

The cover features a vibrant yellow background with a large, stylized diamond shape in the center. This diamond is composed of several concentric layers of rounded corners, with the innermost layer being a solid orange-red color. The text is centered within this diamond.

**CRUSTUM PRODUCTS**  
PRIVATE LIMITED

**Annual Report**  
2013 - 2014

## CORPORATE INFORMATION

### Board of Directors

Mr. P. Chakradhar Reddy	-	Director
Mrs. P. Lakshmi Sruthi	-	Director

### Auditors:

M/s.P.Murali & Co.,  
Chartered Accountants  
6-3-655/2/3, 1st Floor, Somajiguda  
Hyderabad – 500 082

### Bankers:

Oriental Bank of Commerce  
Syndicate Bank  
UCO Bank

### Registered Office: (till 31-12-2013)

Plot No.258, Road No.18, Junbilee Hills,  
Hyderabad – 500034.

### Registered Office: ( w.e.f 01-01-2014)

#8-2-120/115/14, 5th Floor, Shangrila Plaza  
Road No.2, Opp. KBR Park, Banjara Hills  
Hyderabad.  
Telangana.

**CIN: U15410TG2005PTC46115**

## **NOTICE**

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Monday, 22nd September, 2014 at 12.30 P.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2014 together with the Reports of the Directors and Auditors thereon.
2. To Appoint a Director in place of Ms. P. Lakshmi Sruthi, who retires by rotation and being eligible, offers herself for Re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, M/s. Murali & Co, Chartered Accountants, (FRN No. 007257S), and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of Ninth Annual General Meeting for a period of 5 years,(subject to ratification of the appointment by the Members of the Company at every Annual General Meeting)) on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement all out of pocket expenses in connection with the audit of the accounts of the company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do or cause to be done all such acts, deeds and things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid Resolution”.

By Order of the Board  
**For Crustum Products Private Limited**

Hyderabad  
23-08-2014

Sd/-  
**P.Chakradhar Reddy**  
Director  
(DIN No. 01425681)

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting 9th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

**Financial Performance & Operations:**

<b>PARTICULARS</b>	<b>30-03-2014 Rs.</b>	<b>30-03-2013 Rs.</b>
Revenue from operations	2,86,87,346	5,28,70,178
Other income	9,302	13,297
<b>Total</b>	<b>2,86,96,648</b>	<b>5,28,83,475</b>
<b>Total Expenditure</b>	<b>(4,75,95,992)</b>	<b>(6,50,44,742)</b>
Operating Profit/Loss	(1,88,99,344)	(1,21,61,267)
Less: Interest	1,09,146	17,54,667
Depreciation	31,12,720	33,58,778
Net Profit/(Loss) after interest and Depreciation	(2,21,21,210)	(1,72,74,712)
Less: Tax expense	56,740	(1,79,157)
<b>Net Profit/Loss</b>	<b>(2,21,77,949)</b>	<b>(1,74,53,869)</b>

Crustum Products Private Limited has achieved a turnover of Rs.286.87 Lakhs for the year ended 31st March, 2014 as against Rs. 528.83 Lakhs for the previous year. The Net Loss for the year ended 31st March, 2014 is Rs.221.77 Lakhs as against a Net Loss of Rs. 174.53 Lakhs for the previous year.

**Dividend:**

As the Company's profits are inadequate the Board does not recommend any dividend during the year under review.

**Directors:**

Mrs. P. Lakshmi Sruthi, who retires by rotation and being eligible offered herself for reappointment. The Board commends her re-appointment as Director.

**Auditors:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Board has recommended the re-appointment of M/s. P. Murali & Co., Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting, for a period of 5 years subject to ratification of shareholders at every Annual General Meeting. M/s. P. Murali & Co., Chartered Accountants have confirmed that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013.

**Audit Report:**

Regarding the Auditors observations and comments in their report for the FY 2013-14, they are self-explanatory and the Company is making efforts / steps to comply the same.

## **Particulars of Employees:**

There are no employees, who are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Information required under Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988:

### **a) Conservation of Energy:**

Proper Control points are set up at all levels to identify the wastage in Power & Fuel consumption and to take/initiate corrective steps.

### **b) Research and Development and Technology Absorption:**

- i Our Research & Development Cell has been making continuous efforts to ensure the best quality standards.\
- ii. No technology either indivenous or Foreign is involved.

### **c) Foreign Exchange Earnings and Outgo:**

During the year there are no Foreign Currency inflows or outflows. However, there is an Expenditure in Foreign Currency of Rs.9.16 Lakhs (Previous year Rs. 30.61 lakhs) on account of Royalties and & Others.

## **Deposits:**

During the year under review, the Company has not accepted deposits from the Directors, Relatives and Public.

## **Employee Relations:**

The relationship with the employees continues to be cordial. The Directors would like to place on record their appreciation of the services rendered by all the employees of the Company.

## **Directors' Responsibility Statement:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

**Secretarial Compliance Certificate:**

Certificate from the Practicing Company Secretary as stipulated in Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 and attached to the Directors' Report form a part of this Annual Report.

**Acknowledgments:**

Yours Directors acknowledge with gratitude and wish to place on record their sincere thanks and appreciation for the co-operation received by the Company from various Departments of Central/State Government, Financial Institutions and Banks for their continued co-operation and the support extended during the year. Your Directors also wish to acknowledge the continued support and confidence proposed in the management by the Shareholders.

By Order and on behalf of the Board  
**For Crustum Products Private Limited**

Hyderabad  
23-08-2014

Sd/-  
**P.Chakradhar Reddy**  
Chairman of the Meeting  
(DIN No. 01425681)

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Crustum Products Private Limited

### **Report on the Financial Statements:**

We have audited the accompanying financial statements of Crustum Products Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for 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 Standards referred to in Sub-Section(3C)of Section 211 of the Companies Act,1956('the Act')read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### **Opinion:**

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section(3C)of Section 211 of the Companies Act,1956('the Act')read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013.
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For P. Murali & Co.,**  
Chartered Accountants  
FRN: 007257S

Place : Hyderabad  
Date : 21-05-2014

**P. Murali Mohana Rao**  
Partner  
Membership No.023412



## ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and registers are being maintained by the company.
- (b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by the company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956, Hence overdue amount of more than rupees one lakh does not arise and the clause is not applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanations given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s 301 of the Companies Act, 1956.

## CRUSTUM PRODUCTS PRIVATE LIMITED

- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the Company, the applicability of the clause of charging reasonable price having regards to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956
- IX. (a) The Company is irregular in depositing statutory dues including PF, ESI, Income Tax, Cess, and any other statutory dues with the appropriate authorities and at the end of last financial year amounts outstanding which were due for more than 6 months from the date they became payable.

S.No.	Particulars	Amount
1	Income Tax	2,78,388/-
2	Provident Fund	37,97,188/-
3	Professional Tax	67,160/-
4	TDS u/s 195	4,76,336/-
5	TDS u/s 194J	36,986/-
6	TDS u/s 194I	2,84,005/-
7	TDS u/s 194C	51,116/-
8	Sales Tax	99,05,263/-
	Total	1,33,64,838/-

- (b) According to the information & explanations given to us following are the no disputed dues relating to income tax, wealth tax and sales tax which has not been deposited as at 31st March, 2013:
- X. The Company has been registered for a period of not less than 5 years, and the company has accumulated losses at the end of the financial year and the company has incurred cash losses in this financial year and not in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has defaulted in repayment of dues amounting to Rs.8,01,80,534/- to financial Institutions & Banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .
- XVI. According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the Company.
- XVII. According to the information and explanations given to us no funds are raised by the Company on short-term basis. Hence the Clause of Short term funds being used for Long term investment do not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

**For P.MURALI & CO.**  
Chartered Accountants  
FRN:007257S

Place : Hyderabad  
Date : 21-05-2014

**P. Murali Mohana Rao**  
Partner  
Membership No. 23412

# CRUSTUM PRODUCTS PRIVATE LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

PARTICULARS	Note No.	AS ON 31-03-2014 ( ₹ )	AS ON 31-03-2013 ( ₹ )
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	4,00,00,000	4,00,00,000
(b) Reserves and Surplus	2	(3,78,88,905)	(1,57,10,956)
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	27,18,76,533	26,55,98,667
(b) Deferred Tax Liabilities (Net)	4	76,82,016	76,25,276
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings			
(b) Trade Payables	5	1,14,34,983	1,13,55,943
(c) Other Current Liabilities	6	2,94,81,118	2,74,35,664
(d) Short-Term Provisions	7	-	-
<b>Total</b>		<b>32,25,85,745</b>	<b>33,63,04,594</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	3,88,99,443	4,20,12,163
(ii) Intangible assets			
(iii) Capital work-in-progress		19,02,00,000	19,24,22,980
(iv) Intangible assets under development			
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	9	8,67,557	18,67,557
(c) Trade receivables	10	16,21,830	24,92,780
(d) Cash and Bank Balances	11	3,35,145	10,74,980
(e) Short-Term Loans and Advances	12	9,06,61,770	9,64,34,134
(f) Other Current assets			
<b>Total</b>		<b>32,25,85,745</b>	<b>33,63,04,594</b>

Significant Accounting Policies  
Notes to Financial Statements

1 to 20

**FOR AND ON BEHALF OF THE BOARD**

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

**P. MURALI MOHANA RAO**

Partner

Membership No. 023412

Place : Hyderabad

Date : 21-05-2014

Sd/-

**P.CHAKRADHAR REDDY**

Director

Sd/-

**P.LAKSHMI SRUTHI**

Director

# CRUSTUM PRODUCTS PRIVATE LIMITED

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

PARTICULARS	Note No.	Year Ended 31-03-2014 ( ₹ )	Year Ended 31-03-2013 ( ₹ )
I. Revenue from Operations	13	2,86,87,346	5,28,70,178
II. Other Income	14	9,302	13,297
<b>III. Total Revenue (I + II)</b>		<b>2,86,96,648</b>	<b>5,28,83,475</b>
<b>IV. Expenses:</b>			
Cost of materials consumed/ Cost of Software Development	15	1,07,85,771	1,84,20,532
Purchase of Stock-in-Trade		-	-
Changes in inventories of Finished goods, WIP and Stock-in-Trade	16	10,00,000	(77,241)
Employee Benefit expenses	17	1,12,90,395	1,48,35,899
Other Operating Expenses	18	2,19,44,290	2,97,72,536
Administrative Expenses	19	25,75,536	20,93,015
Financial costs	20	1,09,146	17,54,667
Depreciation and amortization expense	8	31,12,720	33,58,778
<b>Total Expenses</b>		<b>5,08,17,858</b>	<b>7,01,58,187</b>
V. Profit before exceptional and extraordinary items and tax ( III - IV)		(2,21,21,210)	(1,72,74,712)
VI. Exceptional Items	-	-	-
VII. Profit before extraordinary items and tax ( V - VI)		(2,21,21,210)	(1,72,74,712)
VIII. Extraordinary Items	-	-	-
IX. Profit Before Tax ( VII - VIII)		<b>(2,21,21,210)</b>	<b>(1,72,74,712)</b>
X. Tax expense:			
(1) Current tax	-	-	-
(2) Deferred tax		56,740	1,79,157
XI. Profit(Loss) from the period from Continuing Operations ( VII - VIII)		<b>(2,21,77,949)</b>	<b>(1,74,53,869)</b>
XII. Profit/(Loss) from Discontinuing Operations			
XIII. Tax expense of Discounting Operations			
XIV. Profit/(Loss) from Discontinuing operations ( XII - XIII)			
XV. Profit/(Loss) for the period ( XI + XIV)		<b>(2,21,77,949)</b>	<b>(1,74,53,869)</b>
XVI. Earning per equity share:			
(1) Basic		(5.54)	(4.36)
(2) Diluted		(5.54)	(4.36)

Significant Accounting Policies  
Notes to Financial Statements

1 to 20

**FOR AND ON BEHALF OF THE BOARD**

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

**P. MURALI MOHANA RAO**

Partner

Membership No. 023412

Place : Hyderabad

Date : 21-05-2014

Sd/-

**P.CHAKRADHAR REDDY**

Director

Sd/-

**P.LAKSHMI SRUTHI**

Director

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2014

S.NO	PARTICULARS	AS ON 31-03-2014 ( ₹ )	AS ON 31-03-2013 ( ₹ )
<b>NOTE NO. 1 : SHARE CAPITAL</b>			
<b>A Equity Share Capital</b>			
(a) Authorised			
	( No. of Shares 50,00,000 Current Year )	5,00,00,000	-
	( No. of Shares 50,00,000 Previous Year )	-	5,00,00,000
	<b>Total Authorised Capital</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>
(b) Issued			
	( No. of Shares 40,00,000 Current Year )	4,00,00,000	-
	( No. of Shares 40,00,000 Previous Year )	-	4,00,00,000
(c) Subscribed & Fully Paid Up			
	( No. of Shares 40,00,000 Current Year )	4,00,00,000	-
	( No. of Shares 40,00,000 Previous Year )	-	4,00,00,000
(d) Subscribed & not fully paid up			
		-	-
(e) Par Value per share Rs. 10/- Each			
		-	-
	<b>Total Equity Share Capital</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>
<b>B Details of Shareholder holding more than 5% shares of the company</b>			
(Equity Shares of Rs. 10 each Held By)		<b>No. Shares</b>	<b>% of Share Holding</b>
Name of Shareholder	<b>Current Year</b>	<b>Previous Year</b>	<b>Current Year</b>
<b>Viceroy Hotels Limited</b>	40,00,000	40,00,000	100
			<b>Previous Year</b>
			100
	<b>Total Share Capital ( Equity &amp; Preference )</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>
<b>NOTE NO. 2 : RESERVES AND SURPLUS</b>			
<b>I. RESERVES AND SURPLUS</b>			
a) Surpuls :			
	i) Opening Balance - Profit and Loss Account	(1,57,10,956)	17,42,913
	Add: Transfer from Profit & Loss Account	(2,21,77,949)	(1,74,53,869)
	Less: Transfer To General Reserve		
	Less: Goodwill Written Off	-	-
		<b>(3,78,88,905)</b>	<b>(1,57,10,956)</b>
	A Reserve specifically represented by earmarked investments	-	-
	Negative balance of reservs and surplus account	-	-
	<b>Total Reserves and Surplus</b>	<b>(3,78,88,905)</b>	<b>(1,57,10,956)</b>

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2014

S.NO	PARTICULARS	AS ON 31-03-2014 ( ₹ )	AS ON 31-03-2013 ( ₹ )
<b>NOTE NO. 3 : LONG TERM BORROWINGS</b>			
<b>Long Term borrowings</b>			
a) i) Term Loans			
From Banks		4,53,69,313	8,01,80,534
		<u>4,53,69,313</u>	<u>8,01,80,534</u>
ii) Un Secured Loans			
From Others		22,65,07,220	18,54,18,133
		<u>22,65,07,220</u>	<u>18,54,18,133</u>
<b>Total Long Term Borrowings</b>		<b><u>27,18,76,533</u></b>	<b><u>26,55,98,667</u></b>
 <b>NOTE NO. 4 : DEFERRED TAX LIABILITY ( NET )</b>			
I Opening Deferred tax Liability		76,25,276	74,46,119
Add:			
Deferred Tax Liability for the year ( Due to SLM and WDV Difference )		56,740	1,79,157
Deferred Tax Liability for the year ( Due to Others )		-	-
<b>Gross Deferred tax Liability</b>		<b><u>76,82,016</u></b>	<b><u>76,25,276</u></b>
<b>Deferred Tax Liability/ ( Asset ) - Net</b>		<b><u>76,82,016</u></b>	<b><u>76,25,276</u></b>
 <b>NOTE NO. 5 : TRADE PAYABLES</b>			
a) Trade Payables(creditors)		1,14,34,983	1,13,55,943
<b>Total Trade Payables</b>		<b><u>1,14,34,983</u></b>	<b><u>1,13,55,943</u></b>
 <b>NOTE NO. 6 : OTHER CURRENT LIABILITIES</b>			
a) Statutory Liabilities		1,90,67,648	1,67,78,998
g) Application money due for refund and interest on the same.			
b) Other Payables ( Specify the nature.)			
(i) Salaries Payable		28,86,452	28,31,339
(ii) Property Tax Payable		1,15,905	-
(ii). Audit fee Payable		12,09,212	9,88,492
(iii). Rent Payables		7,11,994	22,62,618
(iv) Royalty Payable		54,89,908	45,74,217
<b>Total Other Current Liabilities</b>		<b><u>2,94,81,119</u></b>	<b><u>2,74,35,664</u></b>

# CRUSTUM PRODUCTS PRIVATE LIMITED

## NOTE NO 8 : FIXED ASSETS AS AT 31-03-2014

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK		
	As on 1.4.2013	Additions During the Year	Sales during the year	As on 31.03.2014	As on 1.4.2013	Depreciation for the year	Impairment loss / Reversal	Total depreciation	Net block as on 31.03.2014	Net block as on 31.03.2013
Plant & Machinery	5,65,09,627	-	-	5,65,09,627	1,53,53,015	26,84,207	-	1,80,37,222	3,84,72,404	4,11,56,612
Furniture & Fixtures	6,45,634	-	-	6,45,634	2,08,055	40,869	-	2,48,924	3,96,710	4,37,579
Computers	39,04,568	-	-	39,04,568	35,19,000	3,85,568	-	39,04,568	-	3,85,568
Vehicles	54,263	-	-	54,263	21,858	2,077	-	23,935	30,328	32,405
CAPITAL WORK IN PROGRESS	19,24,22,980	64,73,690	86,96,670	19,02,00,000	-	-	-	-	19,02,00,000	19,24,22,980
<b>Total</b>	<b>25,35,37,072</b>	<b>64,73,690</b>	<b>86,96,670</b>	<b>25,13,14,092</b>	<b>1,91,01,928</b>	<b>31,12,720</b>	<b>-</b>	<b>2,22,14,649</b>	<b>3,88,99,443</b>	<b>4,20,12,163</b>



# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2014

S.NO	PARTICULARS	AS ON 31-03-2014 ( ₹ )	AS ON 31-03-2013 ( ₹ )
<b>NOTE NO. 9 : INVENTORIES</b>			
	a) Closing Stock	8,67,557	18,67,557
	<b>Total Inventories</b>	<b>8,67,557</b>	<b>18,67,557</b>
<b>NOTE NO. 10 : TRADE RECEIVABLES</b>			
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	16,21,830	24,92,780
	Less: Allowance for Bad & Doubtful Debts	-	-
		16,21,830	24,92,780
	<b>Total Trade Receivables</b>	<b>16,21,830</b>	<b>24,92,780</b>
<b>NOTE NO. 11 : CASH AND BANK BALANCES</b>			
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	3,32,984	10,43,880
	b) Cash on hand	2,162	31,100
	<b>Total Cash and Cash Equivalents</b>	<b>3,35,145</b>	<b>10,74,980</b>
<b>NOTE NO. 12 : SHORT TERM LOANS AND ADVANCES</b>			
I	<b>Security Deposit</b>		
	Unsecured, Considered Good	28,49,675	78,64,150
	Less: Provision for Bad & doubtful Security Deposit	-	-
		<b>28,49,675</b>	<b>78,64,150</b>
II	<b>Loans &amp; Advances</b>		
	<b>Secured, Considered Good</b>		
	Advances Recoverable in Cash or in kind	6,29,43,820	6,06,82,319
	<b>Sub Total</b>	<b>6,29,43,820</b>	<b>6,06,82,319</b>
III	<b>Secured, Considered Good</b>		
	Loans and Advances to Employees	(27,642)	1,08,956
	Prepaid Expense	11,784	11,784
	Credit Card Unrealised	-	13,274
	Advances Recoverable in Cash or in kind	2,48,84,133	2,77,53,651
	<b>Sub Total</b>	<b>2,48,68,275</b>	<b>2,78,87,665</b>
	<b>Total Short Term Loans and Advances</b>	<b>9,06,61,770</b>	<b>9,64,34,134</b>

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2014

S.NO	PARTICULARS	Year Ended 31-03-2014 ( ₹ )	Year Ended 31-03-2013 ( ₹ )
<b>NOTE NO. 13 : REVENUE FROM OPERATIONS</b>			
(i)	Revenue from operations in respect of non-finance company		
	(a) Sale of Products	2,86,87,346	5,28,70,178
	(b) Sale of Services		
	(c) Other Operating Revenues		
	Less: Excise Duties	-	-
		<u>2,86,87,346</u>	<u>5,28,70,178</u>
(ii)	Revenue from operations in respect to Finance company		
	(a) Interest	-	-
	(b) Other Financial Services	-	-
	<b>Total Revenue from Operations</b>	<u>2,86,87,346</u>	<u>5,28,70,178</u>
<b>NOTE NO. 14 : OTHER INCOME</b>			
I	(a) Interest income (Other than a finance company)		
	(b) Dividend from subsidiary companies	-	-
	(ii) Dividend Income	-	-
	(c) Net Gain/Loss on sale of Investments	-	-
	(d) Other non-operating income (net of expenses directly attributed to such income)	9,302	13,297
	(e) Adjustments to the carrying value of investments (Write-back)	-	-
	(f) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	-
	<b>Total Other Income</b>	<u>9,302</u>	<u>13,297</u>
<b>NOTE NO. 15 : COST OF MATERIALS</b>			
I	F & B	94,76,097	1,57,72,944
	Packing	6,92,604	16,62,671
	General	6,17,071	9,84,917
	<b>Total Cost Of Material Consumed</b>	<u>1,07,85,771</u>	<u>1,84,20,532</u>
<b>NOTE NO. 16 : CHANGE IN INVENTORIES &amp; WIP.</b>			
I	<b>Finished Goods</b>		
	Inventories at the beginning of the year	18,67,556.77	17,90,316.00
	Less : Inventories at the end of the year	8,67,556.77	18,67,557.00
	<b>Sub Total (A)</b>	<u>10,00,000.00</u>	<u>(77,241.00)</u>
	<b>Raw Material &amp; Work in Progress</b>		
	Inventories at the beginning of the year	-	-
	Less : Inventories at the end of the year	-	-
	<b>Sub Total (B)</b>	<u>-</u>	<u>-</u>
	<b>(Increase) / Decrease in Inventories</b>	<u>10,00,000.00</u>	<u>(77,241.00)</u>
	<b>(A+B)</b>	<u>10,00,000.00</u>	<u>(77,241.00)</u>

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2014

S.NO	PARTICULARS	AS ON 31-03-2014 ( ₹ )	AS ON 31-03-2013 ( ₹ )
<b>NOTE NO. 17 : EMPLOYEE BENEFIT EXPENSES</b>			
I	(a) Salaries & Wages	1,10,67,547	1,37,99,759
	(b) Contribution to Provident & Other Funds	-	52,137
	(c) Expenses on employee stock option scheme (ESOP)	-	
	(d) Managerial Remuneration	-	
	(e) Staff Welfare Expenses	2,22,848	9,84,003
	<b>Total Employee Benefit Expenses</b>	<b>1,12,90,395</b>	<b>1,48,35,899</b>
<b>NOTE NO. 18 : OTHER OPERATING EXPENSES</b>			
I	(a) Consumption of Stores & Spares	-	-
	(b) Power & Fuel	45,81,899	44,18,950
	(c) Rent	1,01,81,274	1,30,32,307
	(d) Repairs & Maintenance	12,62,694	16,30,814
	(e) Insurance	-	-
	(f) Rates & Taxes (excluding Income Tax)	13,61,509	7,86,194
	(g) Miscellaneous Expenditure	7,55,909	13,30,898
	(h) Royalty	9,15,692	20,48,893
	(i) Payment to Auditors:		
	(i) As Auditor	2,20,720	2,20,720
	(j) Selling expenses	7,43,754	29,10,439
	(k) Commission & Brokerage	1,64,457	2,94,491
	(l) Travelling & Transport charges	13,82,358	26,90,870
	(m) Upkeep & House keeping Charges	3,66,989	3,94,945
	(n) Research & Development Expenses	7,035	13,015
	<b>Total Other Expenses</b>	<b>2,19,44,290</b>	<b>2,97,72,536</b>
<b>NOTE NO. 19 : ADMINISTRATIVE EXPENSES</b>			
I	(a) Telephone, Postage and Others	3,22,272	4,39,346
	(b) Bussiness Promotion Expenses	-	3,502
	(c) Conveyance	1,87,489	2,15,034
	(d) Office Maintenance	1,73,835	1,38,573
	(e) Printing & Stationery Expenses	61,433	1,24,450
	(f) Security Charges	66,395	68,400
	(g) Advertisement Charges	8,100	1,43,972
	(h) Consultancy Charges	2,65,000	6,45,000

## CRUSTUM PRODUCTS PRIVATE LIMITED

(i) Internet Charges	81,596	27,955
(j) Penalty & Interest Charges	13,96,313	2,73,183
(k) Training Expenses	13,103	13,600
<b>Total Administrative Expenses</b>	<b>25,75,536</b>	<b>20,93,015</b>

### NOTE NO. 20: FINANCE COST

I (a) Interest Expenses		
- Interest on Term loans	-	16,01,590
- Loan processing Charges & Bank Charges	1,09,146	1,53,077
(b) Other Borrowing costs	-	-
<b>Total Finance Cost</b>	<b>1,09,146</b>	<b>17,54,667</b>

## Significant Accounting Policies

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), referred to in Section 211 (3C) of the Companies Act, 1956. The significant accounting policies adopted in the presentation of the Accounts are as under-

**(a) Accounting Convention and Revenue Recognitions:**

The Financial statements have been prepared in accordance with historical cost convention except for such fixed which are revalued. Both the income and expenditure items are recognized on accrual basis.

**(b) Retirement Benefits:**

Staff benefits arising out of retirement / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashable and other post separation benefits are accounted for on the basis of contribution to the schemes, or an independent actuarial valuation as the case may be.

**(c) Fixed Assets:**

Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized.

**(d) Depreciation:**

Depreciation on fixed assets other than land is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as existing on that date.

**(e) Transactions in Foreign Exchange:**

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain /loss arising out of the fluctuations in exchange rate is accounted for on realization.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance.

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account.

**(f) Borrowing Cost :**

Borrowing cost that is attributable to the acquisition construction of fixed assets is capitalized as part of the cost of respective assets.

**(g) Inventories:**

Stock of food and beverages and operating supplies are carried at cost or Net Realisable Value, whichever is lower.

**(h) Taxes on income:**

- (i) Income tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income (AS-22), issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- (ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.

# CRUSTUM PRODUCTS PRIVATE LIMITED

- (iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

## (I) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard 29 — 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), issued by the ICAI. when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements

## Notes to Financial Statements

### 21. In relation of Provision for Current Tax, Deferred Tax & Fringe Benefit Tax:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Provision for Current Tax	Nil	2.78
Deferred Tax Liability	0.57	4.15

### 22. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	Nil	Nil

### 23. Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Auditor's Fee	2.21	2.21

### 24. In relation of Secured (Term) Loans :

- i) The Secured Loans from Oriental Bank of Commerce and secured by first charge on the plant and machinery and other movable fixed assets of the company and also secured by the corporate guarantee of Viceroy Hotels Limited, the holding company

## CRUSTUM PRODUCTS PRIVATE LIMITED

- ii) The Term Loan of Rs.7.00 Crores from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company and also secured by extension of collateral security of vacant land admeasuring 2926.50 sq.yards in Survey No.129/73/2&3 situated at Road No.3 Banjara Hills, Hyderabad - 500 034, owned by M/s.Deva Infrastructures Pvt. Ltd.

### 25. In relation of Foreign currency inflows and outflow:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Outgo on account of expenses	Nil	Nil

### 26. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Royalties & Others	9.16	30.61

27. The Company's only business is Food & Beverage and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17), there is no geographical segment to be report.
28. Since Central Government had issued a notification No. S.O. 301 (E) dated 8th February, 2012 in exercise of the powers conferred by Section 211 (3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfillment of few conditions, the Company has duly complied with all conditions of the notification to seek general exemption under Section 211 (4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March, 2013. In this regard the Board of Directors of the Company has passed necessary resolution to comply with the conditions of the notification for the same.
29. Previous year's figures and current year's figures have been regrouped wherever necessary to improve figures presentation.
30. The figures have been rounded off to the nearest rupee..

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**  
Chartered Accountants  
Firm's Regn. No. : 007257S

Sd/-  
**P. MURALI MOHANA RAO**  
Partner  
Membership No. 023412

Place : Hyderabad

Date : 21-05-2014

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**P.CHAKRADHAR REDDY**  
Director

Sd/-  
**P.LAKSHMI SRUTHI**  
Director

# CRUSTUM PRODUCTS PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	(2,21,21,210)	(1,72,74,712)
<b>Adjustments for : -</b>		
Depreciation	31,12,720	33,58,778
Financial Cost	1,09,146	17,54,667
Loss on Sale of Fixed Assets		
<b>Operating cash flow before working capital changes</b>	<b>(1,88,99,343)</b>	<b>(1,21,61,267)</b>
(Increase) / Decrease in Inventory	10,00,000	(77,241)
(Increase) / Decrease in Trade Receivables	8,70,950	(4,85,325)
(Increase) / Decrease in Short Term Loans & Advances	57,72,364	22,596
(Increase) / Decrease in Other Non-Current Assets	-	-
Increase / (Decrease) in Short Term Borrowing	-	-
Increase / (Decrease) in Trade Payables	79,040	20,09,232
Increase / (Decrease) in Other Current Liabilities	20,45,454	52,39,186
Increase / (Decrease) in Short Term Provisions	-	(2,78,388)
Misc Exps		
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(91,31,535)</b>	<b>(57,31,207)</b>
Less : Income Tax Paid	-	
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(91,31,535)</b>	<b>(57,31,207)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed Assets	-	(69,677)
Sale of fixed Assets	-	-
Capital Work in Progress, Pre-operative Expenses	22,22,980	(11,58,003)
Investment	-	-
Adjustments of fixed Assets	-	-
<b>NET CASH AVAILABLE FROM INVESTING ACTIVITIES</b>	<b>22,22,980</b>	<b>(12,27,680)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Capital/Application Money	-	
Repayment of Loan	62,77,866	92,91,090
Share Premium and Capital Reserve	-	
Interest Paid	(1,09,146)	(17,54,667)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>61,68,720</b>	<b>75,36,423</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,39,835)</b>	<b>5,77,536</b>
Add : Opening balance of Cash & Cash equivalents	10,74,979	4,97,443
<b>Closing balance of Cash &amp; Cash equivalents</b>	<b>3,35,144</b>	<b>10,74,979</b>

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**  
Chartered Accountants  
Firm's Regn. No. : 007257S

Sd/-  
**P. MURALI MOHANA RAO**  
Partner  
Membership No. 023412  
Place : Hyderabad  
Date : 21-05-2014

FOR AND ON BEHALF OF THE BOARD

Sd/-  
**P.CHAKRADHAR REDDY**  
Director

Sd/-  
**P.LAKSHMI SRUTHI**  
Director



**Registered Office:**  
Plot No.258, Road No.18,  
Jubilee Hills, Hyderabad - 500 033