

**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

We have audited the Ind AS financial statements of **SHREE RENUKA EAST AFRICA AGRIVENTURES PLC** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 31<sup>st</sup> March 2019, its profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

-- There are no Key Audit Matters to be reported.



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### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for Financial Statements**

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

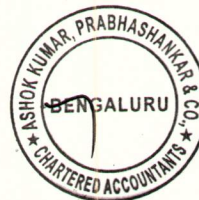
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

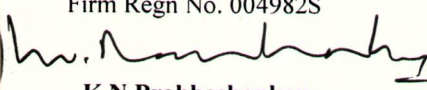
#### **Report on Other Legal and Regulatory Requirements**

1. Further, 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) 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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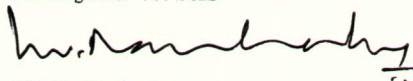
**Shree Renuka East Africa Agriventures PLC**  
House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub-city, Addis Ababa, Ethiopia.  
**Balance Sheet as at 31st March, 2019**

Amounts in Birr.

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Capital Work-in-Progress-Tangible	2	-	-
<b>Current Assets</b>			
Inventories		-	-
Financial Assets			
Cash And Cash Equivalents	3	19,910	19,025
<b>TOTAL</b>		<b>19,910</b>	<b>19,025</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	4	18,00,000	18,00,000
Other Equity	5	(17,97,792)	(17,97,890)
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings		-	-
Other Financial Liabilities		-	-
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings		-	-
Trade Payables		-	-
Other Current Financial Liabilities	6	17,702	16,915
Other Current Liabilities		-	-
Provisions		-	-
<b>TOTAL</b>		<b>19,910</b>	<b>19,025</b>

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, Prabhashankar & Co.**,  
Chartered Accountants  
Firm Regn. No. : 004982S



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



For and on behalf of the Board



**Kuldeep Kulkarni**  
General Manager



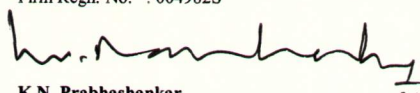
**Shree Renuka East Africa Agriventures PLC**  
House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub-city, Addis Ababa, Ethiopia.  
**Statement of Profit & Loss for the year ended 31st March, 2019**

Amounts in Birr.

Particulars	Notes	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Revenue From Operations		-	-
Other Income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses</b>			
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
<b>Total Expenses</b>		-	12,83,105
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		-	(12,83,105)
Exceptional Items		-	-
<b>Profit/(Loss) Before Tax</b>		-	(12,83,105)
<b>Tax Expenses:</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		-	-
<b>Profit/(Loss) for the year</b>		-	(12,83,105)
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange difference on translation to presentation currency	5	98	361
<b>Total comprehensive income for the year</b>		(98)	(12,83,466)
<b>Earning Per Equity Share:</b>			
Basic		-	(128)
Diluted		-	(128)

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, Prabhashankar & Co.**,  
Chartered Accountants  
Firm Regn. No. : 004982S



**K.N. Prabhashankar**  
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, 2019**

**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, 2019 along with comparative information for the year ended 31st March, 2018. 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.

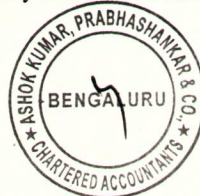
*g. Inventories*

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.

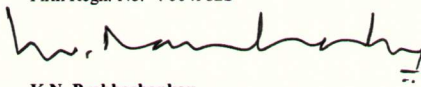


Amounts in Birr.

<b>Note 2: Capital Work-in-Progress-Tangible</b>		
	As at 31st March, 2019	As at 31st March, 2018
Tendaho Sugar Factory Project	-	-
	-	-
<b>Note 3 Cash And Cash Equivalents</b>		
Cash in Hand	19,910	19,025
Bank Balances	19,910	19,025
<b>Note 4: Equity Share Capital</b>		
	As at 31st March, 2019	As at 31st March, 2018
Share Capital ( 10,000 Shares of ETB 180 Each )	18,00,000	18,00,000
	18,00,000	18,00,000
<b>Note 5: Other Equity</b>		
<b>Foreign Currency Translation Reserve:</b>		
Balance As Per Last Financial Statement	4,88,397	4,88,036
Additions During The Year	98	361
<b>Closing Balance</b>	<b>4,88,496</b>	<b>4,88,397</b>
<b>Surplus/Deficit in the Statement of Profit &amp; Loss:</b>		
Balance As Per Last Financial Statement	(22,86,287)	(10,03,182)
Profit/(Loss) For The Year	-	(12,83,105)
<b>Closing Balance</b>	<b>(22,86,287)</b>	<b>(22,86,287)</b>
	<b>(17,97,792)</b>	<b>(17,97,890)</b>
<b>Note 6: Borrowings</b>		
<i>Shree Renuka Sugars Ltd.</i>	17,702	16,915
	17,702	16,915
<b>Note 7: Other Expenses</b>		
<i>Tendaho Sugar Factory Project w/loff</i>	-	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  
Partner  
Membership No. : 019575



For and on behalf of the Board



Kuldeep Kulkarni  
General Manager

Place: Mumbai  
Date: June 3, 2019

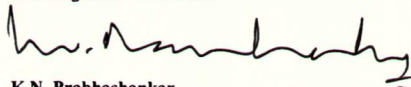


**Shree Renuka East Africa Agriventures PLC**  
House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub-city, Addis Ababa, Ethiopia.  
**Cash Flow Statement for the year ended 31st March, 2019**

Amounts in Birr.

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>Cash Flow From Operating Activities:</b>		
Profit before taxation	-	(12,83,105)
<b>Adjustments to reconcile profit before tax to net cash provided by operating activities:</b>		
Foreign Currency Translation Reserve	885	12,86,363
<b>Operating profit before working capital changes</b>	<b>885</b>	<b>3,258</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Cash generated from operations</b>	<b>885</b>	<b>3,258</b>
Income-tax paid		
<b>Net Cash Flow From Operating Activities</b>	<b>885</b>	<b>3,258</b>
<b>Cash Flow From Investing Activities:</b>		
Addition in Capital Work in Progress	-	-
<b>Net Cash Flow From Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Cash Flow From Financing Activities:</b>		
Proceeds from long-term borrowings	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>885</b>	<b>3,258</b>
Opening cash and cash equivalents	19,025	15,767
<b>Closing cash and cash equivalents</b>	<b>19,910</b>	<b>19,025</b>

To be read with our report of even date  
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