets				
	As per Last Balance Sheet	43,67,245		43,67,245	
	Addition(+)/Deduction (-) during the year	-	43,67,245	-	43,67,245
	(b)Revolving Fund				
	As per Last Balance Sheet	278,54,000		278,54,000	
	Addition(+)/Deduction (-) during the year	-	278,54,000		278,54,000
	(c)Deffered Grants(Assets Accquired)				
	As per Last Balance Sheet	948,42,063		719,91,582	
	Addition(+) during the year			274,55,719	
		948,42,063		99447301	
	Less:-Amortisation Of Fixed Assets [Note 2(a)]	41,83,850		4605238	
	Less:-Reductioin of Assets Created out of Grants	8,357	906,49,856	0	948,42,063
	Surplus in Statement of Profit & Loss Account				
	As per Last Balance Sheet	(3303,12,903)		(3276,84,182)	
	Addition(+)/Deduction (-) during the year	84,10,115	(3219,02,788)	(26,28,721)	(3303,12,903)
			(1990,31,687)		(2032,49,595)
2(a)	Durng the year 2014-015 ,deprecaition on Rajasthali Building was to be charged Rs. 11,61,760/- (Rs.7,67,622/- against Depreciaion and Rs.3,94,138/- against Capital Reserve)but due to oversight ,depreciation was charged Rs. 1,16,176/- only(Rs.76,762 charged to Depreciation and Rs39,414/-charged to Capital Reserve) Hence differnce amount of Depreciation for the year 2014-15 of Rs. 10,45,584/- is charged during the year 2015-16(Rs3,54,724/-/- is charged to Capital Reserve A/C and Rs.6,90,860/-shown under the Head "Prior period Items") A sum of Rs. 51,296/ is credited to capital reserve towards depreciation wronly charged to capital reserve in the ealiere years				

			As at 31 March 16		As at 31 March 15
	NOTE '3' - NON CURRENT LIABILITIES				
3.1	**Long Term Borrowing (Unsecured)**				
	Unsecured Loans				
	From Government of Rajasthan:				
	For Setting up of Flatted Factory Complex	850,00,000			
	For Purchase of coal for SSI [Note No-3(a)]	154,00,000		231,00,000	
	From SRF for VRS Scheme 2009-10 [Note No-3(b)]	433,44,000	1437,44,000	433,44,000	664,44,000
			1437,44,000		664,44,000

3.2	**Other Long Term Liabilities(Unsecured)**				
	Security Deposit		422,02,279		446,61,926
	Security Deposit from Staff		67,436		69,130
			422,69,715		447,31,056
3.3	**Long Term Provisions**				
			-		
	Provision For leave Encashment		301,51,586		351,99,976
	Total -B		301,51,586		351,99,976

3(a)	Govt. Of Rajasthan has sanctioned soft loan of Rs. 850 lacs without interst for Development of Flatted Factory Complex at Bais Godown area for the moratorium peiod of two years during the year 2015-16 vide order No. P(3) Udyog/Group-2/2007/03 dated 09-12-2015
3(b)	In view of the recovery of loan is deffered by government till the corporation comes in the profit. till date there are accumulated losses ,so the management is not expecting write off all accumulated losses in near future therefore there will be no repayement hence the loan is shown in non-current liabilities.

	NOTE '4' - CURRENT LIABILITIES		**As at 31 March 16**		**As at 31 March 15**
	Short Term Borrowings				
4.1	Advances Against Indent/Order		476,04,405		484,18,466
			476,04,405		484,18,466
	Trade Payables (Note No. (c)				
4.2	Creditors for Goods		1297,67,719		1597,25,992
			1297,67,719		1597,25,992
	Other Current Liabilities				
4.3	Interest Accrued But Not Due on SRF Loan	5,58,568		5,55,057	
	Interest accrued & Due [(Note No-4(a)]	3,99,854		3,99,854	
	Grant in Aid (Refundable)	134,88,872		150,75,294	
	Employees PF Payable	9,99,839		11,03,270	
	VAT/ CST Payable	14,79,514		36,86,064	
	TDS Payable	2,21,060		1,61,520	
	LIC Payable	53,867		37,741	
	Service Tax Payable	5,584		6,922	
	Other Finance	2,14,673		4,49,818	
	Gratuity Payble [Note No.4(b)]	12,72,000		12,72,200	
	Suspence	91	186,93,922	91	227,47,831
	Unsecured Term Loan Installments due within one year [Note No-4(d)]				
	From Government of Rajasthan:				
	a) For Closure of mills [Note No-4(di)]	26,66,333		26,66,333	
	b) For Rajasthali New Delhi [Note No-4(dii)]	75,00,000		75,00,000	
	c)For procurement of coal [Note No-4(dv)]	77,00,000			
	From State Renewal Fund:				
	a)For VRS Scheme (2003-04) [Note No-4(diii] &(iV)	274,20,085	452,86,418	251,56,424	353,22,757
			639,80,340		580,70,588

4(a)	Rs. 3,99,854/- belongs to old interest accrued and due on unsecured loan for which no information is available and are subject to confirmation.
4(b)	Rs. 1272200/- belongs to Gratuity payble to terminated employees.
4(c)	The balances of Trade Payables/Outstanding Liabilities are subject to confirmation & reconciliation. These include some old/unlinked balances pending confirmation reconciliation/settlement. Adjustment if any will be made at the time of final reconciliation / confirmation/settlement. The balance of creditors of RM and ICD Jodhpur are not reconciled with main ledger. The difference shown in Suspense Account
4(d)	Unsecured loan includes Rs.45286418/- received from State Government & State Renewal Fund which is over due and due within one year for payment as under:-
(i)	Unsecured term loan of Rs. 2666333 @ 4% interest payable on 25.07.2002
(ii)	Unsecured Term loan of Rs 7500000/- without interest (Rs 2500000 repayable on 26/3/2011 and Rs 2500000 on 26/3/2012 and Rs. 2500000 on 26/3/2013
(iii)	Unsecured term loan of Rs. 13333000 @ 4% interest (repayable of Rs 6667000 on 1/3/2006 and Rs 6666000 on 1/3/2007
(iv)	Interest accrud and due of Rs.14087085/-on SRF Loan up to the financial year 2015-16
(v)	Unsecured term loan of Rs. 7700000/-without interest repayable on 22-10-2016

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4.4	**Short Term Provisions**				
	Provision for employees Benefit				
	Bonus	8,815		6,281	
	Employees Remuneration	146,69,692		202,55,795	
	Provision For Gratuity [(Note No-4(e)]	594,73,048		572,84,048	
	Provision For leave Encashment	87,05,214	828,56,769	68,03,371	843,49,495
	Rent [Note No.4(f)]	50,26,913		45,71,893	
	Audit Fees	74,800		85,162	
	Electricity & Water	7,14,131		1,34,378	
	Telephone	65,802		56,438	
	Provision of Income Tax [Note No.4(g)]	40,01,369		40,01,369	
	Custom Cost Recovery [Note No.4(h)]	569,93,825		569,93,825	
	ICD Operation Expenses [Note No.4(i)]	234,59,660		213,51,953	
	UD Tax & Lease Rent [Note No.4(j)]	213,74,093		252,97,762	
	UD Tax & Lease Rent Interest	194,85,198		181,03,325	
	Economic Rent	11,59,514		8,63,020	
	Renovation	62,62,009		78,64,737	
	Handling transportatin Exp.of coal	10,23,809		10,49,930	
	Incentive to CHA	9,41,560		5,95,484	
	State Renewal Fund [Note No.4k)]	75,92,000		70,92,000	
	Advertising & Publicity	57,122		85,260	
	Other Provisions	11,34,852	1493,66,657	20,24,277	1501,70,813
			2322,23,426		2345,20,308
4(e)	LIC of India would be responsible for payment of full gratuity to RSIC employees. As per demand note of LIC of India present value of gratuity for past service is Rs. 681.82 lakhs out of which the value of Corporation fund as on 31.3.2016 is Rs.87.09 lakhs, and provision of Rs 594.73 lakhs has been made against balance value to be funded.				
4(f)	Provision for Rent for current year Rs.412553/- and balance for previous years Rs 45,71,893/-				
4(g)	Rs. 40.01 Lacs shown under the head Current Liabilities & as provision for income tax are subject to reconciliation.The efforts are being made to reconcile the same and resultant effect, if any will be accounted for in the year of final reconciliation. Further Additional liability for taxes duties and refund for pending assessment/appeals/revision/reference as well as financial effect for pending cases of claim are accounted for at the time of final settlement/Decision.				
4(h)	Provision for custom cost recovery for current year is nil and balance for previous years Rs.5,69,93,825/-				
4(i)	Provision for ICD/ACC Operation expenses for current year Rs.6777851/- and balance for previous years Rs.2,13,51,953/-				
4(j)	UD Tax includes lease rent for current year Rs. 1290014/-and interest on UD Tax for current year Rs.23,73,347/- belongs for ICD Bhiwadi.				
4(k)	Provision for contribution to State Renewal Fund for current year is Rs. 500000/-,contribution is not being paid since 2001-02				

	NON CURRENT ASSETS		Rs		Rs
	NOTE '6'-Non Current Investments		**As at 31 March 16**		**As at 31 March15**
(a)	**Investment In Equity** One Equity share of Rs. 1000 -(fully paid up) of all India Handloom Fabrics Marketing Cooperative Society Ltd.		1,000		1,000
b)	18000 " B" Equity shares of Rs.10/- each of Oberoi Holdings (P) Ltd, Kalkota		1,80,000		1,80,000
(c)	100 Equity Shares of Rs.1000/-each (fully paid up) of Rajasthan Consultancy Organaisation Ltd, Jaipur	1,00,000		1,00,000	
	Less:- Provision for Diminution in Value	(1,00,000)	-	(1,00,000)	-
(d)	500 Equity Shares of Rs.1000/- each (fully paid up) of Rajasthan State Handloom Development Corporation Ltd, Jaipur	5,00,000		5,00,000	
	Less:- Provision for Diminution in Value	(5,00,000)	-	(5,00,000)	-
(e)	514 Equity Shares each of rs 10/- of Indian Exposition Mart Ltd Greater Nodia UP		5,140		5,140
			1,86,140		1,86,140
6(a)	Value of Long Term investment in Rajasthan Handloom Development Corporation Ltd. Jaipur Rs. 5.00 Lakh, and Rajasthan Consultancy Origination Ltd. Rs. 1.00 Lakh has been reduced by 100% due to permanent reduction in value of the said investment as per AS-13.				
6(b)	Agreggate amount of unquoted investment of Rs 786140/- & in Previous Year is Rs 786140/-, Agreegate amount for diminution in value of investment is Rs 600000/- & Previous Year Rs.600000.				

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NOTE- 5

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
TANGIBLE ASSETS AS ON 31ST MARCH, 2016

PARTICULARS	GROSS BLOCK 0 BLOCK	ADDITION	SALES/ DEDUCTIONS	AS ON 31ST MARCH, 16	DEPRECIATION UP TO 31.03.2015	FOR THE YEAR	ADDITION	DEDUCTIONS	TOTAL	NET BLOCK AS ON 31ST MARCH, 16	AS ON 31ST MARCH, 15
LAND (Lease Hold)	113389812			113389812	14058561	1121072			15179633	98210179	99331251
LAND (Free hold)	2397083			2397083	0	0			0	2397083	2397083
BUILDING	169161512		1009347	168152165	57299210	5385675	1045584	198622	63531847	104620318	111862302
PLANT & MACHINERY	4640013			4640013	4104103	97000			4201103	438910	535910
FANS & FITTINGS	5374269	11120	97025	5288364	3809020	407535		93816	4122739	1165625	1565249
OTHER OFFICE EQUIPMEN	32364948	232277	256474	32340751	25695916	3261711		251077	28706550	3634201	6669032
FURNITURE & FIXTURES	16967517	12824	246512	16733829	14674542	596241		243881	15026902	1706927	2292975
VEHICLE	1399127	657420	343513	1713034	1316752	89622		342800	1063574	649460	82375
TOTAL (A)	345694281	913641	1952871	344655051	120958104	10958856	1045584	1130196	131832348	212822703	224736177
Work in progess		168433		168433					0	168433	0
Figures For Previous Year	345173591	74343984	73823294	345694281	110050607	12803367		1895870	120958104	224736177	235122984

Durng the year 2014-015 ,deprecaition on Rajasthali Building was to be chared Rs. 11,61,760/- (Rs.7,67,622/- to be chared to Depreciaion and Rs.3,94,138/- to be charged Capital Reserve)but due to oversight ,depreciation was charged by Rs. 1,16,176/- only(Rs.76,762 charged to Depreciation and Rs39,414/-charged to Capital Reserve) Hence differnce amount of Depreciation for the year 2014-15 of Rs. 10,45,584/- is charged during the year 2015-16(Rs3,54,724/-/- is charged to Capital Reserve A/C and Rs.6,90,860/-shown under the Head "Prior period Items")

A sum of Rs. 10,09,347/- towards light/power charges was to be debited to M/s Avas Vikas Ltd but it was wrongly debited to building (Rs. 4,39,203/- to Rajasthali building A/C duing the year 2007-08 and Rs. 5,70,144/-to Rajasthali Mall Building during the year 2014-15 . Now during 2015-16 Rs. 10,09,347/- have been debited to M/s Avas Vikas Ltd and credited to Building A/c ,resulting depreciation of prior period have also been credited by Rs. 173,890/-.Further excess depreciation of Rs. 24,732/- charged during 2014-15 on building /- has also been W/B and shown in prior period items

Land & Building amounting to Rs.1, 551.68 lakhs (Previous Year 1,561.77lakhs) have been accounted subjected to formal transfer of title deeds, since in use and possession of the company. The value of the land already with building amounting to Rs. 0.61 lakhs could not be ascertained shown in building

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During the year a sum of Rs. 114500/-/- was paid to SIDBI towards appraiser of feasibility report for flatted factory complex and Rs. 53933/ to M/s Kamtech Associates towards consultancy chareses for preparaing of feasibity report,which has been shown under head "work in progress"

As stock taking of fixed assets items (AC,Furniture and other office equipments purchased during 1995) could not be taken place lying at closed Rajasthali Mumbai,as the building is in damaged condition and no one is allowed to enter in the building since 2004,hence fixed Asstes items gross value Rs 4,05,733/- and net value Rs.8,591/-(Rs. 8357/- charged to capital reserve and Rs. 233/- wriitten Off)have been written off duing the 2015-16 .

DETAIL OF DEPRECIATION AND AMMORTISATION		
Particulars	2015-16	2014-15
Depreciation & Ammortisation Charged to P&L	7078433	8198129
Depreciation & Ammortisation Charged to Capital Reserve	3880423	4605238
Depreciation & Ammortisation of Previous Year Charged to P&L	690860	
Depreciation & Ammortisation of Previous Year Charged to Capital Reserve	354724	
TOTAL	12004440	12803367

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NOTE-'7'- LONG TERM LOANS & ADVANCES (Unsecured & Considered Good)		As at 31 March 16		As at 31 March 15
(a) Capital Advances[Note No.(7a)				
Advance for Capital Goods Unsecured and Considered Good [Note No7-(a,b)]	41,48,150	41,48,150	41,48,150	41,48,150
(b) Security Deposits				
Telephone Deposit	1,99,276		2,98,648	
Electricity Deposit	15,62,080		14,49,553	
Other Deposit	2,62,600	20,23,956	2,67,925	20,16,126
		61,72,106		61,64,276

7(a) Advance for capital goods includes advance given to M/s. RSRDCC Ltd. and AVL Rs. 41,48,150/- for Construction contractor for various works, account of corporation is under reconciliation. Final settlement of the same will affect fixed assets and other related accounts and fixed assets and other related accounts shall be debited/credited after the final settlement.

Note'8'-Other Non -current assets				
Misc expenses Written Off				
As per Last Balance Sheet	2,51,800		5,49,800	
Addition:- During the year	-		-	
Less:- During the year	2,51,800	-	2,98,000	2,51,800
		-		2,51,800

8(a) RSIC has incurred total expenditure of Rs. 99.38 lakhs up to 31.3.2010 on renovation work against which RSIC has received grant in aid of Rs. 7.50 lacs from DC HC and cost of AC's Rs. 9.86 lacs has been capitalized and balance amount of Rs. 82.02 lakhs has been deferred in five years. During the year 2010-11 and 2011-12 a sum of Rs. 2.31 lakh and 12.59 lakhs respectively incurred on renovation and same have been shown in misc. expenditure write off in 5 years in repair and maintainance & renovation.

9.1	NOTE '9' - CURRENT ASSETS		As at 31 March 16		As at 31 March 15
	INVENTORIES				
	(As Verified,Valued & Certified By				
	Raw Material	78,152		71,244	
	Work in Progress	70,547		81,652	
	Finished Goods	332,84,738		433,63,533	
	Stores & Consumables	1,00,698	335,34,135	1,14,287	436,30,716
			335,34,135		436,30,716
9(a)	Stock in trade includes goods worth Rs. 0.34 lakhs (Previous year Rs. 0.21 lakhs) lying with others for which no confirmation taken is subject to confirmation.				
9(b)	The goods worth Rs. 0.26 Lakhs lying with others for .(pervious year Rs.0.26 lakhs) clothes issued to the artisans for printing during 2001-2002 and onwards,which is pending for adjustments.				
9(c)	Ivory items has been banned to be sold by the Govt., therefore ,it is not saleable condition .Hence as per AS 2 the value of Ivory items of Rs. 54,943/-is not included in Finished Goods.				
9(d)	In The earlier years amount towards shortage in stock under investigation was aggregating to Rs. 2,24,301/-(Previous year 2,24,301/-) not included in finished goods.				
9.2	Trade Receivable				
	Outstanding for a period exceeding 6 months		40,36,301		12,16,439
	Others :-				
	Considered Doubtful	231,36,171		231,36,171	
	Less:- Provision	(231,36,171)	-	(231,36,171)	-
	Others (Hire Purchase Debtor)	70,673		70,673	
	Less:- Provision	(70,673)	-	(70,673)	-
			40,36,301		12,16,439

9(e) Trade Receivables are subject to confirmation & reconciliation. These include some old/unlinked balances pending confirmation reconciliation/settlement. Adjustment if any will be made at the time of final reconciliation / confirmation/settlement. The balance of debtors of RM and ICD Jodhpur are not reconciled with main ledger

9(f) The value of machinery supplied under the hire purchase scheme lying with the hirer has not been shown as stock though the ownership thereof vests in the company. However the provision for doubtful of Rs. 70,673/-is made for the same.

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9.3	**Cash & Cash Equivalents**				
	Cash in hand(as certified by the management)	5,43,091		4,76,003	
	Cash at Bank	343,73,206		295,78,389	
	Bank Transfer in Transit	-	349,16,297	-	300,54,392
	Government PD Account:				
	a) Interest Bearing	850,88,153		79,693	
	b) Non Interest Bearing	1,88,000	852,76,153	1,88,000	2,67,693
	FDR	1121,71,029		1103,90,377	
	Accrued Interest on FDR	49,86,840	1171,57,869	24,13,950	1128,04,327
	Staff Security(With Scheduled Bank)	4,126	4,126	3,927	3,927
			2373,54,445		1431,30,339
9.4	**Short Term Loan & Advances**				
	(Unsecured,Consider Good Unless Otherwise Stated)				
	Advance to others				
	(i) Considered Good **[Note No-9 (g)]**		472,34,338		779,10,186
	(ii) Doubtful	182,89,610		182,89,610	
	Less :Provision	182,89,610	-	182,89,610	-
	Prepaid Expenses		5,20,279		16,29,628
	Accrued Income **[Note No-9(h))]**		5,18,216		9,47,023
	Duty & Penalty Under Protest **[Note No-9(j)]**	2,85,092		2,16,340	
	Service Tax & Cess Input Credit/amount of penalty & interest to PFC	3,93,485	6,78,577	19,778	2,36,118
	Sales Tax & Vat deposited against pending Appeals		13,53,395		13,53,395
	FBT Refundable	1,22,516		1,22,516	
	Income Tax Refundable **[Note No-9(j)]**	70,64,351	71,86,867	44,26,231	45,48,747
			574,91,672		866,25,097

9(g)	Advance to others includes Rs. 20222423/- deposited before District Judge , Jaipur in compliance of Hon'ble High Court order in the case of Sadhu Ram Patel & Sons.
9(h)	Accured income includes Rental income and Handling Charges
9(i)	Duty and penalty/interst deposited under protest belongs to Service Tax for 2010-11 and penalty and interest imposed by Provident Fund Organisation deposited under protest belongs to earlier years
9(j)	Income tax refundable Rs7064351/- relates to earlier years are not recovered assessment order and are subject to reconcilation.

9.5	**Other Current Assets**				
	Claims Considered Good				
	DCHC Claims **[Note No 9(K)]**	3,06,899		3,06,899	
	Other Claims	82,76,970	85,83,869	72,53,208	75,60,107
	Doubtful Claims	15,07,879		15,07,879	
	Suspense	57,775		57,775	
		15,65,654		15,65,654	
	Less: Provision	15,65,654	-	15,65,654	-
			85,83,869		75,60,107

The Exhibition / Haat Expenses to the extent of Rs. nil/- (Previous year RsNil-) has not been charged to P & L account as the same are to be reimbursed by Development Commissioner All India Handicrafts Board, New Delhi shown outstanding under DCHC claims.

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NOTES ON PROFIT AND LOSS ACCOUNT

	PARTICULARS		For the Year ended 2016		For the Year ended 2015
			Rs		Rs
	NOTE '10' - REVENUE FROM OPERATIONS				
	Sales of Product	9475,97,866		10236,31,937	
	Less: Sales Return	12,15,097	9463,82,769	8,30,149	10228,01,788
	Sales of Services:-				
	Commission & License Fees	256,68,447		307,97,414	
	ICD & ACC Handling Charges	950,38,538	1207,06,985	427,48,589	735,46,003
			10670,89,754		10963,47,791
	NOTE '11' - OTHER INCOME				
	Dividend From Non Tarding Investment	9,514		9,514	
	Rental Income **[Note No-11(a)]**	198,80,944		144,11,027	
	Interest Income	88,03,034		78,80,453	
	Other Income	31,00,500	317,93,992	25,62,066	248,63,060
			317,93,992		248,63,060
11(a)	Rental Income includes Rs. 87.46 Lacs receieved from License fees/contribution of Counters allotted during IITF 2015.(pre. YearRs. 71.45 lac)				
	NOTE '12' - COST OF MATERIAL CONSUMED				
	RAW MATERIAL				
	Opening Stock	71,244		-	
	Add:Items found excess during physical verfication and change in valuation **[Note No-12(a)]**	33,473		-	
		1,04,717		-	
	Less:Closing Stock	78,152	26,565	-	-
12(a)	During physical verfication for the year2015-16 cotton of Rs. 10444/-,Raw materialof Rs.1785/- and due to change in valuation Raw Material of Of Rs. 21244/-found excess during the year				
	NOTE '13' - PURCHASE OF STOCK IN TRADE				
	Purchases	9212,08,682		10278,15,498	
	Less: Purchase Return	12,15,097	9199,93,585	8,30,149	10269,85,349
			9199,93,585		10269,85,349
	NOTE '14' - CHANGE IN INVENTORIES OF				
	Work In Progress				
	Opening Stock	81,652		81,652	
	Less:Closing Stock	70,547	11,105	81,652	-
	Stock in Trade				
	Opening Stock	126,46,390		116,99,290	
	Less: Closing Stock	109,07,424		126,46,390	
			17,38,966		(9,47,100)
	Goods In Transit				
	Opening Stock	307,17,144		136,54,578	
	Less:Closing Stock	223,77,313	83,39,831	307,17,144	(170,62,566)
			100,89,902		(180,09,666)

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	NOTE '15' - EMPLOYEE COSTS				
	Salary & Allowances **[Note No-15(a)]**	493,43,584		603,11,982	
	VRS Benefit	-		-	
	Gratutity	122,10,566		52,77,102	
	Provident Fund	47,93,389		52,29,431	
	Other benefits **[Note No-15 (b)]**	19,83,479		11,41,992	
			683,31,018		719,60,507
15(a)	Salary and allowances include Rs. 1257983/- paid to the MD/CMD and Rs.163871 paid to Chairman(Previous year Rs. 1398812/-to MD)				
15(b)	Other benefit includes pension contribution & staff welfare.				
	NOTE '16' - FINANCE COSTS				
	Bank Charges	2,34,619		1,30,312	
	Interest of UD Tax of ICD Bhiwadi	23,73,347		22,18,551	
	Interest on RSMM Loan	-		-	
	Interest on Long term Loan	23,73,825		22,73,733	
	Interest to Others	1,06,125	50,87,916	10,10,372	56,32,968
			50,87,916		56,32,968
	NOTE '17' - OTHER EXPENSES				
	Manufacturing Exp				
	Manufacturing Expenses	-		-	
	Selling & Distribution Expenses				
	Advertisement Expenses	9,20,699		12,49,106	
	Packing & Forwarding	2,73,570		3,01,452	
	Incentive To Exporter & CHA	63,33,545		43,65,922	
	Exhibition Expenses	2,35,908		11,41,822	
	Other Expenses				
	ICD Operational Expenses	485,10,642		82,78,694	
	Rates & Taxes	33,80,945		35,59,518	
	Electricity & water	52,96,794		43,13,247	
	ROC Filling Fees	7,600		35,300	
	Office Expenses	38,35,076		14,20,796	
	Contribution To State Renewal Fund	5,00,000		5,00,000	
	Travelling & Conveyance Expenses	4,01,708		3,04,063	
	Insurance	7,01,343		5,40,459	
	Printing,Stationary & Postage	2,77,575		4,07,783	
	Rent paid	16,10,317		16,64,909	
	Repair & Maintenance	18,74,697		16,11,690	
	Telephone & Trunk Call	6,20,113		4,35,340	
	Chokidari Expenses	25,70,223		19,10,961	
	Legal and consultancy charges	9,44,989		4,94,707	
	Vehicle Expenses	8,57,781		9,03,289	
	Written Off(Bad debts,Misc Exp)	233		-	
	PAYMENT TO AUDITORS				
	Statutory Audit Fees	51,750		51,300	
	Tax Audit Fees	19,550		17,100	
	Other Audit Fees	-	792,25,058	16,762	335,24,220
			792,25,058		335,24,220
17(a)	Traveling and conveyance expenses includes Rs.18480/- incurred by the CMD/MDand Rs.67749/-incurred by Chairman(Previous year Rs.118597 By MD/CMD)				
17 (b)	During the year under review the Corporation has received Rs120.00 lakhs from Government of Rajasthan as grant for organizing India International Trade Fair 2015 in New Delh . The Corporation has incurred a total Exp of Rs.121.88 Lakhs and out of which a sum of Rs.120.00 lakhs has been set off against the grant received and balance of Rs.1.88 lakhs has been shown in exibition exp.and debited to P& L Account				
17(c)	Other expenses includes Rs. 1491026/-was paid to M/s Harish Handicrat in comliance of award passed by the Aritrator as on 5-5-2015 towards refund of RSIC cost recovery for the period from 17-8-2012 to 30-4-2013 which was recovered at Rajasthli Udaipur and Mt Abu.				
17 (d)	Udyog Bhawan Common Facility Society has decided not charged contribution from RSIC from the year 2012-13 in its meeting held on 13th June 2012. As RIICO has deposited outstanding contribution of RSIC for the year 2006-07 to 2010-11.Therefore no provision of contribution is made during the current year 2015-16				
18(a)	**Note '18'- EXCESS PROVISION WRITTEN BACK**		248650	previous year	4615675
18(b)	In the financial year 2013-14 provision of Rs. 13,34,995/- towards replacement of electric cable at Rajasthan Pavilion ,Delhi was made ,but actual expenditure of Rs. 10,86,345/-. was incurred,therefore excess provision of Rs. 248650/-Written back during the year 2015-16				

NOTE '19' PRIOR PERIOD ITEMS				
Expenses Pertaining to Previous Year	12,50,780		2,99,491	
Less:-Income Pertaining to Previous Year	2,21,853	10,28,927	22,516	2,76,975
		10,28,927		2,76,975

Prior Period Items has increased loss by Rs. 10,28,927/- (previous year Rs.2,769,75/-)- During the year 2014-15 Rajasthali Jaipur has chaged less Depreciation by Rs. 6,90,860/-on building ,now same is charged and shown under the head of expenses pertaining to previous year. Asum of Rs. 2,52,960/- is adjusted in the account of BIP towards expenses incurred by them forsetting up of Business Centre during IITf 1999

NOTE '20' EXTRAORIDINARY ITEMS				
Profit on sale of Fixed Assets	1,39,123	1,39,123	1,13,235	1,13,235
Less:- Loss on sale of Fixed Assets	-			
	-	-		
		1,39,123		1,13,235

NOTE '21' EARNINGS PER SHARE (EPS)				
i) Net profit/loss after tax as per Statements of Profit and Loss attributable to Equity Shareholders		84,10,115		(26,28,721)
ii) Weighted Average number of equity shares used		6,96,403		6,96,403
iii) Basic and Diluted Earnings per share		12.08		(3.77)
v) Face Value per equity share		100.00		100.00

NOTE '22' RELATED PARTY DISCLOSURES

List of related parties and their relationship.

Name of the Related Party	Relationship (Key	Amount	Nature of Payment
Shri Megh Raj Lohiya	Chairman	1,63,871/-	Salary & Allowance
Shri Rajeeva Swarup, IAS	MD		
Shri Jaswant Sampatram ,IPS	MD	1020201/-	Salary & Allowance
Shri Dinesh M.N., IPS	MD	3,78,611/-	Salary & Allowance
Shri Abhey Kumar,IAS	Director	-	-
Shri Maneesh Chauhan,IAS	Director	-	-
Dr. Samit Sharma,IAS	Director	-	-
Shri Vaibhav Galriya,IAS	Add.Director	-	-
Shri Suresh Chand Gupta,IAS	Director	-	-
Shri Lakhan Singh Meena	Director	-	-

AUDITORS REPORT
As per our report of even date
For R M K & CO.
Chartered Accountants
FRNo.006811c

(R.L.Meena) Chief Accounts Officer
(R.S. Agarwal) Co.Secretary
(Rajeeva Swarup) Managing Director
Director

Jaipur
Dated: 22-8-2016

(K.L Choudhary)
Partner
M.No.076964

R M K & CO.
M. No.-076964
JAIPUR

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.
JAIPUR

Annexure "A"

Detail of Expenditure Charged to Grant-in aid And Realisation

Particulars	Figures as at 31st March 2016(Rs)	Figure as on 31st March 2015(Rs.)
EXPENDITURE		
Organizing Exhibition Expenses (IITF 2014-2015)	120,00,000	120,00,000
State Award to Artisian (Dist and State Level Craft Awards)		
TOTAL	**120,00,000**	**120,00,000**

R.L.Meena
Chief Accounts Officer

R.S. Agrawal
Co. Secretary

Rajeeva Swarup
Managing Director

Director

AUDITORS REPORT
As Per Our Report of Even Date
R M K & Co
Chartered Accountants
FRNO.006811C

(K.L Choudhary)
Partner
MNO.076964

R M K & CO.
M. No. 076964
JAIPUR

Place: Jaipur
Date: 22-8-2016

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD

Udyog Bhawan, Tilak Marg, C-Scheme, Jaipur

ANNEXURE 'B'

Statement showing MSME to *whom the company owes a sum of Rs.* 1.00 Lakh outstanding for more than 30 days as on 31st. March 2016

S.No.	NAME OF SSI UNITS	Bill No./Date	Amount
1	M/s Abhishek Industries, Jaipur	114/07.01.16	535872
2	M/s Abhishek Industries, Jaipur	237/18.3.16	487570
3	M/s Saharia Alloys Pvt. Ltd., Jaipur	440/11.3.16	520856
4	M/s International Wire Products, Kota	49/16.3.16	479835
5	M/s Laxmi Engineering Co., Kota	74/16.3.16	479835

R M K & CO.

M. No. 075964

JAIPUR

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Consolidated Cash Flow Statement for the year ended 31.03.2016

Particulars	Figures as at		Figures as at	
A. Cash Flow from Operating Activities				
Net /profit/Loss after tax and Extra Ordinary Items		84,10,115		-26,28,721
Adjustment for :				
Provision	-50,48,390		1,71,709	
Depreciation	70,78,433		81,98,129	
Loss on Sale of Fixed Assets/ AssetsW/o	0		0	
Profit on Sale of Fixed Assets	-1,39,123		-1,13,235	
Interest Received	-88,03,034		-78,80,453	
Dividend Received	-9,514		-9,514	
Interest Paid	48,53,297		55,02,656	
Misc Exp W/o	2,51,800		2,98,000	
Depreciation of Previous Year	6,90,860			
Adustment in Capital reserve	42,940			
		-10,82,731		61,67,292
Operating profit before working capital changes		73,27,384		35,38,571
Adjustment for working capital:				
Increase /Decrease in inventory	100,96,581		-180,09,665	
Increase/Decrease in Trade Receivable	-28,19,862		-1,29,735	
Increase/Decrease in shortLoans & Advance	291,33,425		-122,46,560	
Increase/Decrease in other current assets	-10,23,762		-68,86,071	
Increase/Decrease in Trade Payable	-299,58,273		275,79,426	
Increase/Decrease in Short term borrowings	-8,14,061		-131,07,519	
Increase/Decrease in other current liabilities	59,09,752		-1367,69,893	
Short term provision	-22,96,882		-47,70,772	
Capital Reserve Created during the year	0		274,55,719	
		82,26,918		-1368,85,070
Net Cash flow from operating Activities		155,54,302		-1333,46,499
B. Cash flow from investing activities				
Interest Received	88,03,034		78,80,453	
Dividend Received	9,514		9,514	
Purchase of Fixed Assets (Other Then Purchased from Grant in Aid)	-9,13,641		-743,43,984	
Sale of Fixed Assets	9,61,798		1,19,953	
Increase in WIP	-1,68,433		719,20,706	
Increase in Long term Loans & Advance	-7,830		10,76,551	
reduction in fixed		86,84,442		66,63,193
Net Cash Flow from investing activities		242,38,744		-1266,83,306
C. Cash Flow from Financing Activities				
Interest Paid	-48,53,297		-55,02,656	
Long term Borrowings	773,00,000		0	
Repayment of long term loan taken	-24,61,341		39,54,535	
Share Application Money				
Grant received	0	699,85,362	0	-15,48,121
Net Cash Flow from Financing Activities		942,24,106	0	-1282,31,427
Net Increase in cash & Cash Equivalent				
Opening balance of cash & Cash Equivalent	613,28,216		2464,50,114	
Opening balance of FDR ranging more than 90 days	818,02,123	1431,30,339	249,11,652	2713,61,766
Cash & Cash Equivalent includes FDR ranging up to 90 days	1451,96,576		613,28,216	
FDR more than 90 days	921,57,869		818,02,123	1431,30,339
Closing balance	2373,54,445	2373,54,445	1431,30,339	1431,30,339

AUDITORS REPORT
As Per Our Report of Even Date
R M K & Co
Chartered Accountants
(FRNO.000811C)

R.L.Meena
Chief Accounts officer

R.S.Agrawal
Co.Secretary

Rajeeva Swarup
Managing Director

Director

(K.L Choudhary)
Partner
MNO.076964

R M K & CO.
M. NO.-076964
JAIPUR

Place: Jaipur
Date:22-8-2016

Based on the guding principal given in the Accounting Standard -17 Segment Reporting the Corporation ,s primary segment are :

Handicrat
Export Infrastructure services
Distribution and Marketing MSME product

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Expenses". Assets and liabilities which relate to the enterprise as a whole and are not allocable to the segments on a reasonable basis have been included under "Unallocable Assets / Liabilities".

Description	**Handicraft's**		**EIS**		**Distribution**		**Other**		**Total**	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sales & Service	528.5	506.58	950.38	428.36	9192.01	10028.54			10670.89	10963.48
Total Revenue	532.81	507.75	966.9	433.1	9202.91	10050.94	203.54	189.02	10906.16	11180.81
Segment Result	23.8	58.41	223.82	106.48	56.76	43.13			304.38	208.02
Interest Received	0.40	4.83			1.99	10.81	85.64	63.17	88.03	78.81
Net Unallocable							-308.31	-313.12	-308.31	-313.12
Income / Exp.										
Net Loss/Profit									84.10	-26.29
Provision for current tax										
Provision for deferred tax										
Profit/Loss after tax										
Segment Assets	753.89	792.07	712.36	713.98	480.25	856.88	3604.01	2772.07	5550.51	5135
Segment Liabilities	403.03	393.42	1428.43	1359.51	1333.32	1723.74	1831.63	1972.75	4996.41	5449.42
Capital Expenditure	1.28		0.73	0.85			7.12	742.59	9.13	743.44
Depreciation	22.98	24.99	13.42	14.61	0.65	0.69	33.73	41.44	70.78	81.73

Note: - There is no inter segment sales & revenue

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JAIPUR

RMK & Co.
Chartered Accountants

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
JAIPUR

Independent Auditor's Report

To
The Members of
The Rajasthan Small Industries Corporation Limited
JAIPUR

Report on the Financial Statements

We have audited the accompanying financial statements of **The Rajasthan Small Industries Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 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 flow 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 of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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R M K & Co.
Chartered Accountants

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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

The company has not provided for the matters as mentioned in Part I & Part II of annexure 1 of the audit report.

The impact of observation mentioned in Part II of annexure 1 of this report the effect of which could not be ascertained on financial statement. Had the observation made by us in Para 1 to 6 of part I of annexure 1 of this report been considered. Position would be as under: -

Rs. In Lac

Particular	Amount as per financial statements	Amount after considering our audit report
Reserve & surplus	(1990.31)	(2054.96)
Profit & loss a/c	84.10	64.93
Other current liabilities	639.80	688.34
Short Term Loan & Advances	574.92	566.36
Trade Payables	1297.68	1300.94
Trade Receivables'	40.36	36.07

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Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, of the state of affairs of the Company as at 31^{st} March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the matters as mentioned in annexure 2 of the audit report. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (II) of section 143 of the Companies Act 2013, we give in the Annexure "3" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(5) of the Companies Act 2013, we give a statement on the compliance to the directions issued by Comptroller and Auditor General of India in the Annexure "4".

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 except record of fixed assets 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 dealt with by this Report are in agreement with the books of account.

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(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. Except

S.No.		Particulars
1	A.S.-28	Impairment of assets
2	A.S.-29	Provision ,contingent liabilities and contingent assets

(e) This Being a Government Company it is being exempted from applicability of Section 164 (2) of Companies Act 2013 vide Notification dated 5th June 2015.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note (ii), (iii) (iv) & (x) of Disclosure of Contingent Liabilities to the financial statements ;

ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

iii. There is no liability to transfer amounts, to the Investor Education and Protection Fund by the Company.

For R M K & Co.
FRN : 006811c
Chartered Accountants

Date: - 22 th August 2016
Place:-Jaipur

R M K & CO.
M. No.-076964
JAIPUR

(K.L.Choudhary)
Partner
M. No. 076964

ANNEXURE "1"

ANNEXURES TO THE AUDIT REPORT ON THE ACCOUNTS OF THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD. FOR THE YEAR ENDED 31ST MARCH 2016

BASIS OF QUALIFICATION OPINION

I Observations the effect of which on Profit & Loss Account and Balance Sheet.

1. The amount of Rs.48,54,000/- received on account of raw material assistance scheme from State Government and appearing under the head Reserve and Surplus-Revolving fund was to be returned to the Government after expiry of five years of the scheme from the financial year 1991-92. Accordingly this amount became refundable in the year 1996-97; however, the company is still showing this amount under the head Reserve and Surplus instead of Liabilities resulting into the understatement of Liabilities and overstatement of Reserves and Surplus to this extent. Further concerned file of Revolving Fund is not available with the corporation and hence we are unable to verify whether any interest is payable on such delay or not. This matter was reported in the audit reports of the previous year's also & no further details and explanations were provided to us in current years.

2. M/s CMC Limited was advanced Rs 3.20 Lac for software development work, as per representation of CMC Limited work of software has already been completed in Feb. 2002. Out of advance Rs.3.20 Lac Rs 3.0 Lac has been written off by the BOD. In its 320th meeting held on 07th Oct 2011 hence the same was debited to profit and loss account during the F.Y 2011-12 under the head written off (bad debts/ Misc .Exp.) leaving balance of Rs. 0.20 Lac under the other advance. The balance amount of Rs.0.20 Lac is doubtful for recovery for which no provision made.

3. M/s Fairdeal Shipping Agency Private limited was working as handling and transport agent at ICD Jaipur. There was Rs. 792756/- towards cost recovery and MGT due from M/s Fairdeal during the F.Y 2011-12 and the case recovery is under litigation. Above firm has also deposited a security of Rs.2 Lac to the company. In the year 2012-13 the company has made the Provision for doubtful debts of Rs. 592756/- after adjusting the security deposit. Later on during Financial Year 2013-14 the company has forfeited the security deposit due to non compliance to terms and conditions. The company has not made provision for doubtful debts of Rs. 2 Lac which was forfeited during the FY 2013-14 financial year.

4. Company has supplied Iron & Steel to M/s Shiv Mahima Ispat Private Limited under MOU during 2011-12. In the year 2012-13 company has made the excess / irregular payment Rs. 4.29 Lac towards MOU benefits and recovery of amount is under litigation and doubtful but company does not made the provision for the same.

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5. The SAIL has deducted Rs 325851/- out of SSI rebate payable for quarter ended on June 2000.the issue of recovery / settlement is pending with SAIL and no provision for bad and doubtful debts has been made against the same.

6. Advance payment was made to M/s SECL against purchase of coal during F.Y 2008-09/2009-10 out of which Rs. 635875/- is still lying with M/s SECL. The company has neither taken any concrete efforts for the recovery of the same nor taken confirmation since 2009-10 for the same. This amount was not even adjusted for the purchase made during the current financial year. Hence in our opinion recovery of this amount is doubtful.

II Observations the effect of which could not be ascertained on the Profit & Loss Account and Balance Sheet.

1 The company had applied to the Ministry of Textiles vide CMD letter Dated 24th Feb 2009 and sanction for Rs.1046.13 Lac (25% of total expenditure of Rs. 4184.51 Lac) were sought for developing a sourcing hub at the premises of Rajasthali, Ajmeri Gate, Jaipur. Accordingly Ministry of Textiles had sanctioned Rs.500 Lac to the Company and out of this Rs. 227 Lac were received by the company during the year 2010-11 and Rs.125 Lac during 2011-12. However on going through the project report submitted by the company it was observed that cost & estimation included cost of land at current DLC rates & Construction at current market rates whereas it was informed to us that the land was already purchased year's back in 1998 & some Portion was allotted at free of cost & construction was already completed in 2006-07. Hence in our opinion the claim of the company from Ministry of Textiles for meeting the cost of construction & land at market Rates was not Correct & misleading. Further the company had submitted the Utilization Certificates of funds received Rs.148 Lac in 2009-2010 & Rs.227 Lac in 2010-2011 totaling Rs.375 Lac from Ministry of Textiles duly certified by CA whereas in fact the amount was not spent at all for this purpose & actual expenditure was incurred by the company years back, hence the U.C. Submitted at current rates without expenditure for sourcing hub was incorrect. Company has received Rs 125 Lac during 2011-12 Grant in aid non recurring in the form of reimbursement of expenditure already incurred by RSIC being third and final installment towards setting up of sourcing hub at Jaipur. Also the Project cost submitted by the Company in project report for Rajasthali, Ajmeri Gate, Jaipur was Rs. 4185 Lac whereas the actual expenditure incurred at Rajasthali, Jaipur including land & Building was around Rs.1544 Lac hence in our opinion excess expenditure was claimed. Also the amount claimed for capital expenditure was utilized by the company in meeting the revenue day to day expenses amounting Rs.37.12 Lac in the year 2010-2011 and Rs. 0.38 Lac in the year 2011-12. Then total Rs. 37.50 Lac incurred up to March 2014 in revenue expenditure amount if any refundable to Govt. is not ascertained and will be account for in the year of refund.

2 Refer Note No.(B) (viii) of contingent liabilities under Significant Accounting Policies and Notes Forming Part of the Financial Statements regarding liability of service tax on commission on consignment sale of handicrafts items, in this regard it has been observed that the corporation has not made any provision for the payment of service tax on commission on consignment sale of handicraft item, in the absence of full information we are unable to quantify the effect of the same on P&L account of the corporation.

3 The building of the Company situated at Ajmeri Gate, Jaipur is partially complete upto 31st March 2014 & the incomplete portion is shown under the head CWIP at Rs. 695.17 Lac a portion of this incomplete building was given on Lease in 2010-11 to M/s. TRIFED. Company has not charged the depreciation on the let out portion from the year 2010-11. During the year 2014-15

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JAIPUR

the building was capitalized and the depreciation on whole of the building was charged w.e.f 01st April 2014.

4 Internal control system & Internal Audit System continues to be extremely weak and no internal Audit report has been provided to us. Therefore any impact if any on finding in internal Audit not ascertainable.

a. Work order for handling and transportation work at ICD Jodhpur and Jaipur was given to M/s. Max Logistics Pvt. Ltd., Jodhpur up to 31st March 2010 in the Board of Director Meeting held on 20th July 2009 the work order has been cancelled and decided to retender. The corporation has demanded Rs. 182 Lac as claimed (cost & risk) from M/s. Max Logistics Pvt. Ltd. vide letter no. RSIC/EIS/2009-10/22569-74 date. 30th March 2010. The matter is still pending & during the year 2010-11, Max Logistics Pvt. Ltd. has counter claimed of Rs.400.46 lacks and the matter is under arbitration.

b. Bonus was paid to employees of RSIC in the year 2009-10 who was not entitled for bonus as per Bonus Act 1965; hence whole amount was to be recovered from them. Out of which Rs.79329/- is still not recovered as Employees are retired/ taken VRS.

5 Refer Note No.(B) (iii) of contingent liabilities under Significant Accounting Policies and Notes Forming Part of the Financial Statements regarding M/s. Sadhu Ram Patel & Sons (erstwhile H & T contractor of the corporation) has raised a claim of Rs. 3596.96 lakh against the company against which the district Magistrate, Jaipur city has awarded a claim of Rs. 314.69 lakh (including interest of Rs. 108.52 lakh) against the corporation. The corporation has filed an appeal in high Court, Jaipur against the judgments of the District Magistrate, Jaipur city and Hon'ble High court has ordered to be stayed the execution proceedings, Hon'ble High court has passed interim relief order date 03rd Sept 2008 that appellant shall deposit the amount of claim awarded by arbitrator and upheld by District judge in favour of respondent no. 1 i.e Rs. 20222423/- Out of this amount a sum of Rs. 11251827/- will be paid to Syndicate Bank on furnishing usual undertaking by bank for restitution of amount with interest @ 9% in case the appeal is allowed. The rest amount will be deposited in fixed deposit in any nationalized bank during the pendency of this appeal. In compliance of this order RSIC has deposited a sum of Rs. 20222423/- same has been shown as advance to others. So far as amount of award relating to interest part is concerned, the same will remain stayed during the pendency of this appeal. No liability has been provided in the books of Accounts. Matter is subjudice and we are unable to express any opinion of its impact on the financial statements of the corporation.

6 Refer Note No.(B) (iv) of contingent liabilities under Significant Accounting Policies and Notes Forming Part of the Financial Statements regarding claims of M/s Ganesh Container Movers Syndicate (Erstwhile H&T contractor of the corporation) of Rs. 522.82 Lac, the claim involves a number of disputes with the company. The corporation has not provided any liability against the same and the matter is under consideration of sole arbitrator. In view of this we are unable to express any opinion regarding its impact on the financial statements of the company.

7 Deductions from H&T contractors are subject to confirmation, therefore, any disagreement or dispute in this regard is not known and, therefore, its impact on financial statement cannot be ascertained.

8 Refer Note No.4(d)&(9)(e) regarding confirmation and reconciliation of the Balance of Trade receivables, Trade payables/Outstanding Liabilities are not reconciled with main ledger of Trade receivables/Trade payables of RM and ICD Jodhpur. The final confirmation/reconciliation may affect our disclosure.

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9 Refer Note No.(9)(j) regarding non reconciliation of provision of income tax and income tax refundable. In the absence of complete details we are unable to make comments and reconciliation which may affect the Financial Statement.

10 Refer Note No. (7)(a) Regarding non–settlement of account of M/s RSRDCC Ltd. M/s RSRDCC Ltd. has done several construction works for the corporation several years ago, however the corporation has failed to properly reconcile the account. In the absence of final reconciliation the impact on Financial Statement is unascertainable. Final settlement of account with RSRDCC Ltd. Will also affect fixed assets.

11 Refer Note No. (4)(a) Regarding Non-availability of information regarding Rs.399854/- lying in interest accrued in due under head of 'Other Current Liabilities", in the absence of details we cannot verify the same and therefore its impact on the financial statements is unascertainable.

12 Unutilized Grant- in Aid lying with the company amounting to Rs. 134.89 Lac to be returned

13 (a)The corporation has not made any provision against LBT demand of Rs.50.74 Lac pertaining to Rajasthan Pavilion, Delhi LBT demand of Rs. 93.32 Lac pertaining to Rajasthali, Jaipur LBT demand of Rs. 1.76 Lac pertaining to ICD Bhilwara and House Tax demand Rs. 4.00 Lac Pertaining to Udyog Bhawan, Jaipur.. These demands have not been accepted by the corporation. No waiver /conformation from the concern department are available. In the absence of conformation/ order from concerned department regarding waiver of liability we are unable to make any comments. In view of above the Financial impact on the books of Accounts not ascertainable.

(b) The UD tax/Lease money provision for the demand accepted by Corporation has been accounted for in the books of Accounts .The provision for UD tax/ Lease money for which demand notice not received has not been calculated and made in the books of Accounts. In the absence of calculation we are unable to comments the impact on Financial Statement. Nagar Nigam Jaipur has imposed a penalty of Rs. 10.70 Lac of as UD Tax on Rajasthali Jaipur and mall and HO Building.Futher Nagar Nigam Jaipur has imposed Interest of Rs. 6.90 Lac on lease rent of Rajasthali mall for the period from 2013 to 2015 The demand of Custom cost recovery of Rs 558.05 Lac raised by Custom department and demand raised by Rajasthan State Cooperative Oil Seed Gram Federation Tilam Sangh towards under charges of Rs 7.52 Lac has not accounted for. The Corporation has not accepted demand of these Parties. Hence the impact on Financial Statement could not be ascertained.

14 As per AS 28: Impairment of Assets "An enterprise should assess at each balance sheet date whether there is any indication that an asset may be impaired. If any physical verification report of Fixed Assets, few items have been marked as "Damaged" however no impairment loss has been provided on such assets hence the company has violated the provision of AS-28.

15 The Company has not paid interest accrued and due of Rs. 140.87 Lac on SRF loan nor Provided Provision of penal interest on it up to the financial year 2015-16.

16 The company has charged the rates of depreciation as per schedule II of companies Act, 2013 . Retrospective effect of change of Rate of Depreciation rates prior to F.Y 2014-15 is not given in the books of accounts.

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ANNEXURE "2"

EMPHAHIS OF MATTER

1. Audit committee constituted as per section 177 of the Companies Act 2013 has met one time during the year under review and has reviewed the yearly financial statements for the year 2014-15.

2. Refer Note No.(A) 6 of Significant Accounting Policies and Notes Forming Part of the Financial Statements regarding accounting on cash basis for the income mentioned in the Para but it was noticed that company actually had booked income for amounts received up to June 2016 hence it cannot be said as either cash or accrual basis of accounting. However the details of Income booked after 31st March 2016 was not provided to us, hence not quantified.

3. Due to some technical reasons and non viability, ICD Bhiwadi and Bhilwara could not be operated during the 2015-16. Wood Seizing Plant, Jodhpur was also remained closed during 2015-16.Rajasthali Mumbai temporarily closed during 2015-16.

4. Fixed Assets items (Gross value Rs 4.06 lakh and Net value Rs. 0.09 Lac) lying at closed Rajasthali, D.N.Road Mumbai was been written off during the year. Stock taking of these items could not be taken place, as this building is in damaged condition and no one is allowed to enter in the building.

5. Information with regards to amount outstanding towards Directors or firms in which Directors are interested is NIL.

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ANNEXURE "3"

Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2016

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

To,

The Members,
Rajasthan Small Industries Corporation Limited

(1) In Respect of Fixed Assets

(a) The company has not maintained Proper e records in respect of fixed assets in some units records are maintained but these records are improper and incomplete as the values in such records are not reconciled with the books of accounts.

(b) All the assets have not been physically verified by management during the year and also have not been duly reconciled with the fixed assets records to properly ascertain the discrepancies. Further physical verification report of assets was not provided to us.

(c) Proper Title Deed of following Properties are not held by the company

S.No	Description of Property	Area	Book Value
1.	Showroom at Rajasthali Kolkota. (Garihat)	88.07 Sq Mtr. (Leasehold)	Combined Value of S.No. 1 & 2 is Rs. 10.35 Lac
2.	Residential Flat at Kolkota	750 Sq Ft. (Leasehold)	
3.	Rajasthali Handicraft Mall at M.I Road Jaipur (Land & Showroom)	2020 Sq Yard (Leasehold)	Value of Land of is Rs.313.70 Lac (Only allotment letter issued by Nagar Nigam Jaipur is with Company). Depreciated value of the Rajasthali Building & Handicraft Mall is 213.09 Lac & 576.04 Lac
4.	H.O Building (Udyod Bhawan, Jaipur)	33944 Sq Ft. (Freehold)	Value of Land 13.69 Lac & Cost of Building is 60.10 Lac. (Only Possession letter issued by PWD is held by the company)
5.	Raw Material Depot Bharatpur	1264 Sq Mtr. (Freehold)	Value of Land 0.25 Lac. (Original Documents were not produced before us for verification)
6.	ICD Sector 9 Bhiwadi	9112.04 Sq Mtr. (Lease hold)	Value of Land 48.75 Lac. (Only Possession letter issued by UIT Alwar is held by the company)

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(2) In Respect of Inventory

(a) The management has conducted physical verification in respect of Finished Goods, stores and spares parts and raw materials at the year end. In our opinion the frequency of physical verification needs to be increased.

(b) In our opinion and according to the information and explanation given to us the procedure of physical verification of inventory followed by the management needs augmentation.

(c) In our opinion and according to the information and explanation given to us and on the basis of our examination of our records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book record s were not material & have been properly dealt with in the books of accounts except non adjustment of Rs.2.24 Lac pertaining to shortages detected during the year 1972-73 to 1998-99. Further no conformation is available for goods lying with artisans of Rs 0.26 Lac and goods with others of Rs 0.34 Lac(Rs. 0.13 Lac pertaining to 2015-16) from many years looking to age factor the recovery of goods with others amounting to Rs 0.34 Lac is doubtful for which no provision has been made in accounts.

(3) Compliance under section 189 of The Companies Act, 2013

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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

(4) Compliance under section 185 and 186 of The Companies Act, 2013

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(6) Maintenance of cost records

As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

(7) Deposit of Statutory Dues

(a) To the best of our knowledge and information obtained and verifications made, we report

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that the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. Further according to the information & explanation given to us, no undisputed amounts payable of aforesaid dues were outstanding as at 31st March 2016 for a period of more than six months from the date they become payable except:

1. Service Tax on commission on consignment Sale of Handicrafts items and fee paid to advocates (Payable under reverse mechanism). - Amount unascertainable.
2. Old Provident fund amounting to Rs.61518/- for which no information is available.
3. Old Sales Tax amounting to Rs. 54310/- & CST of Rs. 2532/- for which no information is available.
4. The company is not regular in payment of LBT demand, Lease rent tax, House Tax, as per the corporation following **undisputed amount is** payable as on 31.3.2016(including interest and penalty as per demand)

Name of Statutory Liability	**Nature of Dues**	**Amount in Lac**	**Period to which the amount relates**
(Undisputed) lease rent (including int.)	(A) ICD Bhiwadi	392.63	April 1999 to March 2016
	(B) Rajasthali jaipur	11.96	25.10.97 to March 2016
House Tax and U.D tax	(A) RSIC,HO. Jaipur	3.89	Up to March 2016
	Total	408.58	

Further it has been observed that complete information regarding LBT/House Tax demand is not available with the corporation hence we cannot comment on the same.

5. Income Tax accounts of the corporation are under reconciliation and exact information about the demands raised by the Income Tax Department for various years and its reconciliation with books of the corporation is not available with the corporation hence we are unable to comment on the same.

(b) According to the information and explanation given to us, there are no pending statutory dues regarding Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty/ Excise Duty/ Cess which are not deposited on account of any dispute, except in respect of sales tax &service tax dues the corporation has not deposited following disputed amounts:

Name of Dues	**Amount (in Rs.)**	**Period to which the amount related**	**From where dispute is pending**
RST	76,335	2005-06	Company has submitted required document/ information & requested to competent authority to set aside the demands.
RST	68,513	2006-07	
RST	60,132	2007-08	

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RST	54,87,550	2011-12	Mismatch at in VAT Returns. Representation is Given by the Company to Dept.
RST	54,73,685	2013-14	
Total	111,66,215		
Service tax	2,16,340 9,16,887	2006-07&07-08 2007-13	CESTAT-Customs Excise Service Tax Appellate Tribunal & Commissioner appeals
Income Tax	5,94,280	2007-11	TDS
LBT Dispute (disputed)			
Rajasthan pavilion New Delhi	50.74 Lac	April 96 to March 04	Municipal Corporation of Delhi
B) Rajasthali Jaipur & ICD Bhilwara	95.08 Lac	April 82 to March 03	Director LBT of Rajasthan

Income Tax accounts of the corporation are under reconciliation and exact information about the demands raised by the Income Tax department for various years and its adjustment in books of accounts of the corporation is not available with the corporation hence we are unable to comment on the same.

(8) Repayment of Loans and Borrowings

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders however the corporation has defaulted in repayment as Under:

S. No	Name	Amount Rs.	Due From
1	Govt. of Rajasthan	2666333/-	July 2002
2	Govt. of Rajasthan	2500000	26th March 2011
3	Govt. of Rajasthan	2500000	26th March 2012
4	Govt. of Rajasthan	2500000	26th March 2013
5	SRF	6667000	1st March 2006
6	SRF	6666000	1st March 2007

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(10) Reporting of Fraud During the Year

Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

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(11) Managerial Remuneration

Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(13) Related party compliance with Section 177 and 188 of companies Act - 2013

In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(15) Compliance under section 192 of Companies Act - 2013

Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For R M K & Co.
FRN : 006811c
Chartered Accountants

R M K & CO.
M. No.-076964
JAIPUR

(K.L.Choudhary)
Partner
M. No. 076964

Date:- 22nd August 2016
Place:-Jaipur

ANNEXURE "4"

M/s The Rajasthan Small Industries Corporation Limited, Jaipur

Our observation on the basis of our examination of the books of accounts of The Rajasthan Small Industries Corporation Limited, Jaipur for the year 2015-16 and the explanations offered by the management are given below in serial order issued by the Comptroller and Auditors General of India u/s 143 (5) of the Companies Act 2013.

Annexure "A"

S.No.	Directions	COMMENTS
1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of free hold and lease hold land for which title/lease deeds are not available?	Same is stated in Para 1 of Annexure 3 i.e. CARO
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reason there for and the amount involved.	No Such case was found.
3	Whether proper records are maintained for inventory lying with third party and the assets received as gift from Govt. or other authorities.	As per information & explanations given to us presently there is no system of inventory lying with the third party during current financial year except inventory of Rs. 0.60Lac (Rs.0.47Lac pertaining to previous years) which is pointed out in Para (ii)(c) of annexure to Paragraph 1 of our Audit Report. No record of any assets received as gift from Govt. or other authorities.

Annexure "B"

1	Whether Funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized? List of cases of deviations	List of Grants/Funds unutilized as on 31-03-2016 is enclosed. Deviations are mentioned in Para No. I(1) and II(1) of annexure 1 of Audit Report.
2	Whether the bank guarantees have been revalidated in time?	As per information and explanation given to us. The Bank Guarantees have been revalidated in time. There is no monitoring mechanism for revalidation of Bank Guarantees.
3	Comment on the confirmation of balances of trade receivable, trade payable, term deposits, bank accounts and cash obtained.	Confirmation of Balances of Trade Receivables, Trade Payables are not obtained. Refer our Note 8 of II of Annexure 1

For R M K & Co.
FRN : 006811c
Chartered Accountants

Date: - 22nd August 2016
Place:-Jaipur

R M K & CO.
M. No.-076964
JAIPUR

(K.L.Choudhary)
Partner
M. No. 076964