

ASHOK KUMAR, PRABHASHANKAR & CO.
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

To the Members of
KBK CHEM-ENGINEERING PVT LTD

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **KBK CHEM-ENGINEERING PVT LTD** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.



An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note No.28(xi) in the Notes to the financial statements:
The Holding Company has waived the interest for the quarter ended March 31, 2018 towards their advances extended to the Company. Hence Interest of Rs.39.44 Mn is not provided for.
2. We draw attention to Note No.28(xii) in the Notes to the financial statements:
The Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a net loss of Rs.650.10 Mn (Rs.197.15 Mn) during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date, due to which the Company may be unable to realise all its assets and discharge all its liabilities in the normal course of business. This condition indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons in the said note by the Management.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder;
 - e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28(ii) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Camp: Pune
Date: April 27, 2018



For Ashok Kumar, Prabhaskar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

A handwritten signature in black ink, appearing to read "K. N. Prabhaskar".

K. N. Prabhaskar
Partner
Membership No. 019575

Annexure 'A' to the Auditors' Report

The Annexure 'A' referred to in our report to the members of KBK Chem-Engineering Private Limited for the year ended March 31, 2018. We report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all fixed assets have been physically verified by the management during the year in phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) With regard to inventory, physical verification has not been conducted by the management at reasonable intervals. Hence, we are unable to report on discrepancies and the treatment of variance if any between the book stocks and physical stocks.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

In respect of the loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.

- v) According to the information and explanations given to us, the company has not accepted any deposits, hence reporting on clause (v) of the order is not applicable.
- vi) The Central Government has prescribed maintenance of cost records u/s. 148(1) of the Companies Act, 2013 for some products of the Company. We have broadly reviewed these records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.
- vii) a) According to the information and explanations given to us and as per books and records examined by us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities outstanding as at March 31, 2018 for a period exceeding six months from the date they became payable.



- b) According to the information and explanations given to us and as per the records examined by us, the disputed statutory dues aggregating to Rs. 357.71 Million that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

SI No	Name of the Statute	Nature of Dues	Amount (Rs in Mn)	Period	Forum where Dispute is pending			
1	Central Excise Act 1944	Excise Duty	2.27	2004-07	Office of the Commissioner (Appeals) of Central Excise, Pune			
			236.55	January 2007 to December 2010	Office of the Commissioner of Central Excise, Pune			
			14.75	January 2011 to November 2011	Office of the Commissioner of Central Excise, Pune			
			1.03	December 2011 to June 2012	Office of the Commissioner of Central Excise, Pune			
			2.14	July 2012 to May 2013	Office of the Commissioner of Central Excise, Pune			
			0.56	June 2013 To December 2013	Office of the Commissioner of Central Excise, Pune			
			0.03	January 2014 to June 2014	Office of the Commissioner of Central Excise, Pune			
			1.84	July 2014 to December 2014	Office of the Commissioner of Central Excise, Pune			
			21.67	January 2015 to December 2015	Office of the Commissioner of Central Excise, Pune			
			2.11	January 2016 to June 2016	Office of the Asst. Commissioner of Central Excise, Pune			
			46.71	July 2016 to June 2017	Office of the Asst. Commissioner of Central Excise, Pune			
			2	The Maharashtra Value Added Tax Act, 2002	Sales Tax	0.60	2004-05	Sales Tax - Joint Commissioner Pune
						12.70	2006-07	Sales Tax - Joint Commissioner Pune
2.31	2007-08	Sales Tax - Joint Commissioner Pune						
0.78	2010-11	Sales Tax - Joint Commissioner Pune						
0.79	2011-12	Sales Tax - Joint Commissioner Pune						
3	The Karnataka Value Added Tax Act, 2003	Sales Tax	0.34	2010-11	Tribunal Appeal – Bangalore			
4	The Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	0.16	2016-17	Sales Tax - UP			
5	Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	2.62	2010-12	Recovery Officer & Assistant PF Commissioner (Pune)			
6	Income Tax Act, 1961	Income Tax	1.51	F.Y.2008-09	Dy Commissioner Income-Tax Appellate Tribunal Pune Versus Cir 11(1) Pune			
7	Income Tax Act, 1961	TDS	6.25	FY.2007-08 to 2013-14	Dy Commissioner Income Tax (TDS), Pune			
Grand Total			357.71					



- viii) The Company has borrowed funds from banks. They have not raised funds by way of debentures nor borrowed funds from financial institutions. There is no default in repayment of dues to the banks.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- x) As per information and explanations given to us and on the basis of our examinations of books and records, there were no frauds on or by the company has been noticed or reported during the year.
- xi) Being a Private Company, provisions of Section 197 read with Schedule V of the Companies Act, 2013 is not applicable.
- xii) This is not a Nidhi Company, hence reporting under clause (xii) does not apply.
- xiii) As per information and explanations given to us and on the basis of our examinations of books and records, all the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence reporting on this clause is not applicable.
- xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.



For Ashok Kumar Prabhaskar & Co.
Chartered Accountants
Firm Regn No: 004982S

A handwritten signature in black ink, appearing to read "K. N. Prabhaskar".

K. N. Prabhaskar
Partner
Membership No: 19575

Camp: Pune
Date: April 27, 2018

Annexure 'B' to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KBK Chem-Engineering Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Camp: Pune
Date: April 27, 2018



For Ashok Kumar, Prabhaskar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhaskar

K. N. Prabhaskar
Partner

Membership No. 019575

(Amount in Rupees)

	Notes	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	97,512,300	101,093,160	105,136,128
Other Intangible Assets	3	-	-	117,983
Financial Assets				
Other Advances	4	6,347,897	9,999,643	11,817,629
Current assets				
Inventories	5	35,134,346	72,695,023	139,802,629
Financial Assets				
Trade Receivables	6	107,824,023	429,430,825	644,780,485
Cash And Cash Equivalents	7	3,812,059	316,659	320,375
Other Advances	8	50,205,040	272,285,354	99,895,111
Total Assets		300,835,665	885,820,664	1,001,870,340
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	9	16,914,300	16,914,300	16,914,300
Other Equity	10	(1,233,255,397)	(591,248,374)	(392,834,237)
Non-Current Liabilities				
Financial Liabilities				
Borrowings	11	1,348,046,191	1,233,366,122	1,098,329,511
Provisions				
Deferred Tax Liabilities (Net)	12	2,744,260	2,562,714	829,840
	13	4,430,787	5,378,595	5,945,611
Current Liabilities				
Financial Liabilities				
Borrowings	14	60,738,001	124,394,047	138,387,161
Trade Payables	15	79,103,763	59,747,375	103,919,503
Other Financial Liabilities	16	20,740,148	33,258,833	28,527,275
Provisions	17	1,373,612	1,447,052	1,851,376
Total Equity and Liabilities		300,835,665	885,820,664	1,001,870,340

Accompanying notes 1 to 28 form part of the financial Statements

To be read with our report of even date
For Ashok Kumar, Prabhashankar & Co.
Chartered Accountants
Firm Regn.No : 0049825

For and on behalf of the Board



K.N. Prabhashankar
Partner
Membership No.19575



K.K. Kumbhat
Director
DIN : 00511139



Vijendra Singh
Director
DIN : 03537522

Place : Pune
Date : April 27, 2018



KBK CHEM ENGINEERING PVT. LTD.

1st & 2nd Floor, Survey No.1/10 To 16, Amachi Colony, Plot No. 33 & 34, Bhavdhan Khurd, NDA-Pashan Road, Pune - 411021
Statement of Profit & Loss for the year ended 31st March, 2018

(Amount in Rupees)

	Notes	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from Operations	18	147,649,308	262,798,613
Other Income	19	97,082	30,625,748
Total Revenue		147,746,390	293,424,362
Expenses			
Cost of Materials Consumed	20	121,722,635	177,369,401
Changes In Inventories of Finished Goods, Work-In-Progress & Stock in Trade	21	25,533,537	47,903,931
Excise Duty on Goods Sold During the year		2,122,194	14,925,090
Employee Benefit Expenses	22	20,619,228	19,121,655
Finance Costs	23	125,985,940	155,165,259
Depreciation and Amortisation Expenses	24	3,750,084	4,553,664
Foreign exchange (Gain)/Loss		(354,975)	3,183,236
Other Expenses	25	54,016,859	68,917,739
Total Expenses		353,395,502	491,139,975
Profit/(Loss) Before Exceptional Items and Tax		(205,649,111)	(197,715,613)
Exceptional Items		434,307,899	-
Profit/(Loss) Before Tax		(639,957,010)	(197,715,613)
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(639,957,010)	(197,715,613)
Tax Expenses:			
Current Tax	26	11,091,310	-
Deferred Tax		(947,807)	(567,016)
Total Tax Expenses		10,143,503	(567,016)
Profit/(Loss) for the Year		(650,100,513)	(197,148,597)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss: Remeasurement of the net defined benefit liability / asset		-	(1,265,539)
Total comprehensive income for the year		(650,100,513)	(198,414,136)
Earnings Per Equity Share:	27		
Basic (in Rs.)		(3,843.50)	(1,165.57)
Diluted (in Rs.)		(3,843.50)	(1,165.57)
(Nominal value of shares Rs 100 each)			

Accompanying notes 1 to 28 form part of the financial Statements

To be read with our report of even date
For Ashok Kumar, Prabhaskar & Co.
Chartered Accountants
Firm Regn.No : 0049825

For and on behalf of the Board

K.N. Prabhaskar
Partner
Membership No.19575

K.K.Kumbhat
Director
DIN : 00511139

Vijendra Singh
Director
DIN : 03537522

Place : Pune
Date : April 27, 2018



KBK CHEM ENGINEERING PVT. LTD.

1st & 2nd Floor, Survey No.1/10 To 16, Amachi Colony, Plot No. 33 & 34, Bhavdhan Khurd, NDA-Pashan Road, Pune - 411021
Cash Flow Statement for the Year Ended 31st March , 2018

(Amount in Rupees)

	As at 31st March 2018	As at 31st March 2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	(639,957,010)	(197,715,613)
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and Amortisation Expenses	3,750,084	4,553,664
Finance Costs	125,985,940	155,165,259
Loss/(Profit) on Sale of Fixed Assets	(39,865)	110,230
Receivable from Branches written off	7,811,416	-
Bad debts/Advances written off	434,307,899	-
Operating profit before working capital changes	(68,141,535)	(37,886,461)
Changes in operating assets and liabilities:		
Trade Receivables	(112,701,097)	215,349,660
Other Receivables	225,732,060	(168,028,337)
Inventory	37,560,677	67,107,606
Trade and Other Payables	6,891,712	(41,110,433)
Cash generated from operations	89,341,817	35,432,035
Income Tax (net)	(11,091,310)	(2,543,919)
Net cash flow from operating activities	78,250,507	32,888,116
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	207,950	(619,493)
Proceeds from Sale of Fixed Assets	(1,138)	116,550
Net cash flow from investing activities	206,812	(502,943)
CASH FLOW FROM FINANCING ACTIVITIES:		
(Proceeds)/Repayment from short-term borrowings	(63,656,047)	(13,993,114)
Proceeds/ Repayment of long-term borrowings	114,680,069	136,769,484
Finance Cost	(125,985,940)	(155,165,259)
Net cash flow from financing activities	(74,961,917)	(32,388,889)
Net increase in cash and cash equivalents	3,495,400	(3,716)
Opening Cash and Cash Equivalents	316,659	320,375
Closing Cash and Cash Equivalents	3,812,059	316,659

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard- 7 on Statement of Cash Flow notified under the Companies (Indian Accounting Standards) Rules, 2015.
- 2) Proceeds/(repayment) of Short-term borrowings have been shown on net basis.
- 3) Cash and Cash Equivalents do not include any amount which is not available to the company for its use .
- 4) Figure in brackets represents cash outflow from respective activities .
- 5) As amount of Cash and cash equivalents is also available in Note No.7 , reconciliation of amount of Cash and cash equivalents as per Cash Flow Statement with the equivalent amount reported in the Balance Sheet is not required and hence not provided .

To be read with our report of even date
For Ashok Kumar, Prabhashankar & Co.
Chartered Accountants
Firm Regn.No : 0049825

For and on behalf of the Board



K.N. Prabhashankar
Partner
Membership No.19575




K.K. Kumbhat
Director
DIN : 00511139


Vijendra Singh
Director
DIN : 03537522

Place : Pune
Date : April 27, 2018

Notes to Accounts forming part of Financial Statements for the year ended 31st March, 2018

Note: 1 - Significant Accounting Policies

(All amounts in Indian Rupees, unless otherwise stated)

a) Basis of preparation of financial statements

The accompanying financial statements have been presented for the year ended 31st March, 2018 along with comparative information for the year ended 31st March, 2017. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Use of estimates

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise and if material, their effects are disclosed in the notes to the financial statements.

c) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales returns.

Based on Ind AS 18, the Group has assumed that recovery of excise duty flows to the group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Revenue from sale of power is recognised when the units generated are transmitted to the pooling station, in accordance with the terms and conditions of the power purchase agreement entered into by the Company with the purchasing parties.

Income from services is recognised as they are rendered (based on agreement/arrangement with the concerned customers).

Dividend income on investments is accounted for as and when the right to receive the payments is established.

Income against claims of the company, viz., export incentives, insurance claims etc., is recognised on accrual/right to receive basis.



d) **Property, plant and equipment:**

- i. **Property, plant and equipment** (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to the location and condition necessary for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis. Subsidy received from the Government has been recognised as deferred income and recognized in the profit and loss on a systematic basis over the useful life of assets.
- ii. Land, Building and Plant and Machinery are carried at revalued amount and the surplus on revaluation is credited to Revaluation Reserve account. The useful lives of the depreciable assets remain to be the same as that of prior to revaluation.

e) **Borrowing costs:**

Interest and other costs in connection with the borrowings of funds to the extent attributable to the acquisition or construction of qualifying assets or capitalized as part of the cost of such asset till such time the asset is ready for its intended use.

All other borrowings costs are recognised in the statement of profit and loss in the period in which they are incurred.

f) **Depreciation:**

- i. Depreciation is provided in the manner prescribed in Schedule II of the Companies Act, 2013. The Carrying Value of Fixed assets are depreciated over the revised remaining useful lives. Fixed assets having nil useful life has been charged to the opening balance of retained earnings as per the transitional provision prescribed in note 7 (b) of Schedule II of the Companies Act 2013.
- ii. Depreciation on the value of Revaluation is reduced from revaluation Reserve.

g) **Inventories :**

Inventories are valued as follows:

Raw materials, stores and spares, and packing materials:

Valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a Moving Weighted Average basis.

Finished goods

Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty. Excise duty is generally provided on manufacture of goods, which are not exempt from the payment of duty. However, since the Company's finished goods are not segregated at the time of production into those for sale in domestic markets and those for sale in export markets, the Company is unable to determine the exact liability towards excise duty on finished goods. Accordingly, excise duty is provided/ paid only at the time of clearance of the goods from the factory.

Work-in-process

Valued at lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

By-products

By-products are valued at cost. Inter-unit transfers of by-products also include the cost of transportation, duties, etc.

h) **Foreign currency transactions**

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



Conversion

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

Exchange Differences

Exchange Differences is charged to the statement of profit and loss except arising on account of such conversion related to the purchase of fixed assets is adjusted therewith, and other long term monetary items is adjusted in the Foreign Currency Monetary Item Translation Difference Account.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

i) Employee benefits:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognises such contributions as expense of the year in which the liability is incurred.

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for avilment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

j) Income taxes

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit 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 specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.



k) Provisions, Contingent Liabilities and Contingent Assets :

Provisions 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
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

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 resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent Assets are neither recognized nor disclosed.

l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Impairment of assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine,

- a. The provision for impairment loss, if any, required or
- b. The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

n) Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.



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Note 2: Property, Plant and Equipment

(Amount in Rupees)

PARTICULARS	01st April, 2017	Additions	Disposal Adjustments	Revaluation	31st March, 2018
Gross Carrying Value					
Land Lease Hold	-	-	-	-	-
Freehold Land	48,450,000	-	-	-	48,450,000
Building	49,965,608	-	-	-	49,965,608
Plant & Machinery	26,101,747	174,950	-	-	26,276,697
Computer and Computer Peripherals	5,388,194	18,000	-	-	5,406,194
Furniture & Fittings	10,050,792	-	743,592	-	9,307,200
Vehicles	3,558,466	15,000	-	-	3,573,466
Office Equipments	941,456	-	-	-	941,456
Total	144,456,264	207,950	743,592	-	143,920,621
Previous Year	145,388,509	509,261	1,441,506	-	144,456,264
Land Lease Hold	-	-	-	-	-
Freehold Land	-	-	-	-	-
Building	15,815,801	1,642,999	-	-	17,458,799
Plant & Machinery	9,571,435	1,021,677	-	-	10,593,112
Computer and Computer Peripherals	5,076,209	122,501	-	-	5,198,710
Furniture & Fittings	8,434,828	952,407	704,866	-	8,682,370
Vehicles	3,558,466	1,389	-	-	3,559,855
Office Equipments	906,365	9,111	-	-	915,476
Total	43,363,103	3,750,084	704,866	-	46,408,321
Previous Year	40,252,381	4,435,679	1,324,956	-	43,363,103
Net Carrying Value					
Land Lease Hold	-	-	-	-	-
Freehold Land	48,450,000	-	-	-	48,450,000
Building	34,149,807	-	-	-	32,506,809
Plant & Machinery	16,530,312	-	-	-	15,683,586
Computer and Computer Peripherals	311,985	-	-	-	207,484
Furniture & Fittings	1,615,964	-	-	-	624,831
Vehicles	-	-	-	-	13,611
Office Equipments	35,091	-	-	-	25,979
Total	101,093,160	-	-	-	97,512,300
Previous Year	105,136,128	-	-	-	101,093,161

Note 3: Other Intangible Assets

PARTICULARS	01st April, 2017	Additions	Deduction Adjustments	Revaluation	31st March, 2018
Gross Carrying Value					
Computer Software	11,180,984	-	-	-	11,180,984
Total	11,180,984	-	-	-	11,180,984
Previous Year	11,180,984	-	-	-	11,180,984
Accumulated Depreciation					
Computer Software	11,180,984	-	-	-	11,180,984
Total	11,180,984	-	-	-	11,180,984
Previous Year	11,062,999	117,985	-	-	11,180,984
Net Carrying Value					
Computer Software	-	-	-	-	-
Total	-	-	-	-	-
Previous Year	117,985	-	-	-	-



Note 4: Other Advances

(Amount in Rupees)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Deposit	1,841,536	4,640,879	5,522,879
Amount paid under protest to Government Authorities	4,506,361	5,358,764	6,294,750
	6,347,897	9,999,643	11,817,629

Note 5: Inventories

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Raw Materials:			
Raw Material and Component	22,302,723	34,329,863	53,533,538
Work-in-Progress:			
- at Workshop	12,831,623	9,307,248	8,269,091
- Contracts in Process	13,408,060	29,057,912	78,000,000
	48,542,406	72,695,023	139,802,629
Less: Provision for Obsolete Stock	13,408,060	-	-
	35,134,346	72,695,023	139,802,629

Note 6: Trade Receivables

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Unsecured and Considered Good :			
Debts over six months	99,547,343	406,885,903	575,657,106
Others	8,276,680	22,544,922	69,123,379
Considered Doubtful :			
Debts over six months	58,551,143	-	-
Others	-	-	-
	166,375,166	429,430,825	644,780,485
Less: Provision for Doubtful Debts	58,551,143	-	-
	107,824,023	429,430,825	644,780,485

Note 7: Cash & Cash Equivalents

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Cash on Hand	51,232	157,854	138,830
Balances with Banks:			
In current accounts	9,201	148,577	171,317
In Margin for Bank Guarantees	3,741,354	-	-
In Cash Credit accounts	10,272	10,228	10,228
	3,812,059	316,659	320,375

Note 8: Other Advances

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Advance to Vendors	28,064,647	10,165,172	32,472,970
Prepaid Expenses	201,214	222,003	610,552
Balances with customs, excise, etc.	10,168,554	22,005,471	19,658,611
Income Tax Refund Due (Net)	617,130	15,616,026	13,072,107
Other Advances	109,111,825	224,276,682	34,080,871
	148,163,370	272,285,353	99,895,112
Less: Provision for Doubtful Debts (Advance to Vendors, Duty Drawback & Customer Retention/EMD)	97,958,330	-	-
	50,205,040	272,285,354	99,895,111

Note 9: Equity Share Capital

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
a) Authorised :			
1,75,000 Equity Shares of Rs.100/- Each	17,500,000	17,500,000	17,500,000
	17,500,000	17,500,000	17,500,000
b) Issued, Subscribed & Paid up			
	16,914,300	16,914,300	16,914,300
	16,914,300	16,914,300	16,914,300
c) Reconciliation of number of Equity Shares outstanding :			
At the beginning of the year	169,143	169,143	169,143
Addition/deletion during the year	-	-	-
At the end of the year	169,143	169,143	169,143

d) The Company has only one class of equity shares . The company declares and pays dividend in Indian rupees . The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share .

e) 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 dues . The distribution will be in proportion to the number of equity shares held by the shareholders.

f) **Details of Shareholders holding more than 5% of Equity Share Capital of the Company**

	Name of Shareholder	As at 31st March 2018		As at 31st March 2017	
		No. of Shares	% of Holding	No. of Shares	% of Holding
a)	Shree Renuka Sugars Limited- Holding Company (including holding by representatives)	169,143	100.00	169,143	100



Note 10- Other Equity

(Amount in Rupees)

	Attributable to Equity Share Holders			Total Equity attributable to the Equity holders of the Company
	Reserves and Surplus			
	Share Premium	Revaluation Reserve	Retained Earnings	
As on 1st April 2016	362,818,690	44,675,890	(800,328,817)	(392,834,237)
Profit for the year			(197,148,597)	(197,148,597)
Other Comprehensive Income			(1,265,539)	(1,265,539)
Total Comprehensive Income	362,818,690	44,675,890	(998,742,954)	(591,248,374)
Acturial Gain/Loss				-
Depreciation of Revalued Assets				-
As on 31st Mar 2017	362,818,690	44,675,890	(998,742,954)	(591,248,374)
Retained Earnings - Branches (Closed)			7,811,416	7,811,416
Profit for the year			(650,100,513)	(650,100,513)
Other Comprehensive Income			282,074	282,074
As on 31st Mar 2018	362,818,690	44,675,890	(1,640,749,977)	(1,233,255,397)



NON-CURRENT LIABILITIES

(Amount in Rupees)

Note 11: Borrowings

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Unsecured:			
Loan from holding Company (Shree Renuka Sugars Ltd)	1,348,046,191	1,233,366,122	1,098,329,511
	1,348,046,191	1,233,366,122	1,098,329,511

Note 12: Provisions

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Provision For Employee Benefits:			
Provision For Gratuity	2,435,338	2,337,900	1,752,750
Provision For Leave Encashment	1,682,534	1,671,866	928,466
	4,117,872	4,009,766	2,681,216
Less: Short-Term Liability (transferred to short-term provisions, Refer Note 17):			
Provision For Gratuity	477,877	448,597	1,276,909
Provision For Leave Encashment	895,735	998,455	574,467
	2,744,260	2,562,714	829,840

Note 13: Deferred Tax Liabilities (Net)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i. Deferred Tax Liability			
Depreciation	5,491,140	6,617,613	6,774,107
Gross Deferred Tax Liability	5,491,140	6,617,613	6,774,107
ii. Deferred Tax Asset			
Leave Encashment	433,253	516,607	286,895
Gratuity	627,100	722,411	541,600
Gross Deferred Tax Asset	1,060,353	1,239,018	828,495
Net Deferred Tax Liability (Net)	4,430,787	5,378,595	5,945,612

CURRENT LIABILITIES

Note 14: Borrowings

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Secured:			
Working Capital Loan From Bank : IDBI Bank CC -007655100000268 (Secured by pari passu charge on movable and immovable assets of the company with corporate guarantee of holding company)	60,738,001	124,394,047	138,387,161
	60,738,001	124,394,047	138,387,161

Note 15: Trade Payables

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
For Goods and Services*	79,103,763	59,747,373	103,919,504
Others	-	-	-
	79,103,763	59,747,373	103,919,504

* There is no principal amount and interest overdue to the Micro and Small Enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Note 16: Other Financial Liabilities

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Advance From Customers	17,482,702	25,525,255	17,236,283
Salary Payables	1,956,831	1,460,147	3,550,086
Statutory Dues payables	524,571	4,064,687	4,251,991
Other Payables	776,044	2,208,744	3,488,915
	20,740,148	33,258,833	28,527,275

Note 17: Provisions

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Provision for Employee Benefits : Current Portion of Liability (Refer Note 12)			
Provision For Gratuity	477,877	448,597	1,276,909
Provision For Leave Encashment	895,735	998,455	574,467
	1,373,612	1,447,052	1,851,376



Note 18: Revenue from Operations

(Amount in Rupees)

	Year ended 31st March 2018	Year ended 31st March 2017
Sale of Products (Gross)		
Sales - Domestic	133,016,851	218,339,575
Sales - Scrap	1,609,375	1,199,170
Sale of Services		
Sales - Domestic	13,023,082	20,127,206
Sale of Services	-	23,132,662
	147,649,308	262,798,613

Note 19: Other Income

	Year ended 31st March 2018	Year ended 31st March 2017
Sundry balances Written Back	53,571	30,608,371
Profit on Sale of Assets	43,511	17,377
	97,082	30,625,748

Note 20: Cost of Materials Consumed

	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock	33,935,858	53,533,538
Add: Purchases & Related Expenses	109,922,116	157,771,721
	143,857,974	211,305,259
Less: Closing Stock	22,135,339	33,935,858
	121,722,635	177,369,401

Note 21: Changes In Inventory of Finished Goods, Work-In-Progress & Stock in Trade

	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock		
Contract In Process	29,057,912	78,000,000
Work in Progress at Work shop	9,307,248	8,269,091
	A	86,269,091
Closing Stock		
Contract In Process	-	29,057,912
Work in Progress at Work shop	12,831,623	9,307,248
	B	38,365,160
	(A-B)	47,903,931

Note 22: Employee Benefit Expenses

	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, Wages & Bonus	17,528,027	16,023,245
Contribution to Provident Fund & Others	1,031,437	898,174
Leave Encashment	463,364	759,444
Gratuity Expenses	679,654	333,129
Staff Welfare Expenses	916,746	1,107,663
	20,619,228	19,121,655



Note 23: Financial Costs

	Year ended 31st March 2018	Year ended 31st March 2017
Interest:		
On Borrowings	113,648,003	136,066,585
On Working Capital	10,503,423	18,302,399
Others:		
Bank Charges	1,834,514	796,275
	125,985,940	155,165,259

Note 24: Depreciation and Amortisation Expenses

	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation and Amortisation of Tangible Assets*	3,750,084	4,435,679
Depreciation and Amortisation of Intangible Assets*	-	117,985
	3,750,084	4,553,664

*Refer Note 2 and 3

Note 25: Other Expenses

	Year ended 31st March 2018	Year ended 31st March 2017
i. Manufacturing Expenses		
Consumption of Stores & Spares	1,529,574	2,642,517
Labour Charges	20,715,476	22,880,641
Power & Fuel	2,879,319	3,124,229
Repair & Maintenance		
Plant & Machinery	269,932	329,688
Buildings	34,000	67,500
	25,428,301	29,044,574
ii. Administrative Expenses		
Rent, Rates & Taxes	12,299,842	8,051,081
Insurance	360,638	2,296,514
Traveling & Conveyance	4,171,528	4,696,312
Printing & Stationery	195,570	251,783
Communication Expenses	614,883	806,950
Legal & Professional Fees	5,493,648	10,016,270
Repair & Maintenance-Others	913,741	945,413
Auditor's Remuneration	400,000	400,000
Safety & Security Expenses	1,560,575	1,505,065
Loss on Sale of Fixed Assets	3,646	110,230
Books, Subscription and Membership fees	3,405	17,320
Others	1,313,002	963,199
	B 27,330,478	30,060,137
iii. Selling and Distribution Expenses		
Freight	1,014,886	4,532,847
Advertising & Sales Promotion	230,367	388,812
Discounts	12,825	4,891,369
	C 1,258,078	9,813,028
	(A+B+C) 54,016,857	68,917,739

Note 26: Current Tax

	Year ended 31st March 2018	Year ended 31st March 2017
Short Provision of Income Tax of Earlier years	11,091,310	-
	11,091,310	-

Note 27: Earnings Per Equity Share

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

	Year ended 31st March 2018	Year ended 31st March 2017
Reconciliation of earnings		
Profit/(Loss) for the year ended 31st March,2018	(650,100,513)	(197,148,597)
Net profit/(Loss) attributable to equity shareholders	(650,100,513)	(197,148,597)
Reconciliation of number of shares	Shares	
Shares outstanding at the beginning of the year	169,143	169,143
Shares outstanding at the end of the year	169,143	169,143
Weighted average number of equity shares	169,143	169,143
Basic and Diluted Earnings Per Share (in rupees) [Nominal value of shares Re. 10/- each]	(3,843.50)	(1,165.57)



28. Other Notes to the Financial Statements:*(All amounts in Indian Rupees, unless otherwise stated)***i) Outstanding Commitments:**

As at 31st March, 2018, the Company had the following outstanding commitments:

S. No.	Outstanding Commitments	Year Ended 31st March 2018	Year Ended 31st March 2017
A	Bank Guarantee	10,891,950	13,615,550
B	Letter of Credit	18,709,922	7,080,000

ii) Contingent Liabilities:

Liabilities classified and considered contingent due to contested claims and legal disputes	Year Ended 31st March 2018	Year Ended 31st March 2017
Excise and Service Tax Demands	329,655,793	282,947,675
Sales Tax/VAT Demands	17,675,907	16,545,168
PF Claim and Interest	2,618,681	2,618,681
Income Tax	7,759,197	7,759,197
Legal cases -- Vendor and Customer	980,570,019	980,570,019

Company does not provide for warranty claims, as there are no precedents of such claim against company. There are no other contingent liabilities as on the date of balance sheet. As the company is involved in engineering industry, the liability towards completion of the project in progress is a contingent liability. However the liability cannot be quantified.

iii) Contracts in Process:

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Net value of contracts in process	Nil	29,057,912

iv) Consumption of Raw Materials:

	Year Ended 31st March 2018	% of Total Consumption	Year Ended 31st March 2017	% of Total Consumption
Raw Material :				
Imported	Nil	Nil	Nil	Nil
Domestic	121,722,635	100%	177,369,401	100%
Total	121,722,635	100%	177,369,401	100%

v) Expenditure in Foreign Currency:

Expenditure	Year Ended 31st March 2018	Year Ended 31st March 2017
Travel Expenses	486,284	247,489

vi) Earnings in Foreign Currency:

Earnings	Year Ended 31st March 2018	Year Ended 31st March 2017
Sale of Service	NIL	23,132,662

vii) Auditors Remuneration

		Year Ended 31st March 2018	Year Ended 31st March 2017
A	Audit Fee	200,000	200,000
B	Certification charges	100,000	100,000
C	Tax audit services	100,000	100,000



viii) Defined Benefits Plans

S.NO	Particulars	Gratuity Benefits		Compensated Absences	
		Year Ended 31st March 2018	Year Ended 31st March 2017	Year Ended 31st March 2018	Year Ended 31st March 2017
1	Change in Benefit obligation				
	Opening Defined Benefit Obligation	2,337,900	1,752,750	1,671,866	928,466
	Current service cost	464,946	228,752	359,221	107,542
	Interest cost	142,925	104,377	104,143	54,699
	Past Service Cost	71,763	-	-	-
	Actuarial loss/ (gain) on Obligation	(110,083)	897,886	(171,991)	939,495
	Benefits paid	(472,113)	(645,865)	(280,705)	(358,336)
	Closing Defined Benefit Obligation	2,435,338	2,337,900	1,682,534	1,671,866
2	Change in Plan Assets				
	Opening value of plan assets	-	-	-	-
	Interest Income	-	-	-	-
	Return on plan assets excluding amounts included interest income	-	-	-	-
	Contributions by employer	-	-	-	-
	Benefits paid	-	-	-	-
	Closing value of plan assets	-	-	-	-
3	Fund Status of Plan Assets				
	Present value unfunded obligations	2,435,338	2,337,900	1,682,534	1,671,866
	Present value funded obligations	-	-	-	-
	Fair Value of plan assets	-	-	-	-
	Net Liability (Assets)	2,435,338	2,337,900	1,682,534	1,671,866
4	Other Comprehensive Income for the current period				
	Due to Change in financial assumptions	(58,853)	761,767	(35,474)	443,020
	Due to change in demographic assumption	-	(9,571)	-	72,260
	Due to experience adjustments	(51,210)	145,690	(136,517)	424,215
	Return on plan assets excluding amounts included in interest income	-	-	-	-
	Amounts recognized in Other Comprehensive Income	(110,083)	897,886	(171,991)	939,495
5	Defined benefit liability				
	Net opening provision in books of accounts	2,337,900	1,752,750	1,671,866	928,466
	Current service cost	464,946	228,752	359,221	107,542
	Interest cost	142,925	104,377	104,143	54,699
	Past Service Cost	71,763	-	-	-
	Actuarial Loss/(gain) recognized in Other Comprehensive Income	(110,083)	897,886	(171,991)	939,495
	Benefits paid by the Company	(472,113)	(645,865)	(280,705)	(358,336)
	Closing provision in books of accounts	2,435,338	2,337,900	1,682,534	1,671,866
6	Principal Actuarial Assumption				
	Discount rate	7.30%	6.80%	7.30%	6.80%
	Salary Growth rate	21.00%	21.00%	21.00%	21.00%
	Withdrawal Rates				
	Age upto 30 years	26.00%	26.00%	26.00%	26.00%
	Age 31 - 40 years	26.00%	26.00%	26.00%	26.00%
	Age 41 - 50 years	26.00%	26.00%	26.00%	26.00%
	Age above 50 years	26.00%	26.00%	26.00%	26.00%



ix) Related party disclosures:

Related parties

(a) Holding Companies

i. Shree Renuka Sugars Limited

(b) Associate Companies

- i. Gokak Sugars Limited
 ii. Renuka Vale Do Ivai S/A
 iii. Adani Wilmar Limited
 iv. Wilmar Sugars (Myanmar) Pvt Ltd
 v. Wilmar Continental Edible Oils and Fats (Pvt) Ltd
 vi. Ravindra Energy
 vii. Jawananis Rafinasi (JMR)

(c) Key Managerial Personnel

- i. Mr. Sidram Kaluti
 ii. Mr. Vishwanath Ladalemohan Mathur
 iii. Mr. Vijendra Singh- President and Whole Time Director
 iv. Mr. K. K. Kumbhat- Chief Financial Officer

Transactions with Related Parties

a) Shree Renuka Sugars Limited

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Nature of transaction	Advances	Advances
Other Advances Repaid/(Received)	2,430,139	(12,576,683)
Interest Paid on advances	(133,646,540)	(136,066,584)
Outstanding as at the end of the year	(1,348,046,191)	(1,233,366,120)
Nature of transaction	Sales	Sales
Sale of Plant & Machinery	18,224,231	28,048,652
Sale of Service	-	2,521,988
Advance received for Sale	(6,317,352)	(29,332,216)
Receipts against Sales	(15,808,451)	-
Receivable as at the end of the year	348,229	4,249,800

b) Gokak Sugars Limited

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Nature of transaction	Sales	Sales
Sale of Plant & Machinery & Others	-	31,977,748
Receipt against Sale	(1,176,306)	(30,801,442)
Outstanding as at the end of the year	-	1,176,306

c) Renuka Vale Do Ivai S/A

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Nature of transaction	Sales	Sales
Volume of transactions during the year	-	-
Restatement of Forex	0.00	-
Outstanding as at the end of the year	0.11	0.11



d) Adani Wilmar Ltd

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Nature of transaction	Sales	Sales
Volume of transaction during the year	-	341,381
Sale	(320,000)	-
Receipt Against Sale	320,000	-
Outstanding as at the end of the year	29,750	29,750

e) Ravindra Energy

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Nature of transaction	Sales	Sales
Sale of Plant & Machinery & Others	-	1,845,136
Receipt against Sale	-	(731,175)
Outstanding as at the end of the year	15,131,011	15,131,011

f) Jawanani Rafinasi (JMR)

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Nature of transaction	Sales	Sales
Sale of Services	-	22,965,049
Receipt against Sale	(3,338,400)	(28,549,576)
Restatement of Forex	(33,799)	-
Outstanding as at the end of the year	-	3,372,199

- x) Balances appearing under the head trade payables, trade receivables, loans & advances and deposits are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.
- xi) The Holding Company in its Board meeting held on March 12, 2018 decided that it will not charge interest to the Company from January 01, 2018 i.e., Q4 of financial year 2017-18 onwards.
- xii) The company has accumulated loss and its net worth has been fully eroded. Further the company has incurred net loss of Rs 650.10 Minr current year (Previous Year Rs. 197.15 Minr) and the company's current liabilities exceeded its current assets. This indicates existence of material uncertainty which may cast significant doubt on companies' ability to continue as a going concern. However the management has adopted going concern basis of preparation on the basis that the holding company will provide necessary financial support to enable it to realise all its asset and discharge all its liabilities as and when due.
- xiii) Previous year's figures have been regrouped/ rearranged wherever necessary to conform to the current year grouping.

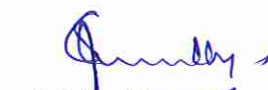
To be read with our report of even date
For Ashok Kumar, Prabhashankar & Co.
Chartered Accountants
Firm Reg. No : 004982S

For and on behalf of Board



K. N. Prabhashankar
Partner
Membership No :
019575





K.K. Kumbhat
Director
DIN : 00511139



Vijendra Singh
Director
DIN : 03537522

Date: April 27, 2018
Place: Pune