

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Shree Renuka East Africa Agriventures PLC
Ethiopia

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **SHREE RENUKA EAST AFRICA AGRIVENTURES PLC** ("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

Management is responsible for 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 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.

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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.

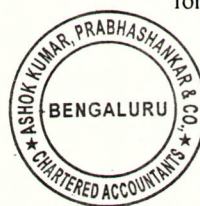
Opinion

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 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 profit/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. Further we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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;
 - c. 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;

Place: Mumbai
Date: June 03, 2019



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

K.N.Prabhaskar
Partner
Membership No.019575

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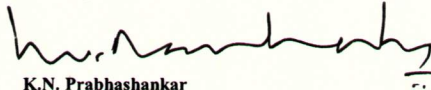
Shree Renuka East Africa Agriventures PLC
House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub-city, Addis Ababa, Ethiopia.
Balance Sheet as at 31st March, 2018

Amounts in Birr.

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
Capital Work-in-Progress-Tangible	2	-	12,83,105
Current Assets			
Inventories		-	-
Financial Assets			
Cash And Cash Equivalents	3	19,025	15,767
TOTAL		19,025	12,98,872
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4	18,00,000	18,00,000
Other Equity	5	(17,97,890)	(5,15,146)
Non-Current Liabilities			
Financial Liabilities			
Borrowings		-	-
Other Financial Liabilities		-	-
Current Liabilities			
Financial Liabilities			
Borrowings		-	-
Trade Payables		-	-
Other Current Financial Liabilities	6	16,915	14,018
Other Current Liabilities		-	-
Provisions		-	-
TOTAL		19,025	12,98,872

Accompanying Notes 1 to 7 form an integral part of this financial statements

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



K.N. Prabhshankar
Partner
Membership No. : 019575
Place: **Mumbai**
Date: **June 3, 2019**



For and on behalf of the Board



Kuldeep Kulkarni
General Manager

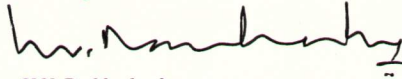
Shree Renuka East Africa Agriventures PLC
House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub-city, Addis Ababa, Ethiopia.
Statement of Profit & Loss for the year ended 31st March, 2018

Amounts in Birr.

Particulars	Notes	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Revenue From Operations		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Purchase of stock-in-trade		-	-
Changes in the inventory of Finished Goods, Work in Progress and Stock in Trade		-	-
Employee Benefit Expenses		-	-
Finance Costs		-	-
Other Expenses	7	12,83,105	-
Total Expenses		12,83,105	-
Profit/(Loss) Before Exceptional Items and Tax		(12,83,105)	-
Exceptional Items		-	-
Profit/(Loss) Before Tax		(12,83,105)	-
Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
Profit/(Loss) for the year		(12,83,105)	-
Other comprehensive income			
Other comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange difference on translation to presentation currency	5	361	69,285
Total comprehensive income for the year		(12,83,466)	(69,285)
Earning Per Equity Share:			
Basic		(128)	-
Diluted		(128)	-

Accompanying Notes 1 to 7 form an integral part of this financial statements

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



K.N. Prabhaskar
Partner
Membership No. : 019575
Place: Mumbai
Date: June 3, 2019



For and on behalf of the Board



Kuldeep Kulkarni
General Manager

Shree Renuka East Africa Agriventures PLC
House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub-city, Addis Ababa, Ethiopia.
Notes to Accounts forming part of the Financial Statements
for the year ended 31st March, 2018

Note 1:

1. Organization and Nature of Operations

Shree Renuka East Africa Agriventures PLC, Ethiopia ("Shree Renuka East Africa Agriventures PLC" or the "Company"), a company, was incorporated in October 2011 at Ethiopia and is presently engaged in investing its own funds / resources anywhere in Ethiopia or elsewhere in the world.

2. 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, 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. Property, plant and equipment

Tangible and Intangible *Property, plant and equipment* are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

d. Depreciation

As there are no Fixed Assets during Current and Previous Financial year, no Depreciation is provided.

e. Leases

Operating lease payment are recognized as an expenses in the Profit and Loss Account on a straight-line basis over the lease term.

f. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Profit/Loss on sale of investments is computed with reference to their average cost.

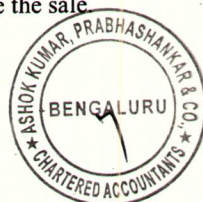
g. Inventories

Inventories are valued as follows:

Finished goods

Lower of cost and net realizable value.

Net realizable 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



h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods 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, taxes and duties.

i. Foreign currency translation

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 arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise, except for loans denominated in foreign currencies utilised for acquisition of fixed assets until the date of capitalization where the exchange gains/losses are adjusted to the cost of such assets. Further, the exchange differences on monetary and non-monetary items between functional currency and presentation currency, is accounted in Foreign Exchange Fluctuation Reserve Account through other comprehensive income.

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 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.

The functional currency of Shree Renuka East Africa Agriventures PLC, a subsidiary in Ethiopia, is US Dollars ('USD') and presentation currency is Ethiopian Birr ('ETB').

Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account.

j. Derivative financial instruments

Transactions in commodity futures and financial derivatives are accounted based on the mode of ultimate settlement. Transactions, which stipulate physical delivery of the goods and where the company intends to take such delivery, are recorded at gross, as purchases and sales as part of the company's trading activities (the Company enters into forward contracts for purchase and sale of raw/ processed sugar. Forward contracts which require settlement by way of physical delivery and contracts which management intends to settle by way of physical delivery are recorded at their gross values as Purchases and Sales and are included in 'Cost of Goods' and 'Sale of Sugar' respectively in the financial statements of the Company).

k. 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 number 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.

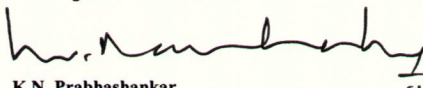


Amounts in Birr.

Note 2: Capital Work-in-Progress-Tangible		
	As at 31st March, 2018	As at 31st March, 2017
Tendaho Sugar Factory Project	-	12,83,105
	-	12,83,105
Note 3 Cash And Cash Equivalents		
Cash in Hand		
Bank Balances	19,025	15,767
	19,025	15,767
Note 4: Equity Share Capital		
	As at 31st March, 2018	As at 31st March, 2017
Share Capital (10,000 Shares of ETB 180 Each)	18,00,000	18,00,000
	18,00,000	18,00,000
Note 5: Other Equity		
Foreign Currency Translation Reserve:		
Balance As Per Last Financial Statement	4,88,036	4,18,751
Additions During The Year	361	69,285
Closing Balance	4,88,397	4,88,036
Surplus/Deficit in the Statement of Profit & Loss:		
Balance As Per Last Financial Statement	(10,03,182)	(10,03,182)
Profit/(Loss) For The Year	(12,83,105)	-
Closing Balance	(22,86,287)	(10,03,182)
	(17,97,890)	(5,15,146)
Note 6: Borrowings		
Shree Renuka Sugars Ltd.	16,915	14,018
	16,915	14,018
Note 7: Other Expenses		
Tendaho Sugar Factory Project	12,83,105	-
	12,83,105	-

Accompanying Notes 1 to 7 form an integral part of this financial statements

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



K.N. Prabhaskar
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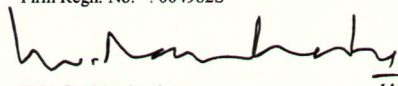
Place: Mumbai
Date: June 3, 2019

Shree Renuka East Africa Agriventures PLC
House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub-city, Addis Ababa, Ethiopia.
Cash Flow Statement for the year ended 31st March, 2018

Amounts in Birr.

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Cash Flow From Operating Activities:		
Profit before taxation	(12,83,105)	-
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Foreign Currency Translation Reserve	12,86,363	850
Tendaho Sugar Factory Project- Written off		
Operating profit before working capital changes	3,258	850
Changes in operating assets and liabilities:		
Cash generated from operations	3,258	850
Income-tax paid		
Net Cash Flow From Operating Activities	3,258	850
Cash Flow From Investing Activities:		
Addition in Capital Work in Progress	-	-
Net Cash Flow From Investing Activities	-	-
Cash Flow From Financing Activities:		
Proceeds from long-term borrowings	-	-
Net Cash Flow From Financing Activities	-	-
Net increase in cash and cash equivalents	3,258	850
Opening cash and cash equivalents	15,767	14,917
Closing cash and cash equivalents	19,025	15,767

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Firm Regn. No. : 004982S



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Membership No. : 019575
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