

INDEPENDENT AUDITORS' REPORT

To the Members of
MONICA TRADING PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **MONICA TRADING PRIVATE LIMITED** ("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.

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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 31st March, 2018, and its loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

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 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 did not have any pending litigations which would impact its financial position.
 - 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.

Place: Belagavi
Date: 27.04.2018



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

K. N. Prabhaskar
Partner
Membership No. 019575

Annexure 'A' to the Auditors' Report

The Annexure referred to in our report to the members of Monica Trading 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 periodically 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) The Company does not have any inventories. Hence provisions with regard to reporting on Physical verification and discrepancies thereon does not apply.
- 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.
- iv) The Company has no loans, investments, guarantees and security. Hence compliance under section 185 and 186 of the Companies Act, 2013 does not arise.
- 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 not prescribed maintenance of cost records u/s. 148(1) of the Companies Act, 2013.
- 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 to the appropriate authorities outstanding as at 31st March 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, there are no disputed amounts in respect of Income tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax as at 31st March 2018.
- viii) The Company has not borrowed any funds from financial institutions, banks and has also not raised funds by way of Debentures. Hence reporting on default on repayment does not arise.
- ix) Since the Company has not raised any money by way of initial public offer and has no term loans, reporting on the clause with regard to application of such term loans does not arise.
- x) As per information and explanations given to us and on the basis of our examinations of books and records, there were no frauds by the company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) No managerial remuneration has been paid by the Company during the year and hence reporting on clause (xi) of the order 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) 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.

Place: Belagavi
Date: 27.04.2018



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

K.N. Prabhaskar
Partner
Membership No: 019575

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 **Monica Trading Private Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS 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 31st March 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.

Place: Belagavi
Date: 27.04.2018



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

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

K. N. Prabhashankar
Partner
Membership No. 019575

Monica Trading Private Limited
 Regd. Office : 2nd Floor, RM 23 Madhuli Apartment, Dr. Annie Besant Road, Worli, Mumbai - 400 018
Balance Sheet as at 31st March 2018

Amounts in Indian Rupees

	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
I. ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipments	2	364,505,555	410,190,663	414,998,000
Capital Work-in-Progress-Tangible		-	-	-
Other Intangible Assets		-	-	-
Financial Assets				
Investments		-	-	-
Trade receivables		-	-	-
Other Advances	3	141,030	141,030	141,030
Deferred tax assets (net)		-	-	-
CURRENT ASSETS				
Inventories	4	2,226,698	6,054,658	44,226,629
Financial Assets				
Trade receivables	5	5,288,176	5,285,176	6,605,647
Cash and cash equivalents	6	401,099	820,425	1,186,442
Other Advances	7	3,242,498	3,956,754	6,084,369
Total Assets		375,805,056	426,448,706	473,242,117
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	8	100,000	100,000	100,000
Other Equity	9	68,126,696	71,730,985	103,114,113
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	10	266,581,369	292,910,337	296,918,798
Other Financial Liabilities		-	-	-
Deferred tax liabilities (Net)	11	36,155,605	60,700,986	72,100,302
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		-	-	-
Trade payables	12	141,644	135,000	135,475
Other Financial Liabilities	13	4,699,742	871,399	873,429
TOTAL EQUITY AND LIABILITIES		375,805,056	426,448,706	473,242,117

Accompanying Notes 1 to 19 form an integral part of this financial statements

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

K. N. Prabhashankar

K. N. Prabhashankar
 Partner
 Membership No. : 19575

Place : Belagavi
 Dated : April 27, 2018



For and on behalf of the Board

Nandan Yagi
 Director
 DIN : 00225833

S M Kaluti
 Director
 DIN : 00017933

Monica Trading Private Limited
 Regd. Office : 2nd Floor, RM 23 Madhuli Apartment, Dr. Annie Besant Road, Worli, Mumbai - 400 018
 Statement of Profit & Loss for the Years ended 31st March, 2018

Amounts in Indian Rupees

	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue From Operations	14	3,713,990	35,320,460
Other Income	15	8,681,005	27,790
Total Revenue		12,394,995	35,348,250
Expenditure			
(Increase)/ Decrease in Stock of Securities	16	3,827,960	38,171,971
Finance Costs	17	24,731,218	33,273,104
Depreciation		4,840,582	4,807,337
Other Expenses	18	6,779,679	1,878,282
Total Expenditure		40,179,439	78,130,694
Profit/(Loss) before exceptional items and tax		(27,784,445)	(42,782,444)
Exceptional Items		-	-
Profit/(Loss) Before Tax		(27,784,445)	(42,782,444)
Tax Expenses			
Current Tax		-	-
Deferred Tax		(24,545,381)	(11,399,316)
Total Tax Expenses		(24,545,381)	(11,399,316)
Profit/(Loss) for the Year		(3,239,064)	(31,383,128)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of the net defined benefit liability / asset		-	-
Total comprehensive income for the year		(3,239,064)	(31,383,128)
Basic and Diluted Earnings per share (In Rs.)		(323.91)	(3,138.31)

Accompanying Notes 1 to 19 form an integral part of this financial statements

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



K. N. Prabhaskankar
 Partner
 Membership No. : 19575

Place : Belagavi
 Dated : April 27, 2018



For and on behalf of the Board


 Nandan Yalgi
 Director
 DIN : 00225833


 S M Kaluti
 Director
 DIN : 00017933

Monica Trading Private Limited
 Regd. Office : 2nd Floor, RM 23 Madhuli Apartment, Dr. Annie Besant Road, Worli, Mumbai - 400 018
 Cash Flow Statement for the year ended March 31, 2018

Amounts in Indian Rupees

	Year ended 31st March, 2018	Year ended 31st March, 2017
Cash Flow From Operating Activities:		
Profit/(Loss) before taxation	(27,784,445)	(42,782,444)
Adjustments to reconcile profit/(Loss) before tax to net cash		
Depreciation	4,840,582	4,807,337
Financial Expenses	24,731,218	33,273,104
Gain On Sale Of Assets	(8,681,005)	-
Reduction in the Market Value of Stock in Trade	3,827,960	38,171,971
Operating profit before working capital changes	(3,065,689)	33,469,968
Changes in operating assets and liabilities:		
Trade receivables	(3,000)	1,320,471
Other receivables	714,256	2,127,615
Trade and other payables	3,834,988	(2,506)
Cash generated from operations	1,480,555	36,915,549
Income-tax paid	-	-
Net Cash Flow From Operating Activities	1,480,555	36,915,549
Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(945,174)	-
Sale Of Assets	50,105,480	-
Net Cash Flow From Investing Activities	49,160,306	-
Cash Flow From Financing Activities:		
Repayment of long-term borrowings	(26,328,968)	(4,008,461)
Interest & Bank Charges paid	(24,731,218)	(33,273,104)
Net Cash Flow From Financing Activities	(51,060,186)	(37,281,565)
Net increase in cash and cash equivalents	(419,326)	(366,017)
Opening cash and cash equivalents	820,425	1,186,442
Closing cash and cash equivalents	401,100	820,425

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



K. N. Prabhashankar
 Partner
 Membership No. : 19575

Place : Belagavi
 Dated : April 27, 2018



For and on behalf of the Board


 Nandan Yalgi
 Director
 DIN : 00225833


 S M Kaluti
 Director
 DIN : 00017933

Monica Trading Private Limited

Regd. Office: 2nd Floor, RM 23 Madhuli Apartment, Dr. Annie Besant Road, Worli, Mumbai - 400 018
Notes to Accounts forming part of Financial Statements for the year ended 31st March, 2018

Note 1: Significant Accounting Policies

a. Basis of Presentation:

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, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017. 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, judgments 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. Fixed Assets:

- 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.
- ii. Land and Building 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.

d. 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.

e. 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.



f. Impairment of Assets:

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

- i) The provision for impairment loss, if any, required or
- ii) 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.

g. 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.

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.

h. Stock In Trade:

Shares are valued at cost or market value, whichever is lower. The comparison of cost and market value is done separately for each category of shares.

i. Income Tax:

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 realized.

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

j. 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 amortized 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.

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

- i. The Company has a present obligation as a result of a past event
- ii. A probable outflow of resources is expected to settle the obligation and
- iii. 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. 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 realization 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.



Note 2. Property, Plant and Equipments

Amounts in Indian Rupees

Particulars	1st April, 2017	Additions	Disposal	Revaluation	31st Mar, 2018
Gross Carrying Value					
Free Hold Land	154,998,000	177,174	41,424,475	-365,225	113,385,474
Buildings*	264,511,211	-	-	-	264,511,211
Office Equipments	-	768,000	-	-	768,000
Total	419,509,211	945,174	41,424,475	-365,225	378,664,685
<i>Previous Year</i>	<i>419,509,211</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>419,509,211</i>
Accumulated Depreciation					
Free Hold Land	-	-	-	-	-
Buildings	9,318,548	4,807,337	-	-	14,125,885
Office Equipments	-	33,245	-	-	33,245
Total	9,318,548	4,840,582	-	-	14,159,130
<i>Previous Year</i>	<i>4,511,211</i>	<i>4,807,337</i>	<i>-</i>	<i>-</i>	<i>4,511,211</i>
Net Carrying Value					
Free Hold Land	154,998,000				113,385,474
Buildings	255,192,663				250,385,326
Office Equipments	-				734,755
Total	410,190,663				364,505,555
<i>Previous Year</i>	<i>414,998,000</i>				<i>410,190,663</i>

* Building given as collateral security under exclusive charge to State Bank of India, Mumbai for Term Loan given to Holding Company



NON-CURRENT ASSETS

Amounts in Indian Rupees

Note 3: Other Advances

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Electricity Deposit	141,030	141,030	141,030
	141,030	141,030	141,030

CURRENT ASSETS

Note 4: Inventories

Stock in Trade			
i. Quoted Shares in Simbhaoli Sugars Limited 352,943 shares of Rs. 10/- Per Share (Market Value Rs. 14.95/- per share)	2,226,698	6,054,658	44,226,629
	2,226,698	6,054,658	44,226,629

Note 5: Trade Receivables

Trade Receivable for Goods & Services: Unsecured and Considered Good Debts over six months	5,288,176	5,285,176	5,285,176
Others	-	-	1,320,471
	5,288,176	5,285,176	6,605,647

Note 6: Cash and Cash Equivalents

Balances with Scheduled Banks	398,390	817,536	1,185,716
Cash in Hand	2,709	2,889	726
	401,099	820,425	1,186,442

Note 7: Other Advances

MAT Credit Entitlement	418,402	418,402	418,402
Service Tax Receivable	-	-	7,001
GST Receivable	172,197	-	-
Income Tax Refund Due (Net)	2,610,763	3,528,205	4,145,705
Prepaid Expenses	36,000	-	-
Other Advances	5,137	10,147	1,513,261
Prepaid Insurance	-	-	-
	3,242,498	3,956,754	6,084,369

Note 8: Equity Share Capital

Amounts in Indian Rupees

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
(a) Authorised : (100,000 Equity Shares of Rs.10/- each)	1,000,000	1,000,000	1,000,000
	1,000,000	1,000,000	1,000,000
(b) Issued & Subscribed and Paid-up (10,000 Equity Shares of Rs.10/- each)	100,000	100,000	100,000
	100,000	100,000	100,000

(c) Reconciliation of Number of Equity shares outstanding	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
At the beginning of the year	10,000	10,000	10,000
Addition/deletion during the year	-	-	-
At the end of the year	10,000	10,000	10,000

d) The Company has only one class of equity shares. The company declares and pays dividend in Indian rupees. The holders of equity shares 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 are entitled to receive remaining assets of the company, after distributive 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% shares in the Equity Share Capital of the company:

Name of Share Holder	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Shree Renuka Sugars Limited (No. of Shares) (including holding by % of Share Holding)	10,000 100%	10,000 100%	10,000 100%



Note 9: Other Equity

Amounts in Indian Rupees

	Attributable to Equity Share Holders		Total Equity attributable to the Equity holders of the Company
	Reserves and Surplus		
	Revaluation Reserve	Retained Earnings	
At 1st April 2016	145,169,718	(42,055,605)	103,114,113
As at 1 April 2016	145,169,718	(42,055,605)	103,114,113
Profit for the period	-	(31,383,128)	(31,383,128)
Depreciation on Revalued Assets	(4,044,649)	4,044,649	-
As on 31st Mar 2017	141,125,069	(69,394,084)	71,730,985
Profit for the period	-	(3,239,064)	(3,239,064)
Revaluation Reserve reversal on sale of Land	(365,225)	-	(365,225)
Depreciation on Revalued Assets	(4,044,649)	4,044,649	-
As on 31st Mar 2018	136,715,195	(68,588,499)	68,126,696



NON-CURRENT LIABILITIES

Note 10: Long Term Borrowings

Amounts in Indian Rupees

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Loans & Advance From Related Parties			
Shree Renuka Sugars Ltd. (Unsecured Loan from Holding Company)	266,581,369	292,910,337	296,918,798
	266,581,369	292,910,337	296,918,798

Note 11: Deferred Tax Liabilities/(Asset) (Net)

Deferred Tax Liabilities :			
Depreciation	56,202,901	67,587,370	75,952,436
Gross Deferred Tax Liabilities	56,202,901	67,587,370	75,952,436
Deferred Tax Assets:			
Unabsorbed Business Loss	20,047,296	6,886,384	3,852,134
Gross Deferred Tax Assets	20,047,296	6,886,384	3,852,134
Net Deferred Tax Liabilities / (Asset)	36,155,605	60,700,986	72,100,302

CURRENT LIABILITIES

Note 12: Trade Payables

For Goods and Services	141,644	135,000	135,475
	141,644	135,000	135,475

Note 13: Other Financial Liabilities

TDS Payable	22,200	871,398	873,429
CGST/SGST Payable	187,542	-	-
Salary payable	10,000	-	-
Security Deposit	4,480,000	-	-
	4,699,742	871,398	873,429

Note 14: Revenue from Operations

	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue From Sale of Securities	1,838,990	35,320,460
Rent	1,875,000	-
	3,713,990	35,320,460

Note 15: Other Income

Interest on Income Tax Refund	105,480	27,790
Gain on sale of Assets	8,575,525	-
	8,681,005	27,790

Note 16: (Increase)/ Decrease in Stock of Securities

Opening Stock-In Trade	6,054,658	44,226,629
Closing Stock- In Trade	2,226,698	6,054,658
(Increase)/ Decrease in Stock of Securities	3,827,960	38,171,971

Note 17: Finance Costs

Amounts in Indian Rupees

	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Expenses	24,729,684	33,273,104
Bank Charges	1,534	-
	24,731,218	33,273,104



Note 18: Other Expenses

Payment to Statutory Auditors		
Statutory Audit Fees	100,000	100,000
Tax Audit Fees	50,000	50,000
Fees Others	13,001	6,384
Legal & Certification Charges	13,500	3,000
Professional Fees	437,200	169,951
Rates & Taxes	152,450	230
Relocation Expenses	4,107,370	-
Society Maintenance	903,537	1,520,509
Conveyance Expenses	-	272
Insurance	16,629	16,557
Salary and Wages	30,000	-
Brokerage Charges	762,000	-
Labour Charges	5,500	-
Rent Expenses	108,000	-
Repair and Maintenance	80,492	-
Miscellaneous expenses	-	11,379
	6,779,679	1,878,282



Note 19: Other Notes to the Financial Statements:
All amounts in Indian Rupees, unless otherwise stated.

a. **Auditors' Remuneration:**

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Statutory Audit Fee	100,000	100,000
2	Tax Audit Fee	50,000	50,000
3	Other Services	-	-

b. **Related Party Transactions:**

Related parties

- (a) **Holding Company**
Shree Renuka Sugars Ltd.,
- (b) **Associate Companies**
Ravindra Energy Limited
Vantamuri Trading & Investment Ltd.

1) Transactions with Holding Company:

Shree Renuka Sugars Limited

1	Nature of transaction	Unsecured Loan	Unsecured Loan
	ICD Received/(Repaid)	-	(35,640,000)
	Advance Paid/ (Refunded)	48,575,093	-
	Interest paid on advances	(22,256,716)	(29,944,967)
	Outstanding as at the end of the period	(315,160,010)	(292,903,294)
2	Nature of transaction	Rent Received	Rent Received
	Volume of transactions during the period	-	-
	Outstanding as at the end of the period	-	-

2) Transactions with Associate Companies:

Ravindra Energy Limited

1	Nature of transaction	Rent Received	Rent Received
	Volume of transactions during the period	-	-
	Outstanding as at the end of the period	3,171,105	3,171,105

Vantamuri Trading & Investment Ltd.

1	Nature of transaction	Rent Received	Rent Received
	Volume of transactions during the period	-	-
	Outstanding as at the end of the period	2,114,071	2,114,071

- c. Foreign exchange earned and utilized during the year - Nil
- d. Expenditure in Foreign Currency - Nil
- e. Contingent Liabilities and Outstanding Commitments - Nil



- f. The Holding Company in Board meeting held on March 12, 2018 decided that it will not charge interest to the company from 1st January 2018 i.e Q4 of Financial Year 2017-18 onwards.
- g. 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 Registration No. : 004982S



K. N. Prabhashankar
Partner
Membership No.: 19575



Place: Belagavi
Date: April 27, 2018

For and on behalf of the Board



Nandan Yalgi
Director
DIN: 00225833



S. M. Kaluti
Director
DIN: 00017933