

THE CANNING INDUSTRIES COCHIN LIMITED
VALARKKAVU, THRISSUR 680006

U01122KL1947PLC000257

Notes forming part of accounts

Note A

| | As at 31st March 2016 | | As at 31st March 2015 | |
|---|-----------------------|-------------|-----------------------|----------|
| | Number | Rs | Number | Rs |
| Share Capital Authorised | | | | |
| Equity shares of Rs.30/- each | 660000 | 1,98,00,000 | 660000 | 19800000 |
| Issued, Subscribed & Paid Up | | | | |
| Fully paid up | | | | |
| Equity shares of Rs.30/- each | 377744 | 1,13,32,320 | 377744 | 11332320 |

Disclosure pursuant to Note No.A in respect of Part I Schedule VI of the Companies Act

| Particulars | Equity shares | | Equity shares | |
|---|---------------|--------------------|---------------|-----------------|
| | Number | Rs | Number | Rs |
| Shares outstanding at the beginning of the year | 377744 | 1,13,32,320 | 207684 | 6230520 |
| Shares Issued during the year | Nil | Nil | 170060 | 5101800 |
| Shares bought back during the year | Nil | Nil | Nil | Nil |
| Shares outstanding at the end of the year | 377744 | 1,13,32,320 | 377744 | 11332320 |
| Less: Calls unpaid other than directors | | 1,860 | | 1860 |
| | | <u>1,13,30,460</u> | | <u>11330460</u> |

Company has only equity share capital and not a subsidiary company. The following shareholders are holding more than 5% of share capital.

| Name of shareholder | No. of shares |
|----------------------------|----------------------|
| Jos paul Chiriankandath | 164861 |
| P. O. Mary | 20000 |

Company has not issued shares for consideration other than cash, or issued any bonus shares or bought back any shares during the year or immediate preceding five years.

Note B

Reserves & Surplus

(a) Capital Reserve

| | | |
|----------------------------|----------|----------|
| Opening balance | 3,717 | 3717 |
| Add: Addition / (Deletion) | <u>-</u> | <u>0</u> |
| Closing balance | 3,717 | 3717 |

(b) Security premium

| | | |
|----------------------------|-------------|----------|
| Opening balance | 2,95,62,473 | 29562473 |
| Add: Addition / (Deletion) | <u>-</u> | <u>0</u> |
| Closing balance | 2,95,62,473 | 29562473 |

(c) General reserve

| | | |
|----------------------------|-----------|----------|
| Opening balance | 36,44,282 | 3644282 |
| Add: Addition / (Deletion) | <u>-</u> | <u>0</u> |
| Closing balance | 36,44,282 | 3644282 |

| | | |
|-----------------------------------|-----------------------------|----------------------|
| (d) Surplus / Loss | | |
| Opening balance | (3,30,45,893) | (19644641) |
| Add: Net Profit for the year | (2,34,49,074) | (13401252) |
| Add: Transfer from Reserves | Nil | Nil |
| | <u>(5,64,94,967)</u> | <u>(33045893)</u> |
| Less: Proposed dividend | Nil | Nil |
| Tax on dividend | Nil | Nil |
| Less: Transfer to General Reserve | Nil | Nil |
| Closing balance | <u>(5,64,94,967)</u> | <u>(33045893)</u> |
| Total (a + b + c + d) | <u><u>(2,32,84,495)</u></u> | <u><u>164579</u></u> |

Company has no reserve in the nature of capital redemption reserve, debenture redemption reserve, revaluation reserve and share option outstanding account except security premium on account of redemption of fully and compulsory convertible debenture into equity shares.

Note C

Long-term borrowings

| | | |
|--|---------------------------|------------------------|
| Secured loan - on the primary security of machinery, equipments & collateral security of | 1,14,20,918 | 12543304 |
| 10% Fully Convertible Debenture | 2,83,50,000 | Nil |
| | <u><u>3,97,70,918</u></u> | <u><u>12543304</u></u> |

Note D

Deferred tax liability (Net)

Components of net deferred tax Liability

| | | |
|-----------------------------|-------------------|---------------------|
| Deferred tax assets: | | |
| Depreciation on fixed asset | Nil | 153601 |
| Deferred tax liability | | |
| Provision for gratuity | Nil | 140892 |
| Net deferred tax Liability | <u><u>Nil</u></u> | <u><u>12709</u></u> |

Note E

Other long term liabilities

| | | |
|-----------------------------|-------------------------|----------------------|
| Agency and bottle deposit | 1,38,738 | 239538 |
| Advance for freezing | 15,30,000 | 500000 |
| Liability in outside kuries | Nil | Nil |
| Rent security deposit | 1,50,000 | 150000 |
| | <u><u>18,18,738</u></u> | <u><u>889538</u></u> |

Company has no long term trade

Note F

Long term provision:

| | | |
|------------------------|------------------------|----------------------|
| Provision for Gratuity | <u><u>3,89,477</u></u> | <u><u>455962</u></u> |
|------------------------|------------------------|----------------------|

Note G**Short term borrowings**

| | | |
|----------------------|--------------------|-----------------|
| Loans from Directors | 3,60,000 | 10220000 |
| Bank over draft | 1,58,47,448 | 17138505 |
| | <u>1,62,07,448</u> | <u>27358505</u> |

Short term borrowings represents unsecured interest free loan from directors for temporary financial arrangement and the overdraft facility is avail on the primary security of stock and trade and collateral security of equitable mortgage of property @ 11.9%.

Note H**Trade payables**

| | | |
|-------------------------------|-----------------|----------------|
| On account of goods purchased | 8,67,668 | 2947133 |
| Others | Nil | 65611 |
| | <u>8,67,668</u> | <u>3012744</u> |

Note I**Other Current Liabilities:**

| | | |
|------------------|------------------|----------------|
| Security deposit | 2,26,000 | 226000 |
| Expenses payable | 18,64,279 | 1065320 |
| Unpaid dividend | Nil | 25787 |
| | <u>20,90,279</u> | <u>1317107</u> |

Note J**Fixed assets** **Attached separately**

Company has no intangible assets, intangible assets under development except capital work in progress disclosed separately.

Note K

Deferred tax asset (Net)

Components of net deferred tax Asset

| | | |
|-----------------------------|-----------------|------------|
| Deferred tax assets: | | |
| Depreciation on fixed asset | 1,50,600 | Nil |
| Deferred tax assets: | | |
| Provision for gratuity | 1,20,348 | Nil |
| Net deferred tax Asset | <u>2,70,948</u> | <u>Nil</u> |

Net deferred tax asset as on 31.03.2016 computed in compliance with the Accounting Standard 22 on accounting for taxes on income amounted to Rs.270948/- which is separately disclosed in Balance Sheet. The increase of deferred tax asset as on 31.03.2016 when compared to 31.03.2015 comes to Rs.283657/- is credited to tax expenses account during the year.

Note L**Other non current asset:**

| | | |
|----------------------|------------------|----------------|
| Investment in kuries | 2,95,513 | 244953 |
| Security deposit | 38,05,576 | 6742787 |
| | <u>41,01,089</u> | <u>6987740</u> |

Note M**Trade Receivables**

| | | |
|--|------------------|----------------|
| Unsecured considered good due more than six months | 10,37,077 | 978559 |
| Unsecured considered good others | 29,07,022 | 2698448 |
| | <u>39,44,099</u> | <u>3677007</u> |

Note N**Cash and cash equivalents**

| | | |
|--------------------|------------------|---------------|
| Balance with banks | 25,35,004 | 420476 |
| Cash on hand | 40,485 | 19919 |
| | <u>25,75,489</u> | <u>440395</u> |

Balance with banks represent the balance maintaining with various banks in current account Rs.22,85,657/- Company have a term deposit with banks Rs.1,77,823/- bearing interest @ 7% to 8% have a maturity period of more than 12 months which is earmarked as security for guarantee, except that no deposits are held as margin money or security or guarantee to any liability.

Note O**Short-term loans and advances**

| | | |
|----------------------------|---------------|--------------|
| Temporary advance to staff | <u>51,346</u> | <u>65811</u> |
|----------------------------|---------------|--------------|

Note P**Other current assets**

| | | |
|--------------------|-----------------|---------------|
| Prepaid expenses | Nil | 1937 |
| Other receivables | 3,06,420 | 241574 |
| Income tax advance | 4,41,809 | 390289 |
| | <u>7,48,229</u> | <u>633800</u> |

Note Q**Revenue from operations**

| | | |
|---------------------------------------|--------------------|-----------------|
| Sales | 1,69,84,228 | 21282481 |
| Cutting, cleaning and sorting charges | 12,17,714 | 1630436 |
| Cargo handling charges | 36,78,122 | 4941930 |
| Storage & freezing charges | 42,16,563 | 5199625 |
| Other charges | 21,65,330 | 719595 |
| | <u>2,82,61,957</u> | <u>33774067</u> |

The main business of the company is canning and processing of fruits, vegetables and marine products. Company is also providing storage and freezing facilities of marine products to the exporters.

Note R**Other income**

| | | |
|--------------------|-----------------|---------------|
| Interest | 1,11,699 | 76994 |
| Share transfer fee | 665 | 300 |
| Kuri Income | Nil | 14595 |
| Rent received | 6,37,976 | 594982 |
| | <u>7,50,340</u> | <u>686871</u> |

Note S**Cost of materials consumed**

| | | |
|---|--------------------|-----------------|
| Opening stock of raw materials, semi-finished goods & stor | 1,25,17,272 | 13091088 |
| Add: Fruits & vegetables | 19,38,222 | 2930733 |
| Sugar | 28,11,450 | 2376400 |
| Labels & Packing materials | 67,60,861 | 6817348 |
| Oil, coal & firewood | 9,50,199 | 997172 |
| Chemical, salt etc. | 14,12,884 | 1173057 |
| | <u>2,63,90,888</u> | <u>27385798</u> |
| Less: Closing stock of raw materials, semi-finished goods & | 1,14,77,426 | 12517272 |
| | <u>1,49,13,462</u> | <u>14868526</u> |
| Add: Direct expenses | | |
| Wages | 15,87,430 | 1365448 |
| Machinery running expenses | 1,33,362 | 409627 |
| Salary to chemists & mechanics | 9,23,658 | 1024866 |
| Other direct expenses | 77,30,163 | 6924805 |
| Electricity & water charges | 65,91,720 | 3767778 |
| | <u>3,18,79,795</u> | <u>28361050</u> |
| Add: Opening stock of finished goods | 9,71,098 | 1729181 |
| | <u>3,28,50,893</u> | <u>30090231</u> |
| Less: Closing stock of finished goods | 10,55,107 | 971098 |
| | <u>3,17,95,786</u> | <u>29119133</u> |

Note T**Employee benefit expenses**

| | | |
|------------------------------------|------------------|----------------|
| Salary and bonus to staff...etc... | 49,44,139 | 4669412 |
| Gratuity | 2,35,042 | 820871 |
| | <u>51,79,181</u> | <u>5490283</u> |

Note U**Other expenses**

| | | |
|--------------------------------|------------------|----------------|
| Freight and forwarding charges | 12,32,052 | 752265 |
| Printing and stationery | 3,54,034 | 165374 |
| Postage and telephone | 2,21,693 | 128007 |
| Insurance | 41,840 | 30269 |
| Travelling and sales expenses | 9,52,729 | 1140977 |
| Agricultural expenses | Nil | Nil |
| Repairs & maintenance - Others | 27,11,426 | 779582 |
| Association Membership fee | 50,912 | 42055 |
| Audit fee | 28,061 | 26334 |
| Office expenses | 1,64,392 | 59369 |
| Rates, tax and filing fee | 3,28,033 | 345182 |
| Legal and professional charges | 4,72,813 | 213381 |
| Sitting fee | 84,750 | 83250 |
| Quality control expenses | 2,65,359 | 220241 |
| Bad debt Wriiten off | Nil | 13525 |
| Advertisement | 95,788 | 362384 |
| | <u>70,03,882</u> | <u>4362195</u> |