

MAHARASHTRA STATE POWERLOOMS CORPORATION LIMITED,

NAVI MUMBAI – 400 705.

[A Government Of Maharashtra Undertaking]

46th ANNUAL REPORT

2017 – 2018

MAHARASHTRA STATE POWERLOOM CORPORATION LTD
BALANCE SHEET AS AT 31ST MARCH 2018

Amount in Rs

	Particulars	Note No.	Amount in Rs	
			As at 31.03.2018	As at 31.03.2017
I.	Equity and liabilities			
(1)	Shareholders' funds			
(a)	Share capital	2	145,730,000	127,730,000
(b)	Share Application Money Pending Allotment		-	10,600,000
(c)	Reserves and surplus	3	(173,845,111)	(165,425,344)
			(28,115,111)	(27,695,344)
(2)	Non-current liabilities			
(a)	Other non-current liabilities	4	70,823,203	70,805,338
(b)	Long-term provisions	5	5,101,332	4,459,322
			75,924,535	75,264,660
(3)	Current liabilities			
(a)	Short-term borrowings	6	4,036,504	18,197,797
(b)	Trade payables			
(i)	Total Outstanding dues of micro & small enterprises	7 & 25(16)	-	-
(ii)	Total Outstanding dues of creditors other than micro and small enterprises		82,412,330	65,947,464
(c)	Other current liabilities	8	4,161,754	3,993,982
			90,610,088	88,139,243
	Total		138,419,512	135,708,559
II.	Assets			
(1)	Non-current assets			
(a)	Property, Plant & Equipment			
(i)	Tangible assets	9	685,384	792,681
(b)	Non-current investments	10		
(c)	Long-term loans and advances	11	2,952,627	3,516,556
			3,638,012	3,309,237
(2)	Current assets			
(a)	Inventories	12	1,505,301	2,405,455
(b)	Trade receivables	13	72,690,240	61,621,573
(c)	Cash and bank balances	14	32,324,506	40,726,626
(d)	Short-term loans and advances	15	27,861,454	28,145,668
			134,781,501	132,399,322
	Total		138,419,512	135,708,559
	Significant accounting policies and other notes	1 & 25		

The accompanying notes form an integral part of the financial statements

For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

Arpita Y Gadhia
Partner
M. No. 177483

Place : Mumbai

Dated: 22 FEB 2019



For and on behalf of the Board of Directors

Managing Director

Director

E/C Financial Advisor & Chief
Accounts Officer

MAHARASHTRA STATE POWERLOOM CORPORATION LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

Amount in Rs

	Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
	Income			
I.	Revenue from operations	16	80,094,418	35,073,655
II.	Other income	17	2,311,001	4,915,894
III.	Total revenue (I+II)		83,305,419	39,989,549
	IV. Expenses:			
	Cost of materials consumed	18	-	325,325
	Purchase of stock-in-trade	19	75,175,924	28,338,155
	Changes in inventories of finished goods	20	900,155	5,190,313
	Employee benefits expense	21	11,637,161	32,037,548
	Finance costs	22	492,787	1,015,669
	Depreciation and amortisation expense	23	107,297	143,877
	Other expenses	24	3,411,861	4,531,187
V.	Total expenses		91,725,185	71,582,074
VII.	Profit before tax		(8,419,767)	(31,592,525)
VIII.	Tax expenses:			
	Current tax		-	-
	Previous Year		-	-
	Loss for the year (VI-VIII)		(8,419,767)	(31,592,525)
IX.	Earnings per share [Nominal value per share Rs.100 each (previous year Rs.100 each)]			
	Basic		(6.15)	(24.73)
X.	Significant Accounting Policies & Other Notes	1 & 25		

The accompanying notes form an integral part of the financial statements

For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

For and on behalf of the Board of Directors

Arpita T Gadhia
Partner
M. No. 177483



Managing Director

Director

Place : Mumbai

Dated: 22 FEB 2019

Director

I/c Financial Advisor & Chief
Accounts Officer

MAHARASHTRA STATE POWERLOOM CORPORATION LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Amount in Rs

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
PROFIT (+)/LOSS (-) BEFORE TAX	(8,419,767)	(31,592,525)
Adjustment for:		
Depreciation and amortization	107,297	143,806
Interest income from Fixed Deposits	(2,287,597)	(3,911,297)
Interest on borrowing costs	492,787	1,015,669
Operating Profit Before Working Capital Changes	(10,107,280)	(34,344,276)
Movements in Working Capital:		
[(Increase) / Decrease in Trade Receivables	(11,068,667)	556,265
[(Increase) / Decrease in Loans and advances	48,142	3,058,639
[(Increase) / Decrease in Inventories	900,154	3,513,637
Increase / (Decrease) in Other current Liabilities	167,272	(791,596)
Increase / (Decrease) in trade payables	16,464,866	(5,173,677)
Cash flow before taxation	(3,595,512)	(29,179,007)
Direct Taxes paid	-	-
NET CASH GENERATED / (USED) IN OPERATING ACTIVITIES	(3,595,512)	(29,179,007)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Loans & Advances	-	-
(Purchase)/Sale of Fixed Assets (net)	-	(51,136)
Interest income on fixed deposits	2,287,597	3,911,297
NET CASH GENERATED IN INVESTING ACTIVITIES	2,287,597	3,860,161
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Other Non Current Liabilities	659,875	(2,550,234)
Share Application Money Pending Allotment	-	10,000,000
Proceeds from Borrowings	(14,161,293)	(3,026,824)
Proceeds from Issue of Shares	8,000,000	-
Interest on borrowing costs	(492,787)	(1,015,669)
NET CASH USED IN FINANCING ACTIVITIES	(5,994,205)	3,413,273
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,302,120)	(21,905,572)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	40,226,626	62,132,199
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	32,924,506	40,226,626

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For **Shah Gupta & Co.**
Chartered Accountants

Firm Registration No. 109574W

Arpita T Gadhiya
Arpita T Gadhiya
Partner
M. No. 177483



For and on behalf of the Board of Directors

R. D. Desai
Managing Director

Gemlaske.
Director

Director

S. P. ...
J/c Financial Advisor & Chief
Accounts Officer

Place : Mumbai

Dated: 22 FEB 2019

MAHARASHTRA STATE POWERLOOM CORPORATION LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Amount in Rs	
	As at 31.03.2018	As at 31.03.2017
2. Share capital		
Authorised capital		
(a) Number and amount of shares authorized; 20,00,000 Equity shares of Rs100/- each	200,000,000	200,000,000
	200,000,000	200,000,000
Issued, subscribed & paid up capital		
(b) Number of shares issued, subscribed and fully paid 14,57,300 Equity shares of Rs 100/- each fully paid (previous year 12,77,300 Equity shares of Rs 100/- each fully paid)	145,730,000	127,730,000
Total	145,730,000	127,730,000

2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at	
	31.03.2018	31.03.2017
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	1,277,300	1,277,300
Add: Fresh issue of shares during the year	180,000	-
Equity shares at the end of the year	1,457,300	1,277,300

2.2 Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 100/-. The rights of the equity shareholders rank pari-passu for all the matters, including dividend and each shareholder is entitled to one vote per share. In the event of 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. The Board of directors have not recommended any dividend on equity shares.

2.3 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of shares held	% of holding	No. of shares held	% of holding
1) Governor of Maharashtra (Represented by Principal Secretary, Co-Operation, Marketing & Textile Department, Government of Maharashtra)	1,457,298.00	99.99	1,277,298.00	99.99

As per records of the Company, including its Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares, both legal and beneficial ownership of shares.

Particulars	Amount in Rs	
	As at 31.03.2018	As at 31.03.2017
3. Reserves and surplus		
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(165,425,344)	(133,832,819)
Loss for the year	(8,419,767)	(31,592,525)
Balance at the year end	(173,845,111)	(165,425,344)
Total	(173,845,111)	(165,425,344)

Particulars	Amount in Rs	
	As at 31.03.2018	As at 31.03.2017
4. Other non-current liabilities		
(a) Deposits	1,029,300	1,011,435
(b) Interest accrued on loan but not due (Refer Note No. 25 Point No. 8)	69,793,903	69,793,903
Total	70,823,203	70,805,338



MAHARASHTRA STATE POWERLOOM CORPORATION LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Amount in Rs	
	As at 31.03.2018	As at 31.03.2017
5. Long-term provisions		
(a) Provision for employee benefits	5,101,332	4,459,322
Total	5,101,332	4,459,322

Particulars	Amount in Rs	
	As at 31.03.2018	As at 31.03.2017
6. Short Term Borrowings (secured)		
(a) Loan from Government Of Maharashtra*		
Interest accrued & due	2,308,504	2,308,504
Provision for penal interest	1,728,000	1,728,000
(b) Overdraft from Syndicate Bank	-	14,161,293
Total	4,036,504	18,197,797

6.1 Details of security

Primary 1

Loans from Government of Maharashtra is secured by way of first & fixed charge on the immovable properties and floating charges on the movable assets of the company. However, the charges has not been created.

Over draft from Syndicate Bank and Vijaya Bank are secured against fixed deposit of the company.

6.2 Rate of interest

Over draft from Syndicate Bank carry interest rate @ 10.25% to 11.55%.

6.3 Additional Information

* The company had received Secured Loan of Rs 15 Lakhs in 1987 - 1988 with Government resolution No. FUM/1283/8628/2823-C (R. 306) December, 1987. This was Financial Assistance provided by the Government for working capital for increasing turnover of Company. The company has repaid principal amount of the loan completely by October, 2003. However, on account of financial constraints the company has not paid the interest accrued and due from December, 1987 to October, 2003 amounting to Rs 23,08,504/- (previous year Rs 21,08,504/-) along with penal interest from January, 1990 to October, 2003 amounting to Rs. 17,28,000/- (previous year Rs. 17,28,000/-).

Particulars	Amount in Rs	
	As at 31.03.2018	As at 31.03.2017
7. Trade payables		
Creditors for supplies (Refer note No. 25, Part No 16)	82,412,330	65,947,464
Total	82,412,330	65,947,464

Particulars	Amount in Rs	
	As at 31.03.2018	As at 31.03.2017
8. Other current liabilities		
Current maturity of long term debts	2,000,000	2,000,000
Statutory liabilities	78,112	63,933
Employee benefits expense	224,214	227,801
Advance from customer	589,249	900,957
Current dues of long-term employee benefits	-	-
Others	1,265,679	801,210
Total	4,167,254	3,993,902



MAHARASHTRA STATE POWERLOOM CORPORATION LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Amount in Rs.			
	As at 31.03.2016		As at 31.03.2017	
	No. of Shares	Amount	No. of Shares	Amount
16. Non Current Investments :				
Long Term Investments (Unquoted):				
Trade Investments :				
Investment in Equity Instruments :				
(i) Shares of Rs. 1,000/- each of Raktagni Powerlooms Weavers Coop. Spinning Mills Limited.	10	10,000	10	10,000
(j) Shares of Rs. 100/- each of (Chakragiri Industrial Coop. Estate Limited.	5	500	5	500
(k) Shares of Rs. 500/- each of Yashwantrao Coop. Processing Limited.	2	1,000	2	1,000
(l) Share of Rs. 1,000/- each of Bhivandi Coop Spinning Mills Limited.	1	1,000	1	1,000
		12,500		12,500
Investment in Preference Shares :				
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Yashwantrao Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Redhuseer Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Kurlal Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Anjevan Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Sri Kambal Powerlooms Weavers Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Ajinkyaare Powerlooms Weavers Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Kutharu Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Chikewadi Vithal Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Kothewadi Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
Redeemable Preference Shares of Rs. 25/- each (fully paid up) Jai Yashwantrao Vinkar Sahakari Society Limited.	8000	200,000	8000	200,000
		2,000,000.00		2,000,000.00
Less:- Provision for diminution in value of investment.		(2,012,500.00)		(2,012,500.00)
Total		-		-

Particulars	Amount in Rs.	
	As at 31.03.2016	As at 31.03.2017
17. Long-term loan and advances		
Advance Income Tax	2,952,627	2,516,555
Total	2,952,627	2,516,555



MAHARASHTRA STATE POWERLOOM CORPORATION LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Amount in Rs	
	As at 31.03.2016	As at 31.03.2017
12. Inventories		
Raw material		
Worm	943,501	943,501
Finished goods		
(a) Grey cloth	-	699,578
(b) Processed cloth	561,000	762,377
Total	1,504,501	2,405,456

Particulars	Amount in Rs	
	As at 31.03.2016	As at 31.03.2017
13. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
(a) Considered Good	54,768,126	54,703,692
(b) Considered Doubtful [Refer note no 25 point no 2 (I & II)(a)]	2,392,721	1,382,248
Less: provision for doubtful debts	(2,426,560)	(2,426,568)
Outstanding for a period less than six months from the date they are due for payment		
(a) Considered Good	17,955,961	7,957,201
Total	72,690,248	61,621,573

Particulars	Amount in Rs	
	As at 31.03.2016	As at 31.03.2017
14. Cash and bank balances		
Cash & cash equivalents		
Balances with banks		
In Current accounts	4,829,424	2,294,101
In Term deposits with maturity less than 3 months at inception		
Cash on hand	30,471	13,410
4,860,895	2,307,511	
Other Bank balances		
In Term deposits with original maturity of more than 3 months but less than 12 months at inception	26,074,611	37,919,111
Total	32,924,906	40,226,622

Particulars	Amount in Rs	
	As at 31.03.2016	As at 31.03.2017
15. Short-Term Loans and Advances		
(a) Advances recoverable in cash or kind for value to be received		
Good	1,451,863	18,218
Doubtful	-	1,624,076
Less: Provisions [Refer Note No. 25 Point No. 2(III)(b)]	(189,347)	(369,347)
(b) Advance to Powerlooms Weavers Co-operative societies as per directives of Govt of Maharashtra		
Good	57,957,924	56,361,604
Doubtful	(33,216,192)	(33,216,193)
Less: Provisions [Refer Note No. 25 Point No. 2(III)(c)]	581,564	483,125
(c) Loan given to staff	1,265,420	1,265,170
LOD Deposits	-	-
Total	37,665,646	28,145,667



MAHARASHTRA STATE POWERLOOM CORPORATION LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Amount in Rs	
	For the year ended 31.03.2018	For the year ended 31.03.2017
16. Revenue from Operations		
Sale of Product		
Cloth 2008	80,994,418	35,073,655
Total	80,994,418	35,073,655

Particulars	Amount in Rs	
	For the year ended 31.03.2018	For the year ended 31.03.2017
17. Other Income		
Interest on Bank FD	2,121,242	3,853,419
Other Interest	168,195	548,183
Sundry Credit balance written back	23,403	567
Excess Provision	-	513,725
Miscellaneous Income	-	-
Total	2,311,001	4,915,884

Particulars	Amount in Rs	
	For the year ended 31.03.2018	For the year ended 31.03.2017
18. Cost of materials consumed		
Materials:		
Stock at commencement	943,501	1,285,826
Add: Purchases	-	-
Stock at Close	(943,501)	(943,501)
Total	-	342,325

Particulars	Amount in Rs	
	For the year ended 31.03.2018	For the year ended 31.03.2017
19. Purchase		
Grey Cloth	183,691	119,694
Processed Cloth	75,012,263	28,218,461
Total	75,195,954	28,338,155

Particulars	Amount in Rs	
	For the year ended 31.03.2018	For the year ended 31.03.2017
20. Changes in inventory of finished Goods		
Stock at Closing:		
Grey Cloth	-	639,578
Processed Cloth	501,000	782,377
Less: Stock at Commencement		
Grey Cloth	699,578	5,422,946
Processed Cloth	782,377	3,235,332
Total	209,123	5,196,313

Particulars	Amount in Rs	
	For the year ended 31.03.2018	For the year ended 31.03.2017
21. Employee benefits expense		
Salaries and wages	8,905,096	22,735,731
Director & Chairman Reimbursement	529,613	1,584,916
Contribution to Provident and other funds	1,083,031	1,790,182
Staff welfare expenses	181,107	385,031
Gratuity	295,404	2,601,939
Leave Salary	562,010	3,034,689
Total	11,637,161	32,697,548



MAHARASHTRA STATE POWERLODM CORPORATION LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Amount in Rs.	
	For the year ended 31.03.2018	For the year ended 31.03.2017
22. Finance costs		
Interest on borrowed loans	497,787	1,015,668
Total	497,787	1,015,668

Particulars	Amount in Rs.	
	For the year ended 31.03.2018	For the year ended 31.03.2017
23. Depreciation and amortisation expense		
Depreciation on assets	107,207	143,877
Total	107,207	143,877

Particulars	Amount in Rs.	
	For the year ended 31.03.2018	For the year ended 31.03.2017
24. Office, administrative and other expenses		
Wart, Rates & Taxes	985,173	845,732
Receipt, Maintenance & Society charges	264,035	271,513
Legal and professional Charges	573,417	548,211
Printing and Stationery	110,308	278,917
Postage and Telephone Expense	181,755	332,031
Freight and transport Charges	13,091	27,941
Auditors remuneration	225,000	200,490
Other audit fees	57,500	15,000
Miscellaneous Expenses	326,748	792,522
Travel, conveyance and vehicle expenses	315,206	674,660
Electricity Charges	50,760	57,287
Processing Charges, Sticking charges and packing charges	510	23,519
Irrecoverable debit balances & bad debts Written Off	7,827	40,124
Prior Period Expense	240,657	145,497
Checking & Folding Charges & Rebinding Charges	-	80,385
Weaving, Conversion, Spinning, stitching & Wearing Charges	41,703	136,635
Total	2,411,861	4,531,187



MAHARASHTRA STATE POWERLOANS CORPORATION LTD., MUMBAI
FDGQ ASSETS AS ON 31.03.2018

S. PROPERTY, PLANT & EQUIPMENT		C O S T				D E P R E C I A T I O N				B A L A N C E	
Asset	Rate	As on 4/1/2017	Acquired	Additions	As on 31/3/2018 (4-6+8)	As on 4/1/2017	Adjusted	For the Year	Up to 31/3/2018 (9+10)	As At 31/3/2018 (7-11)	As At 31/3/2017 (4-8)
2	3	4	5	6	7	8	9	10	11	12	13
BUILDING		191,700			191,700	1,20,000		90	11,700	90,000	10,000
VEHICLES		1,111,400			1,111,400	90,000		21,000	89,000	90,700	100,000
OFFICE EQUIPMENT		190,000			190,000	20,000		5,500	15,500	45,000	50,000
AIR CONDITIONER		206,700			206,700	140,000		1,000	140,000	90,000	20,000
ELECTRIC FANS & FITTING		30,000			30,000	40,000		1,000	40,000	20,000	20,000
PLANT & MACHINERY		300,000			300,000	200,000		10,000	200,000	90,000	100,000
FURNITURE & FIXTURE		1,79,000			1,79,000	1,00,000		10,000	1,00,000	1,00,000	200,000
COMPUTER		1,00,000			1,00,000	1,00,000		1,000	1,00,000	1,00,000	100,000
PATENTS		20,000			20,000	10,000			10,000	10,000	10,000
TOTAL		5,00,000			5,00,000	3,90,000		1,07,000	5,07,000	3,00,000	3,00,000
PREVIOUS YEAR		5,00,000			5,00,000	3,90,000		1,07,000	5,07,000	3,00,000	3,00,000



MAHARASHTRA STATE POWERLOOMS CORPORATION LIMITED.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.

1. SIGNIFICANT ACCOUNTING POLICIES. :-

1.1 Basis of Accounts. :-

The Financial statements have been prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles ("GAAP"). These financial statements are prepared to comply in all material respect with the accounting standards notified under section 133 of the Companies Act, 2013 ("the Act"), read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Company follows mercantile system of accounting and recognise income and expenditure on accrual basis except those with significant uncertainties.

1.2 Use of Estimates. :-

The preparation of financial statements in conformity with Generally Accepted Accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Inventories :-

All items of inventory are valued at cost or the estimated net realizable value, whichever is less, using FIFO basis. Cost includes the purchase price, processing charges, weaving charges like freight, octroi and any other incidental charges incurred in bringing the inventory to its present condition and location.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.4 Revenue Recognition:-

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.



1.5 Property, Plant & Equipment. :-

Fixed Assets (tangibles/intangibles) are stated at their cost of acquisition or construction less accumulated depreciation/amortisation/ impairment losses, if any. Cost comprises the purchase price, any other applicable cost and also includes borrowing cost as estimated to be attributable to the acquisition and construction of fixed assets upto the date of commencement of commercial production.

Spares parts, servicing equipment and standby equipment which can be used only in connection with a particular Plant & Equipment of the Company and use is expected to be regular, are capitalised at cost.

Losses/Gain arising from retirement/disposal of fixed assets, which are carried at cost, are recognised in the Statement of Profit and Loss.

1.6. Depreciation and Amortization. :-

The Depreciation is provided at the rates prescribed by the Income Tax Act, 1961 on the Written Down Value Method. In case of addition to fixed assets the company provides depreciation for full year where such assets are put to use for more than six months and the company provides depreciation for half year in case such assets are put to use for less than six months. In case of sale of fixed assets no proportionate depreciation is provided for the year in which the asset is sold.

1.7. Investments. :-

Investments are classified as current or long-term in accordance with Accounting Standard - 13 on "Accounting for Investments". Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of such investments.

Current investments are carried at lower of cost or fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net assets value of units declared by the mutual funds is considered as the fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited in the statements of profit and loss.

1.8. Employee Benefits:-

Employee benefits such as salaries, non-monetary benefits, which fall due for payment within a period of twelve months after rendering service, are charged as expenses to the statements of profit and loss in the period in which the service is rendered or as and when they are incurred.

Compensation payable under the voluntary retirement scheme is being charged to profit & loss account in the year in which it is incurred.



1.9. Taxation :-

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

In case of Tax payable as Minimum Alternative Tax ("MAT") under the provisions of the Income-Tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is received at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax liability. They are measured using the substantively enacted tax rates and tax laws as on the balances sheet date. Deferred tax assets are recognised only when there is a reasonable certainty that sufficient further taxable income will be available against which they will be realized. Where there is carry forward of losses or unabsorbed depreciation, deferred tax asset is recognised only if there is a virtual certainty supported by the convincing evidence of availability of taxable income against which such deferred tax asset can be realized in future.

1.10. Impairment of Assets. :-

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets". If there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount i.e. the higher of the assets net selling price and value in use.

For assets in respect of which any such indication exists, the asset's recoverable amount is estimated. The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the statement of profit and loss.

1.11. Provision and Contingencies :-

Provision are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- The Company has a present obligation as a result of a past event.
- Probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of :

- A present obligation arising from a past event, when it is not probable that an outflow of recourse will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote



**MAHARASHTRA STATE POWERLOOMS CORPORATION LIMITED,
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.**

25. OTHER NOTES:-

1. CONTINGENT LIABILITIES [Not provided] :-

[Rs. In Lakhs.]

Particulars	2017-2018	2016-2017
Claims not acknowledged as debts. [including Interest up to 31.3.2018].	#46.23	#44.61

2. NO PROVISION IS MADE FOR FOLLOWING:-

(a) Debts considered doubtful

Particulars	2017-2018	2016-2017
i] [a] Advances to Powerlooms Coop. Societies, Considered doubtful.	247.52	251.45
[b] Other Advances considered doubtful.	1.20	1.20
ii] Stock of yarn lying with third parties, which are disputed by them. No provision is made as there are remote chances of recovery in near future.	7.85	7.85

(b) Debts outstanding for more than 3 years and still considered good.

Particulars	2017-2018	2016-2017
i] Debtors comprising of Zilla Parishads and MSEB & Other Departments outstanding for more than 3 years as at 31.03.2018 to the extent not realized till June, 2018 and considered good. As the debtors are from Government Departments and Government undertaking, are not recovered yet. But there is possibility of recovery in near future and hence considered good.	213.23	212.59

3. As at March 31, 2018 the Company has accumulated losses of Rs. 17,38,45,111/- However, the Company is confident of continued support from its shareholders. Based on the future business plans and support from its shareholders, the management is of the view that the Company will be able to continue its business and operate as a "Going Concern" in foreseeable future and meet its liabilities as they fall due for payment. Accordingly, the accounts have been prepared on "Going Concern" basis despite accumulated losses and erosion of more than 50% of net worth of the Company.



4. The Balance of trade payable, other current liabilities and balance of trade receivable, loan and advances, stock lying with third parties as stated in Note No.7, Note No.8, Note No.12, Note No.13, Note No.15 respectively are subject to reconciliation and balance confirmation from them. In view of the Management such balances are at least equivalent to the value realizable in the ordinary course of its business and hence, no further adjustments are required to be made.
5. The Sundry Debit balance of Rs.1,19,004 & Sundry Credit balance of Rs.4451 pertaining to Yarn Section are carried forward since last 30 years against the Court Cases.
6. The Company does not have Company Secretary as required under section 203 of the Companies Act, 2013 in view of its accumulated losses. However, Company has obtained compliance certificate from Practicing Company Secretary.
7. The Company is yet to receive balance confirmation in respect of certain trade payable, other payable, trade receivable, other receivable and loan advances. The Management does not expect any material difference affective affecting the current year's financial statements due to the same.
8. The Company had received Loan of Rs.252 lakhs from Government of Maharashtra in December, 1977 vide G.R.No. PLM-1077/55310-B-C dated 29.12.1977 for paying off the erstwhile loan taken from Central Bank of India. The Government has converted the said loan into Share Capital as on March 31,1997. Accordingly, no interest is payable from the said date. However, interest accrued on the said loan up to March 31,1997 amounting to Rs.6.98 lakhs [Previous Year Rs.6.98 lakhs] was not due for payment as the terms of payment were not decided by the Government of Maharashtra. Therefore, it is shown as "Interest accrued but not due" in the financial statements and accordingly grouped under other non-Current Liabilities instead of Loan Funds. The Company has applied for the conversion of said interest into Share Capital vide Letter No. 3179 dated 7.2.2008 for which Government reply is awaited.
9. In the opinion of the Board of Directors, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet unless otherwise stated.
10. In the opinion of the Management there is no impairment of fixed assets during the year.
11. **Segment Reporting.**

Considering the nature of Company's business and operations, there are no separate reportable segments (business and/of geographical) in accordance with the requirements of Accounting Standard 17 - "Segment Reporting".



12. Related Parties :-

Maharashtra State Powerlooms Corporation is State Government undertaking and fully controlled by Government of Maharashtra, the accounting standard [AS]-18 Related party disclosures is not applicable to the Company in terms of Para 4 and 9 of AS 18 for transactions with government departments and other State controlled enterprises and government sponsored bodies. The Company, as per Government of Maharashtra directives vide Government Resolution No. PLM/1077/55310/92/8-C dt. 15th February, 1978 sponsors, organizes, finances and operates Powerloom Weavers' Cooperative Societies. In order to achieve this objective the Company has provided advances to such societies [Refer to Schedule 7] against weaving charges and to run their day to day affairs. The Company considers such societies as State Government sponsored bodies and therefore, transactions of weaving charges and Loans and advances with such societies are not required to be disclosed under Para 4 of the AS 18.

13. The Company's significant leasing arrangement in respect of office premises are in the nature of operating lease. The aggregate lease rentals payable in respect of these assets are charged to profit and loss account. These leasing arrangements are renewable only by mutual consent of parties.

14. Earning per share [EPS].

Particulars.	As at	As at
	31 st March, 2018	31 st March, 2017
Net Profit attributable to Equity Shareholders (Rs.)	(84,19,767)	(3,15,92,525)
Weighted Average Number of Equity Shares [Nos.]	14,57,300	12,77,300
Face value per share (Rs.)	100	100
Earnings per Share Basis - [Rs.]	(5.78)	(24.73)

15. Remuneration to the Auditors :

Particulars.	As at	As at
	31 st March, 2018	31 st March, 2017
Statutory Audit Fee	2,25,000	2,00,600
Total.	2,25,000	2,00,600



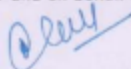
16. Disclosure pertaining to Micro, Small and Medium Enterprises :

There are no dues to Micro, Small and Medium Enterprises (MSME) as defined in "The Micro Small and Medium Enterprises Development Act 2006" as at Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties having been identified on the basis of information available with the company and relied upon by the auditors.

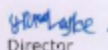
- 17.** The previous year figures have been re-classified/re-grouped to conform to current year's classification.

The accompanying notes are an integral part of the financial statement

For and on behalf of the Board of Directors.



Managing Director

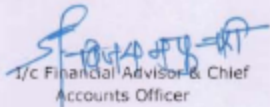


Director

Place : Mumbai

Dated: 22 FEB 2019

Director



1/c Financial Advisor & Chief
Accounts Officer