PRAG DISTILLERY (P) LTD

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
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CIN No: [U15512PN2005PTC133636]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 13th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

The revenue from operations, during the financial year 2017-18, of the Company stood at Rs. 1,728.23 lacs as compared to Rs. 28,113.43 lacs in the previous year. It has incurred total comprehensive loss of Rs. 608.8 lacs during the financial year 2017-18 as compared to total comprehensive loss of Rs. 334.6 lacs in the previous year.

The National Company Law Tribunal ("NCLT") vide its order dated June 27, 2017 has initiated Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017. Accordingly a Resolution Professional (RP) had been appointed. The RP had invited bids for resolution in respect of the same. Since no resolution plan was agreed upon till the end of the moratorium period and also extension period, the RP had filed an application for liquidation after the expiry of the extension period to Company Law Tribunal, Mumbai Bench. However, the RP, having since received a Resolution Plan from an investor, filed an application before the NCLT for extension of time to enable the Committee of Creditors to consider and approve the proposed Resolution Plan.

2. DIVIDEND

In view of the loss incurred by the Company during the year, no dividend has been recommended for the financial year ended March 31, 2018.

3. HOLDING COMPANY

Your Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

At the 12th Annual General Meeting of the Company held on September 25, 2017, Mr. Amit Dahanukar, who retired by rotation in the said Annual General Meeting in accordance with the provisions of Section 152(6) of the Companies Act, 2013, was re-appointed as Director, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

All the Independent Directors had furnished declaration stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 prior to suspension of the powers of the Board.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met once during the financial year 2017-18 on May 16, 2017 prior to suspension of the powers of the Board.

6. AUDIT COMMITTEE

The composition of the Audit Committee, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2018 was as follows:

Name of the Member	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Dr. Keshab Nandy	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member

The terms of reference of the Committee are as follows:

a) to recommend to the Board the appointment, remuneration and terms of appointment of auditors of the Company;

b) to review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) examination of the financial statement and the auditors' report thereon;

d) approval or any subsequent modification of transactions of the company with related parties;

e) scrutiny of inter-corporate loans and investments;

f) valuation of undertakings or assets of the company, wherever it is necessary;

g) evaluation of internal financial controls and risk management systems;

h) monitoring the end use of funds raised through public offers and related matters.

Powers of the abovementioned Committee are also suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

7. CSR COMMITTEE

The composition of the CSR Committee, constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014, as on March 31, 2018 was as follows:

Name of the Member	Category	Designation
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Chairperson
Dr. Keshab Nandy	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member

The terms of reference of the CSR Committee are as follows:

i. to formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate, inter-alia, the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time;

ii. to recommend and obtain approval of the Board for the amount of expenditure that can be incurred on the activities referred to in clause(i);

iii. to ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company;

iv. to prepare a transparent monitoring mechanism for ensuring implementation of the CSR projects/programs/activities being undertaken/proposed to be undertaken by the Company; and

v. to discharge such other functions as may be assigned by the Board from time to time.

Powers of the abovementioned Committee are also suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

In view of the losses incurred in the recent years, the Company was not required to spend any amount on CSR activities during the financial year 2017-18.

The Annual Report on CSR activities as required under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in Annexure 'A' to this Report.

8. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2018 was as follows:

Name of the Member	Category	Designation
Mr. Amit Dahanukar	Chairman	Member
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member

The terms of reference of the Committee are as follows:

i. identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and to carry evaluation of every Director's performance;

ii. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending a policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Company has a Nomination, Remuneration and Evaluation Policy which lays down criteria for

i. determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;

ii. appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

iii. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and

iv. evaluation of the performance of the Board and its constituents.

In accordance with the provisions of Section 149(9) read with Section 197 of the Companies Act, 2013, the Members of the Company had, by way of ordinary resolution passed in their Annual General Meeting held on September 27, 2014, authorized the Board to pay remuneration by way of commission to the Non-Executive Directors (including Independent Directors) for a period of 5 financial years commencing from April 01, 2014, subject to overall ceiling of 1% of the net profits of the Company computed in the manner prescribed in Section 198 of the Companies Act, 2013, in addition to the sitting fees and reimbursement of expenses for participation in the Board meeting.

During the financial year 2017-18, no commission was paid to the Independent Directors and only sitting fees, within the ceiling prescribed by the Central Government, was paid to them for attending the Board meeting. There is no pecuniary or business relationship between the Independent Directors and the Company except for the sitting fees paid to them during the year.

Powers of the abovementioned Committee are also suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

9. BOARD EVALUATION

The annual performance evaluation of the Independent Directors, Non-Independent Directors and Board as a whole (including its Committees), as required under Section 178(2) and Schedule IV of the Companies Act, 2013 read with Clause 5 of the Nomination, Remuneration and Evaluation Policy of the Company, was not carried out during the year as the powers of the Board of Directors/Nomination and Remuneration Committee are suspended pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

10. KEY MANAGERIAL PERSONNEL

During the financial year 2017-18, there was no change in Key Managerial Personnel of the Company.

11. AUDITORS

Statutory Auditors and Statutory Audit Report

At the 12th Annual General Meeting ("AGM") held on September 25, 2017, M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) were appointed as Statutory Auditors of the Company from the conclusion of the 12th AGM till the conclusion of the 17th AGM, subject to ratification of their appointment by the Members at every AGM held after the 12th AGM.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) hold office until the conclusion of the 17th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

With reference to the Statutory Auditors' qualified opinion and observations in the Auditors' Report, the explanation/comments in accordance with the provisions of Section 134(3)(f) of the Companies Act, 2013 are set out in Annexure 'D' to this Report.

Internal Auditors and Internal Audit Report

The Company is having M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors. The Audit Committee has not reviewed the Internal Audit Reports submitted by them due to suspension of its powers pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

12. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are set out in Annexure 'B' to this Report.

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees and related disclosures as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexure 'C' to this Report.

14. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In accordance with the provisions of Sections 134(3)(g) and 186(4) of the Companies Act, 2013, full particulars of loans given, investments made, guarantees given and securities provided, if any, along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient have been disclosed in the financial statements.

16. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapter.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any contracts or arrangements with related parties requiring disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

18. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal and Statutory Auditors and reviews performed by the Management, the Members may take note that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

19. VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has adopted a Whistle Blower Policy to provide a mechanism to its directors, employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement, etc.

The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. RESIDUARY DISCLOSURES

i. In view of the loss incurred by the Company during the financial year 2017-18, no amount is proposed to be carried to reserves;

ii. As required under the provisions of Section 134(3)(l) of the Companies Act, 2013 during the financial year 2017-18, Members may take note that there have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Except, The National Company Law Tribunal ("NCLT") vide its order dated June 27, 2017 has initiated Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016;

iii. The key business risks, which may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

  i. **Regulatory Risk**

  The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

  ii. **Strategic Risk**

  The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy has been formulated.

iv. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

v. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

vi. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations except that the National Company Law Tribunal ("NCLT") vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 has initiated Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016;

viii. During the financial year 2017-18, the Company has not issued sweat equity shares to its employees. Hence, disclosure under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable; and

ix. During the financial year 2017-18, the Company has not received any complaint of sexual harassment pursuant to the provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. ACKNOWLEDGEMENTS

The assistance and co-operation received from all the Members, Employees, Bankers and other stakeholders is hereby acknowledged and appreciated.

Place : Mumbai
Date : July 24, 2018

Amit Dahanukar
Member of suspended Board of Directors*

Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities
[Pursuant to Section 134(3)(o) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

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1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

   A brief outline of the Company's CSR Policy is as follows:

   - Ø This policy shall apply to all CSR initiatives and activities taken up in and around the area of operation i.e. registered office/manufacturing unit/corporate office etc., for the benefit of different segments of the society with focus on giving back to the community in which it operates while adding value to the society around it.
   - Ø Only CSR activities as specified in Schedule VII of the Companies Act, 2013, as amended from time to time, shall be allowed to be undertaken by the Company;
   - Ø For achieving the CSR objectives, the Company shall allocate every financial year an amount as per the CSR Budget approved by the Board of Directors subject to such amount not being less than 2% and not more than 5% of the average net profits calculated as per the provisions of the Companies Act, 2013;
   - Ø The Company shall spend minimum 2% of the average net profits every financial year on CSR activities. Committee shall be empowered to carry forward such percentage of the unspent/unutilized CSR allocation of a particular year to the following year(s) as it may deem fit and subject to applicable regulations in force in this regard. The surplus arising out of the CSR projects/programs/activities shall not form part of the business profits of the Company;
   - Ø The Company may undertake CSR activities through registered trusts/registered societies/companies meeting the eligibility criteria under the Companies Act, 2013 and can also collaborate with other companies for undertaking CSR activities;
   - Ø The Company shall ensure that CSR initiatives are undertaken as projects/programs/activities(either new or ongoing) in the identified thrust area more specified in the CSR Policy excluding activities undertaken in the normal course of business;
   - Ø CSR Committee shall be empowered to administer and monitor the Company's CSR activities and shall also be responsible for executing the CSR projects as per the CSR Policy within the approved CSR Budget;
   - Ø CSR Committee will monitor the effectiveness of the CSR programs/activities periodically and submit their report to the CSR Committee on a periodic basis; and
   - Ø In case of conflict in the provisions of the CSR Policy and applicable provisions of the Companies Act, 2013, the provisions of Companies Act, 2013 shall prevail.

2. **The Composition of the CSR Committee:**

The Composition of the CSR Committee as on March 31, 2018 was as follows:

Name of the Member	**Category**	**Designation**
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Chairperson
Dr. Keshab Nandy	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member

Powers of the abovementioned Committee have also been suspended consequent upon the suspension of powers of the Board of Directors pursuant to order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017 passed by National Company Law Tribunal.

3. **Average net profit/(loss) of the Company for last three financial years:** Rs. (472.98) Lacs (rounded off)

   a. **Prescribed CSR Expenditure [Rounded Off] (two percent of the amount as in item 3 above): Nil**

4. **Details of CSR spent for the financial year:**

   b. **Total amount spent for the financial year: Nil**

   c. **Amount unspent, if any: Nil**

   d. **Manner in which the amount spent during the financial year is detailed below:**

Sr. No	**CSR Projects /Activities identified**	**Sector in which the project is covered**	**Projects or Programs Local area or other**	**Amount Outlay (Budget) Project or Programs wise (Rs. in Lacs)**	**%**	**Amount spent on the projects or programs**		**Cumulative expenditure up to reporting period**	**Amount spent: Direct or through implementing agency.**
			State and District where projects or programs was undertaken			Direct Expenditure on projects or programs	Overheads		
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N.A.

5. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount**: Not Applicable

6. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company:**
   The CSR Committee confirms that the implementation and monitoring of the CSR Policy of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

Amit Dahanukar
Member of suspended Board of Directors*

Shivani Amit Dahanukar
Member of suspended CSR Committee*

Place: Mumbai
Date: July 24, 2018

Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017

ANNEXURE ‘B’ TO THE DIRECTORS’ REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

Due to the current financial constraints of the Company, it had not made any investment for conservation of energy.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

Rising domestic energy prices and concerns about long term sustainability have once again brought alternate energy sources to the forefront. As a part of its commitment, the Company is making continuous use of its solar power plant as an alternate green power source.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2017-18, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption: Nil

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) Expenditure incurred on Research and Development:

During the financial year 2017-18, neither capital nor revenue expenditure has been incurred by the Company on Research and Development activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the foreign exchange outgo was Rs. Nil (P.Y. Rs. Nil) and the Company has not earned any income in foreign exchange in the current year (P.Y. Rs. Nil).

Place: Mumbai
Date: July 24, 2018

Amit Dahanukar
Member of suspended Board of Directors *

****Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017***

ANNEXURE ‘C’ TO THE DIRECTORS’ REPORT

Statement pursuant to Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART - A : List of top ten employees of the Company as on March 31, 2018

Sr No	Name	Designation	Remuneration (inclusive of contribution to PF)(Rs. In Lacs)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	K.Rajendra Prasad	Manager	5.5	Permanent	ITI	14	09.11.2015	45	First Employment	No
2	M.Suribabu	Worker	2.5	Permanent	9th	18	28.03.2000	36	First Employment	No
3	N.Laxmanudu	Worker	2.3	Permanent	9th	16	26.10.2002	41	First Employment	No
4	Suresh Daivapu	Assistant Liaison	2.3	Permanent	B.Com	11	16.06.2016	32	Vijaylaxmi Gas Agencies	No
5	Y.Srinivas	Worker	2.2	Permanent	4th	13	14.03.2005	35	First Employment	No
9	Brajesh Kumar Singh	Asst.Electrician	2.2	Permanent	ITI	21	07.09.2010	47	Shaw Wallace & Company Ltd.	No
7	N Purushothama Babu	Worker	2.2	Permanent	10th	7	01.10.2011	34	First Employment	No
8	S.Venkat Ratnam	Asst.Chemist	2.1	Permanent	B.Sc, B.Ed	13	12.08.2008	33	D.C.P.L. Pvt.Ltd	No
9	V Gopayamma	Worker	2.0	Permanent	BA	18	12.08.2008	49	First Employment	No
10	M Padmavathi	Worker	2.0	Permanent	6th	16	28.03.2000	42	First Employment	No

PART - B : List of employees in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Company during the financial year 2017-18 : Nil

Place: Mumbai
Date : July 24, 2018

Amit Dahanukar
Member of suspended Board of Directors*

*Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017

ANNEXURE 'D' TO THE DIRECTORS' REPORT

RESPONSES TO THE QUALIFIED OPINION AND OBSERVATIONS IN THE STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 134(3)(f) of the Companies Act, 2013]

With reference to the Statutory Auditors' qualified opinion and observations in their Audit Report on the financial statements of the Company for the financial year ended March 31, 2018, explanations/comments are furnished as under:

i. **Auditors' observations under paragraph 1 of 'Basis for Qualified Opinion' of the Auditors' Report to the financial statements:**

The Company has incurred capital expenditure of Rs 9,828.52 lacs on expansion project of Prag Distillery (refer Note 41 to the financial statements) shown under the head capital work in progress in balance sheet as at March 31, 2018. The said project is not operational since many years which provide indications of impairment. The Company has not tested the said project for impairment loss as per Ind AS 36 - Impairment of Assets. Consequently, we were unable to determine the amount of impairment loss, if any, required to be recognized.

Response: The Company had applied for expansion of its bottling capacity in 2010-2011 before the appropriate authorities. In anticipation of the sanction, the Company had incurred Rs. 9,828.52 lacs on building up the required infrastructure for the same. The sanction was delayed and received during 2016-2017 requiring payment of license fees to give effect to the said capacity expansion. However, due to financial constraints, the Company was unable to pay the requisite fees. Accordingly the expansion project has been kept in abeyance pending infusion of funds. The Company is hopeful of arranging the required funds in the near future. In view of this, the management believes that there is no impairment in value of its unit and hence the recoverable amount of the unit is not required to be estimated.

ii. **Auditors' observations under paragraph 'Material Uncertainty related to Going Concern' of the Auditors' Report to the financial statements:**

We draw attention to Note 40 in the Ind AS financial statements that the Company has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code). Further the Company has incurred net loss during the year ended March 31, 2018 and as of that date the business has reduced significantly. These events indicate that a material uncertainty exist that may cast significant doubt on the subsidiary Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Response: The Company had been referred to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016("the Code") and accordingly a Resolution Professional (RP) was appointed. An application for liquidation under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed by the Resolution Professional (RP) before The National Company Law Tribunal, Mumbai Bench seeking order requiring the Company to be liquidated "on going concern basis" in the manner laid down under Section 33 of the Code on April 06, 2018. However, a resolution proposal has since been submitted by a third party for approval of the creditors subject to the directions/orders to be given by The National Company Law Tribunal, Mumbai Bench.

iii. Auditors' observations under paragraph 1[(vii)(a) and (viii)] of the Annexure-A to the Auditors' Report to the financial statements:

1.vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year though there have been delays.

1. viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of principal amount of loans and interest to banks and financial institutions. There were no outstanding dues to Government or any debenture holders anytime during the year.

Response: Liquidity constraints owing to shortage of working capital are the main reasons for the above observations. The Company is making efforts to address these issues and improve its liquidity position to meet the requirement of funds.

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 24, 2018

Amit Dahanukar
Member of suspended Board of Directors*

Powers of the Board have been suspended by National Company Law Tribunal vide its Order No.: CP. No. 1067/I&BP/NCLT/MAH/2017 dated June 27, 2017

Independent Auditor's Report

To,
The Members of **Prag Distillery (P) Ltd.**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Prag Distillery (P) 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Suspended Board of Directors (hereinafter referred to as 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone 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 standalone Ind AS financial statements.

Basis for Qualified Opinion

The Company has incurred capital expenditure of ` 9,828.52 lacs on expansion project of Prag Distillery (refer Note 41 to the financial statements) shown under the head capital work in progress in balance sheet as at March 31, 2018. The said project is not operational since many years which provide indications of impairment. The Company has not tested the said project for impairment loss as per Ind AS 36 - Impairment of Assets. Consequently, we were unable to determine the amount of impairment loss, if any, required to be recognized.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2018, and its loss including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 40 in the standalone Ind AS financial statements that the Company has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code). Further the Company has incurred net loss during the year ended March 31, 2018 and as of that date the business has reduced significantly. These events indicate that a material uncertainty exist that may cast significant doubt on the subsidiary Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The standalone financial statements of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 01, 2016 were audited by another firm of Chartered Accountants which issued a unmodified opinion vide their audit report dated May 16, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in '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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) The matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) 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'.

   h) With respect to the other matters to be included in the Auditor's 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS 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 required to be transferred to the Investor Education and Protection Fund by the Company.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : July 24, 2018

Annexure A to the Independent Auditor’s Report
on the standalone Ind AS financial statements of Prag Distillery (P) Ltd.

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 (“the Act”) of Prag Distillery (P) Ltd. (“the Company”)

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such 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 management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and book records were not material.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company’s products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year though there have been delays.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, the dues outstanding of Income Tax or Sales Tax or Excise Duty that have not been deposited on account of any dispute are as follows:

(` in Lacs)

Name of the Statute	Nature of dues	Period to which it relates	Amount	Forum where the Dispute is pending
Income Tax Act	TDS	F.Y. 2011-2012 and F.Y. 2012-2013	39.25	Commissioner of Income Tax (Appeals)
Sales Tax Laws	VAT	F.Y. 2011-2012	74.79	Deputy Commissioner (Appeals)
Sales Tax Laws	VAT	F.Y. 2010-2011	87.99	Deputy Commissioner (Appeals)

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of principal amount of loans and interest to banks and financial institutions. There were no outstanding dues to Government or any debenture holders anytime during the year. The details of default are given below :

(` in Lacs)

Name of lenders	Nature of Loan	Particulars	Amount of default as at Balance Sheet date	Period of default
Standard Chartered Bank	Term Loan	Interest	112.23	April 2016 to March 2018
Standard Chartered Bank	Term Loan	Principal	1,341.53	April 2016 to March 2018

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year. According to the information and explanations given to us the term loans taken in the past have been defaulted as referred in point (viii) above.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : July 24, 2018

Annexure B to the Independent Auditors' Report
on the Standalone Ind AS Financial Statements of Prag Distillery (P) Ltd.

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 Prag Distillery (P) Ltd. ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 standalone Ind AS 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 ICAI.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal mehta
Partner
Membership No. 111749

Place : Mumbai
Date : July 24, 2018

PRAG DISTILLERY (P) LTD.

BALANCE SHEET AS AT MARCH 31, 2018

(` in Lacs)

		Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I	**ASSETS**				
	Non-Current Assets				
	Property, Plant and Equipment	2	1,291.31	1,397.33	1,452.49
	Capital Work-In-Progress		9,828.52	9,879.81	9,858.02
	Other Intangible Assets		0.52	0.52	0.52
	Financial Assets				
	Investments	3	0.30	0.30	0.30
	Other Financial Assets	4	-	-	-
	Other Non-Current Assets	5	37.73	33.88	39.57
	Income Tax Asset (Net)	27	35.62	25.53	23.65
			11,194.00	**11,337.37**	**11,374.55**
	Current Assets				
	Inventories	6	36.12	1,029.36	770.84
	Financial Assets				
	Trade Receivables	7	605.59	4,237.19	1,770.56
	Cash and Cash Equivalents	8a	73.27	62.48	124.36
	Other Bank Balances	8b	28.40	27.35	0.50
	Other Financial Assets	4	243.79	258.21	312.04
	Other Current Assets	5	994.71	1,071.10	1,150.03
			1,981.88	**6,685.69**	**4,128.33**
	Total		**13,175.88**	**18,023.06**	**15,502.88**
II	**EQUITY AND LIABILITIES**				
	Equity				
	Equity Share Capital	9	368.10	368.10	368.10
	Other Equity	10	1,704.85	2,313.65	2,648.24
			2,072.95	**2,681.75**	**3,016.34**
	Liabilities				
	Non-Current Liabilities				
	Financial Liabilities				
	Borrowings	11	-	-	-
	Other Financial Liabilities	12	-	-	-
	Provisions	13	44.83	43.26	25.60
	Deferred Tax Liabilities (Net)	14	-	-	72.57
	Other Non-Current Liabilities	15	-	-	-
			44.83	**43.26**	**98.17**
	Current Liabilities				
	Financial Liabilities				
	Borrowings	11	8,128.23	11,398.31	9,339.43
	Trade Payables	16	1,367.86	1,961.85	1,532.36
	Other Financial Liabilities	12	1,551.04	1,422.07	1,402.46
	Other Current Liabilities	15	8.76	102.76	55.35
	Provisions	13	2.21	413.06	32.52
	Income Tax Liabilities	27	-	-	26.25
			11,058.10	**15,298.05**	**12,388.37**
	Total		**13,175.88**	**18,023.06**	**15,502.88**
			0.00	(0.00)	0.00
	Summary of significant accounting policies	1			
	The accompanying notes are an integral part of the financial statements	2-43			

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Place : Mumbai
Date : July 24, 2018

Dr. Keshab Nandy
Member of Suspended Board of Directors
(DIN:02163480)

Trishila Agrahari
Company Secretary

PRAG DISTILLERY (P) LTD.

Statement of Profit and Loss for the year ended March 31, 2018

(` in Lacs)

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from Operations			
Sale of products (Gross)	17	1,397.62	27,479.34
Other Operating Income	17.1	330.61	634.09
Other Income	18	5.21	6.21
Total Income		**1,733.44**	**28,119.64**
EXPENSES			
Cost of Materials Consumed	19	269.72	8,374.19
(Increase) / Decrease in Stock	20	850.26	(649.45)
Excise duty		-	12,851.66
Employee Benefit Expense	21	202.11	206.40
Finance Cost	22	409.46	225.46
Depreciation		106.27	107.43
Other Expenses	23	509.18	7,422.80
Total Expenses		**2,347.00**	**28,538.49**
Profit / (Loss) before tax		**(613.56)**	**(418.85)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	(25.05)
3) Deferred Tax		-	(72.57)
Total Tax Expense		**-**	**(97.62)**
Profit / (Loss) after tax		**(613.56)**	**(321.23)**
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans		4.75	(13.35)
Total Other Comprehensive Income		**4.75**	**(13.35)**
Total Comprehensive Income for the year		**(608.81)**	**(334.58)**
Earnings Per Share (`) Basic & Diluted	37	(16.67)	(8.73)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-43		

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Dr. Keshab Nandy
Member of Suspended Board of Directors
(DIN:02163480)

Trishila Agrahari
Company Secretary

Place : Mumbai
Date : July 24, 2018

PRAG DISTILLERY (P) LTD.

Statement of Changes in Equity for the year ended March 31, 2018

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017
A) Equity Share Capital		
Balance at the beginning of the reporting year	**368.10**	**368.10**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**368.10**	**368.10**

B) Other Equity

(` in Lacs)

	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance as at April 01, 2016	**835.00**	**1,813.24**	**2,648.24**
Additions during the year :			
a) Profit / (Loss) for the year	-	(321.23)	**(321.23)**
b) Remeasurement of defined benefit plans	-	(13.35)	**(13.35)**
Balance as at March 31, 2017	**835.00**	**1,478.65**	**2,313.65**
Additions during the year :			
a) Profit / (Loss) for the year	-	(613.56)	**(613.56)**
b) Remeasurement of defined benefit plans	-	4.75	**4.75**
Balance as at March 31, 2018	**835.00**	**869.85**	**1,704.85**

As per our Report of even date annexed.

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : July 24, 2018

For and on behalf of the Suspended Board of Directors

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dr. Keshab Nandy
Member of Suspended Board of Directors
(DIN:02163480)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Trishila Agrahari
Company Secretary

PRAG DISTILLERY (P) LTD.

Statement of Cash Flow for the year ended March 31, 2018

(` in Lacs)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(613.56)**		**(418.85)**
	Adjustment for:				
	Depreciation	106.27		107.43	
	Remeasurement of defined benefit plans	4.75		(13.35)	
	Advances written off	-		170.00	
	Sundry balance written back	-		(0.00)	
	Dividend Income	(0.03)		(0.03)	
	Interest expenses	409.46		225.46	
	Interest income	(5.18)		(6.18)	
	Operating Profit before working capital changes		515.27		483.33
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(1,078.23)		870.58	
	(Increase) / Decrease in loans and advances and other assets	86.96		(31.56)	
	(Increase) / Decrease in inventories	993.23		(258.51)	
	(Increase) / Decrease in trade receivables	3,631.60	3,633.56	(2,466.63)	(1,886.12)
	Direct taxes refund / (paid)		(10.07)		(1.74)
	Net Cash from Operating activities		**3,525.19**		**(1,823.39)**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(10.83)		(49.94)	
	(Increase) / Decrease in other bank balances	-		(28.17)	
	Net Cash from Investing Activities		**(10.83)**		**(78.11)**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings including current maturities	32.58		2,058.87	
	Repayment of borrowings including current maturities	(3,328.02)		-	
	Dividend received	0.03		0.03	
	Interest paid	(212.30)		(225.46)	
	Interest received	4.13		6.18	
	Net Cash from Financing Activities		**(3,503.57)**		**1,839.62**
	Net increase in Cash & Cash equivalents		**10.79**		**(61.87)**
	Opening cash & cash equivalents		62.48		124.35
	Closing cash & cash equivalents		**73.27**		**62.48**
			73.27		62.48
			0.00		(0.00)

Notes :

(` in Lacs)

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	73.25	60.78
	ii) Cash on Hand	0.02	1.70
		73.27	**62.48**

(` in Lacs)

		As at April 01, 2017	Cash Flow (net)	Non-cash changes (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**				
	Borrowings	11,398.30	(3,270.08)	-	8,128.23
	Other Financial Liabilities	1,392.82	112.23	(51.29)	1,453.77

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Dr. Keshab Nandy
Member of Suspended Board of Directors
(DIN:02163480)

Trishila Agrahari
Company Secretary

Place : Mumbai
Date : July 24, 2018

1 Notes to Financial Statements for the year ended March 31, 2018

1 Reporting Entity

Prag Distillery (P) Ltd. (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 26.

The financial statements were authorised for issue by the Company's Suspended Board of Directors (hereinafter referred to as Board of Directors) on July 24, 2018

Details of the Company's accounting policies are included in Note 3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	**Management estimate of useful life**	**Useful Life as per Schedule II of the Companies Act, 2013**
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence 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 Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship. The CMU is regarded as a principal when it has exposure to significant risks and rewards associated with the sale of products or rendering of services i.e., it has the primary responsibility for providing goods or services to the customer, has pricing latitude and is also exposed to inventory and credit risks. In all other cases, the CMU is regarded as an agent. Where CMU is regarded as a principal, net surplus from sale of TI brand products by CMU is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "Revenue from Operations" in the statement of profit and loss. Where CMU is regarded as an agent, revenue is recognized on sale of products by CMU to its customers. The related cost of sales is also recognized by the Company, as and when incurred by the CMU.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.
The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2018

2 Property, Plant and Equipment *(` in Lacs)*

	Gross Block				Depreciation / Amortisation				Net Block	
	As on April 01, 2017	**Additions**	**Deductions**	**As at March 31, 2018**	**As on April 01, 2017**	**Deductions**	**For the year**	**As at March 31, 2018**	**As At March 31, 2018**	**As At March 31,2017**
TANGIBLE ASSETS										
Land	176.17	-	-	**176.17**	-	-	-	**-**	**176.17**	176.17
Buildings	715.63	-	-	**715.63**	241.70	-	22.26	**263.96**	**451.67**	473.93
Plant and Equipment	1,174.29	0.25	-	**1,174.54**	443.28	-	79.12	**522.40**	**652.14**	731.01
Furniture and Fixtures	4.53	-	-	**4.53**	4.07	-	0.10	**4.17**	**0.36**	0.46
Motor Vehicles	12.44	-	-	**12.44**	5.98	-	1.46	**7.44**	**5.00**	6.46
Office Equipment	4.98	-	-	**4.98**	4.19	-	0.28	**4.47**	**0.51**	0.79
Computers	25.92	-	-	**25.92**	18.47	-	2.28	**20.75**	**5.17**	7.45
Electrical Installations	5.87	-	-	**5.87**	4.81	-	0.77	**5.58**	**0.29**	1.06
Total Tangible Assets	**2,119.83**	**0.25**	**-**	**2,120.08**	**722.50**	**-**	**106.27**	**828.77**	**1,291.31**	**1,397.33**
INTANGIBLE ASSETS										
Software	10.40	-	-	**10.40**	9.88	-	-	**9.88**	**0.52**	0.52
Total Intangible Assets	**10.40**	**-**	**-**	**10.40**	**9.88**	**-**	**-**	**9.88**	**0.52**	**0.52**
Grand Total	**2,130.23**	**0.25**	**-**	**2,130.48**	**732.38**	**-**	**106.27**	**838.65**	**1,291.83**	**1,397.85**
Previous Year	**2,077.96**	**52.27**	**-**	**2,130.23**	**624.95**	**-**	**107.43**	**732.38**	**1,397.85**	

Property, Plant and Equipment (Contd.) [Schedule of Fixed Assets for the previous year 2016-2017] *(` in Lacs)*

	Gross Block				Depreciation / Amortisation				Net Block	
	As on April 01, 2016	**Additions**	**Deductions**	**As at March 31, 2017**	**As on April 01, 2016**	**Deductions**	**For the year**	**As at March 31, 2017**	**As At March 31, 2017**	**As At March 31,2016**
TANGIBLE ASSETS										
Land	176.17	-	-	**176.17**	-	-	-	**-**	**176.17**	176.17
Buildings	715.63	-	-	**715.63**	219.44	-	22.26	**241.70**	**473.93**	496.19
Plant and Equipment	1,128.82	45.47	-	**1,174.29**	365.75	-	77.53	**443.28**	**731.01**	763.07
Furniture and Fixtures	4.53	-	-	**4.53**	3.34	-	0.73	**4.07**	**0.46**	1.19
Motor Vehicles	12.44	-	-	**12.44**	4.52	-	1.46	**5.98**	**6.46**	7.92
Office Equipment	4.98	-	-	**4.98**	3.82	-	0.37	**4.19**	**0.79**	1.16
Computers	19.12	6.80	-	**25.92**	14.30	-	4.17	**18.47**	**7.45**	4.82
Electrical Installations	5.87	-	-	**5.87**	3.90	-	0.91	**4.81**	**1.06**	1.97
Total Tangible Assets	**2,067.56**	**52.27**	**-**	**2,119.83**	**615.07**	**-**	**107.43**	**722.50**	**1,397.33**	**1,452.49**
INTANGIBLE ASSETS										
Software	10.40	-	-	**10.40**	9.88	-		**9.88**	**0.52**	0.52
Total Intangible Assets	**10.40**	**-**	**-**	**10.40**	**9.88**	**-**	**-**	**9.88**	**0.52**	**0.52**
Grand Total	**2,077.96**	**52.27**	**-**	**2,130.23**	**624.95**	**-**	**107.43**	**732.38**	**1,397.85**	

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

		As at March 31, 2018		As at March 31, 2017		As at April 01, 2016
3 Non-Current Investments						
Investments measured at Fair Value through other comprehensive income (FVOCI)						
Investment in Equity Instruments (Unquoted)						
Equity shares of ` 10/- each						
Shamrao Vithal Co-operative Bank Ltd.	0.03	0.30	0.03	0.30	0.03	0.30
		0.30		**0.30**		**0.30**
Aggregate of unquoted investments		**0.30**		**0.30**		**0.30**
Category wise Non-Current Investments						
Financial Investments measured at Fair Value through other comprehensive income (FVOCI)		**0.30**		**0.30**		**0.30**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

	Non-Current			Current		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
4 Other Financial Assets						
Deposits	-	-	-	243.79	258.21	312.04
	-	**-**	**-**	**243.79**	**258.21**	**312.04**
5 Other Assets						
Unsecured, considered good						
Capital Advances	1.60	3.26	8.95	-	-	-
Balance with Government Authorities	36.13	30.62	30.62	0.37	62.82	-
Advances recoverable in cash or kind or for value to be received	-	-	-	1,252.34	1,266.28	1,558.03
Less : Provision for doubtful advances	-	-	-	(258.00)	(258.00)	(408.00)
	37.73	**33.88**	**39.57**	**994.71**	**1,071.10**	**1,150.03**
6 Inventories						
(At lower of cost and net realisable value) (Net of provision for non-moving and obsolete stocks)						
Raw materials	-	-	-	0.09	2.44	5.75
Stores, Spares and Packing Materials	-	-	-	17.19	157.82	545.44
Work-In-Progress	-	-	-	18.84	144.03	169.46
Finished goods	-	-	-	-	725.07	50.19
	-	**-**	**-**	**36.12**	**1,029.36**	**770.84**
7 Trade Receivables						
Unsecured, considered good	-	-	-	605.59	4,237.19	1,770.56
	-	**-**	**-**	**605.59**	**4,237.19**	**1,770.56**
8 Cash and Bank Balances						
a) Cash and Cash Equivalents						
i) Balances with Banks						
In Current Accounts	-	-	-	73.25	60.78	124.13
ii) Cash on Hand	-	-	-	0.02	1.70	0.23
	-	**-**	**-**	**73.27**	**62.48**	**124.36**
b) Other Bank Balances						
Short-Term Bank Deposits (Maturity within 12 months)	-	-	-	28.40	27.35	0.50
	-	**-**	**-**	**101.67**	**89.83**	**124.86**

Notes to Financial Statements for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	(` in Lacs) As at April 01, 2016
9 Equity Share Capital			
Authorised Shares			
5,000,000 equity shares of ` 10/- each (P.Y. 5,000,000 equity shares of ` 10/- each)	**500.00**	**500.00**	**500.00**
Issued, subscribed and paid up shares			
3,681,000 equity shares of ` 10/- each fully paid up (P.Y. 3,681,000 equity shares of ` 10/- each fully paid up)	368.10	368.10	368.10
	368.10	**368.10**	**368.10**

a) Reconciliation of the number of shares outstanding

(Nos. in Lacs)

Number of equity shares at the beginning	36.81	36.81	36.81
Equity Shares issued during the period	-	-	-
Number of equity shares at the end	**36.81**	**36.81**	**36.81**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding Company

Tilaknagar Industries Ltd.	36.81	36.81	36.81

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	36.81	100.00	36.81	100.00	36.81	100.00
Total	**36.81**	**100.00**	**36.81**	**100.00**	**36.81**	**100.00**

10 Other Equity

a) Securities Premium Account			
As per last Balance Sheet	**835.00**	**835.00**	**835.00**
b) Retained Earnings			
As per last Balance Sheet	1,478.65	1,813.24	1,813.24
Add: Profit / (Loss) after tax for the year	(613.56)	(321.23)	-
Add: Remeasurement of defined benefit plans	4.75	(13.35)	-
	869.85	**1,478.65**	**1,813.24**
	1,704.85	**2,313.65**	**2,648.24**

(` in Lacs)

	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
11 Borrowings						
Secured Loans						
Cash Credit (including working capital demand loan)	-	-	-	2,025.36	1,967.42	1,843.99
Unsecured Loans						
From Holding Company	-	-	-	6,102.87	9,430.89	7,495.44
	-	**-**	**-**	**8,128.23**	**11,398.31**	**9,339.43**

a) The cash credit (including Working Capital Demand Loan) loans are secured against first pari passu charge on all current assets both present and future and pari passu second charge on all the fixed assets of the Company, both present and future situated at Andhra Pradesh.

b) The term loans are secured against first charge on plant & equipment and other fixed assets of the Company situated at Biccavolu, East Godavari, Andhra Pradesh.

c) Foreign Currency term loans from banks carry interest @ Libor plus 3.45% . The loans are repayable in monthly / quarterly instalments each along with interest from the date of the loan.

d) Secured loans from banks outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman of the Company.

e) The defaults in repayment of loans to banks and financial institutions included in borrowings and current maturities of term loans are as under:

Default in Interest *(`)*

Bank	Period of Default	Term Loan Interest
Standard Chartered Bank	April 2016 to March 2018	112.23
Total		**112.23**

Default in Principal

Bank	Period of Default	Term Loan Principal
Standard Chartered Bank	April 2016 to March 2018	1,341.53
Total		**1,341.53**

	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
12 Other Financial Liabilities						
Current maturities of Term Loans- Foreign Currency Loan	-	-	-	1,453.77	1,392.82	1,371.03
Payable for purchase of Fixed Assets	-	-	-	17.35	6.76	9.10
Employee dues	-	-	-	19.68	20.67	18.76
Other Payables	-	-	-	60.24	1.82	3.57
	-	**-**	**-**	**1,551.04**	**1,422.07**	**1,402.46**

	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
13 Provisions						
Provision for Gratuity	42.64	40.98	24.10	1.38	1.25	0.83
Provision for Leave Encashment	2.19	2.28	1.50	0.83	2.11	0.92
Provision for Excise Duty	-	-	-	-	409.70	30.77
	44.83	**43.26**	**25.60**	**2.21**	**413.06**	**32.52**

	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
14 Deferred Tax Liabilities						
Deferred Tax Liability	-	-	72.57	-	-	-
	-	**-**	**72.57**	**-**	**-**	**-**

Movement in Deferred Tax :

Movement in deferred tax (assets)/ liability	Property Plant & Equipment	Income Tax losses	Total
As at April 01, 2016	72.57	**-**	**72.57**
Charged / (Credited)			
To profit or loss	**-**	(72.57)	**(72.57)**
As at March 31, 2017	**72.57**	**(72.57)**	**-**
Charged / (Credited)			
To profit or loss	**-**		**-**
As at March 31, 2018	**72.57**	**(72.57)**	**-**

	Non-Current			Current		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
15 Other Liabilities						
Payable towards Statutory Liabilities	-	-	-	8.76	102.76	55.35
	-	**-**	**-**	**8.76**	**102.76**	**55.35**

	Non-Current			Current		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
16 Trade Payables						
Trade Payables [Refer Note No.36]	-	-	-	1,367.86	1,961.85	1,532.36
	-	**-**	**-**	**1,367.86**	**1,961.85**	**1,532.36**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

		Year ended March 31, 2018	Year ended March 31, 2017
17	**Revenue from Operations**		
	Sales of products	1,397.62	27,479.34
		1,397.62	**27,479.34**
17.1	**Other Operating Income**		
	Sale of by products, scrap and other income	1.99	35.05
	Income from contract manufacturing and other income	328.62	599.04
		330.61	**634.09**
18	**Other Income**		
	Sundry balance written back	-	-
	Interest income	5.18	6.18
	Dividend on current investments	0.03	0.03
		5.21	**6.21**

		Year ended March 31, 2018	Year ended March 31, 2017
19	**Cost of Materials Consumed**		
	i) Raw Material Consumption		
	Opening Stock	2.44	5.75
	Add: Purchases	41.13	3,729.10
	Less: Closing Stock	0.09	2.44
		43.48	**3,732.41**
	ii) Packing Materials & Consumables	226.24	4,641.78
		269.72	**8,374.19**
20	**(Increase) / Decrease in Stock**		
	Opening Stock		
	i) Work-In-Progress	144.03	169.46
	ii) Finished goods	725.07	50.19
		869.10	**219.65**
	Less : Closing Stock		
	i) Work-In-Progress	18.84	144.03
	ii) Finished goods	-	725.07
		18.84	**869.10**
	(Increase) / Decrease in Stock	**850.26**	**(649.45)**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2018

	Year ended March 31, 2018	(` in Lacs) Year ended March 31, 2017
21 Employee Benefit Expense		
Salary and wages	177.05	170.83
Contribution to provident fund and family pension fund	14.87	13.30
Staff welfare expenses	2.88	4.16
Gratuity	7.31	18.11
	202.11	**206.40**
22 Finance Costs		
Interest on Term Loans	112.23	-
Interest on Cash Credits/ Working Capital Demand Loan	237.44	219.51
Other Borrowing Costs	59.79	5.95
	409.46	**225.46**
23 Other Expenses		
Power and fuel	23.37	27.67
Repairs & maintenance		
i) Plant & Equipment	6.70	14.92
ii) Buildings	0.45	-
iii) Others	23.02	7.75
Insurance	0.66	4.41
Contract manufacturing cost	-	758.63
Legal and professional charges	53.31	16.45
Auditor's Remuneration [Refer Note No.35]	1.23	1.28
Rates and taxes	96.62	292.61
Freight, transport charges & other expenses	53.37	495.34
Selling expenses [Sales Promotion & Advertising etc.]	64.66	56.89
Surplus to Brandowner	90.49	5,444.51
Travelling and conveyance expenses	1.73	2.19
Printing and stationery	1.13	0.85
Communication expenses	0.51	1.45
Vehicle running expenses	0.02	0.48
Director sitting fees	0.12	0.46
Advances written off	-	170.00
Miscellaneous expenses	91.79	126.91
	509.18	**7,422.80**

24 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2018 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Investments	0.30	-	-	0.30
Trade Receivables	-	605.59	-	605.59
Cash and Cash Equivalents	-	73.27	-	73.27
Other Bank Balances	-	28.40	-	28.40
Other Financial Assets	-	243.79	-	243.79
	0.30	**951.06**	**-**	**951.36**
Financial liabilities				
Borrowings	-	-	8,128.23	8,128.23
Trade Payables	-	-	1,367.86	1,367.86
Other Financial Liabilities	-	-	1,551.04	1,551.04
	-	**-**	**11,047.12**	**11,047.12**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2017 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Investments	0.30	-	-	0.30
Trade Receivables	-	4,237.19	-	4,237.19
Cash and Cash Equivalents	-	62.48	-	62.48
Other Bank Balances	-	27.35	-	27.35
Other Financial Assets	-	258.21	-	258.21
	0.30	**4,585.23**	**-**	**4,585.53**
Financial liabilities				
Borrowings	-	-	11,398.30	11,398.30
Trade Payables	-	-	1,961.85	1,961.85
Other Financial Liabilities	-	-	1,422.08	1,422.08
	-	**-**	**14,782.23**	**14,782.23**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Investments	0.30	-	-	0.30
Trade Receivables	-	1,770.56	-	1,770.56
Cash and Cash Equivalents	-	124.35	-	124.35
Other Bank Balances	-	0.50	-	0.50
Other Financial Assets	-	312.04	-	312.04
	0.30	**2,207.45**	**-**	**2,207.75**
Financial liabilities				
Borrowings	-	-	9,339.43	9,339.43
Trade Payables	-	-	1,532.36	1,532.36
Other Financial Liabilities	-	-	1,402.46	1,402.46
	-	**-**	**12,274.25**	**12,274.25**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

25 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables	605.59	4,237.19	1,770.56
Cash and cash equivalents	73.27	62.48	124.35
Other bank balances	28.40	27.35	0.50
Other financial assets	243.79	258.21	312.04
Total	**951.06**	**4,585.23**	**2,207.45**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Trade Receivables of the Company mainly consist of receivables from the state corporations. In respect of receivable from the state corporations, there is no past history of credit loss from these parties. Hence, in the opinion of the management there is no credit loss on receivable from the state corporations.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(` in Lacs)

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2018	605.59	605.59	-
As at March 31, 2017	4,237.19	4,237.19	-
As at April 01, 2016	1,770.56	1,770.56	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 *(` in Lacs)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	8,128.23	25.36	8,102.87
Trade payables	1,367.86	-	1,367.86
Other financial liabilities	1,551.04	136.63	1,414.41
	11,047.12	**161.99**	**10,885.13**

As at March 31, 2017 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	11,398.30	-	11,398.30
Trade payables	1,961.85	1,732.15	229.69
Other financial liabilities	1,422.08	78.02	1,344.06
	14,782.23	**1,810.17**	**12,972.05**

As at April 01, 2016 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	9,339.43	-	9,339.43
Trade payables	1,532.36	1,322.27	210.09
Other financial liabilities	1,402.46	27.59	1,374.87
	12,274.25	**1,349.87**	**10,924.38**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2018 USD	As at March 31, 2017 USD	As at April 01, 2016 USD
Overseas payables	(20.63)	(20.63)	(20.63)
Total	**(20.63)**	**(20.63)**	**(20.63)**

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017
Increase / (decrease) in profit	(13.42)	(13.37)
Total increase / (decrease) in profit	**(13.42)**	**(13.37)**

A 1% increase in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed rate instruments			
Financial liabilities			
Borrowings	-	-	-
Total	**-**	**-**	**-**
Variable-rate instruments			
Financial liabilities			
Borrowings	3,479.13	3,360.24	3,215.02
Total	**3,479.13**	**3,360.24**	**3,215.02**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
March 31, 2018	
Variable-rate instruments	(35.00)
Cash flow sensitivity	**(35.00)**
March 31, 2017	
Variable-rate instruments	(34.00)
Cash flow sensitivity	**(34.00)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

26 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

A) Exemptions availed

Ind AS 101 allows first time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirments under Ind AS. The Company has applied the following exemptions:

Property, plant and equipment and intangible assets
As per Ind AS 101 carrying values of all its property, plant and equipment and intangible assets as at the date of transition to Ind AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

B) Principal adjustments

a) Sale of products
Under Indian GAAP, sale of products was presented as net of excise duty and differential excise duty on opening and closing stock of manufactured goods is adjusted from (Increase) / decrease in stock. However, under Ind AS, sale of goods includes excise duty and excise duty is separately presented on the face of statement of profit and loss.

b) Cash Discount
Under previous GAAP, the discount given on sales for early payment was recognised as an expense in the statement of profit and loss. However as per IND AS, if the discount is known at time of transfer of risk and reward then the same needs to be adjusted through revenue.

c) Income from tie up units
The Company has entered into arrangements with certain distilleries and bottling units (tie up units) for manufacture and marketing of its own brands. The tie up units have necessary license and regulatory permits to manufacture alcohol. Under the previous GAAP the Company had recognised net surplus (total revenue over total expenses) from the operation through these tie up units under Revenue from operations. However, under Ind AS 18, the Company has aggregated the below mentioned amounts in its Statement of Profit and Loss with respect to these tie up units. Consequent to these changes, there is no impact on the total profit. For details, refer Note 39

C) Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(` in Lacs)

Particulars	Note No.	March 31, 2017	April 01, 2016
Total Equity as per previous GAAP		2,435.95	2,843.11
Recognition of deferred tax asset	a	245.80	173.22
Total Equity as per Ind AS		**2,681.75**	**3,016.34**
		2,681.75	3,016.34

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(` in Lacs)

Particulars	Note No.	March 31, 2017
Profit for the year under previous GAAP		(407.15)
Deferred Tax Impact	a	72.57
Actuarial gain/(loss) in respect of defined benefit plans reclassified to OCI	c	13.35
Profit for the year under Ind AS		**(321.23)**
		(321.23)

Notes to reconciliation

a) Deferred Tax
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The Company has recognised deferred tax assets on unabsorbed depreciation and business losses under income tax only to the extent there are deferred tax liabilities.

b) Expected Credit Loss
Under previous GAAP, provision is made for all the trade receivables aged beyond three years and in case of trade receivables aged below three years, provision is made for cases like bankruptcy, terminated agents. Under Ind AS 109 , the Company is required to apply expected credit loss model for recognising the allowances for doubtful debts. The Company has applied the simplified approach as a practical expedient to measure expected credit losses on its portfolio of trade receivables.

c) Remeasurements of post employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

27 Income Taxes

	2017-2018	(` in Lacs) 2016-2017
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	(25.05)
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	(72.57)
b) Income tax expense recognised in Other Comprehensive Income		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) Applicable corporate tax rate	34.608%	34.608%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	-	-
e) Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	35.62	25.53

28 Capital Management

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

(` in Lacs)

The Company monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	1,352.10	1,303.00	1,246.17
Total Equity	2,072.95	2,681.75	3,016.34
Debt to Equity Ratio	0.65	0.49	0.41

* Current maturities under other financial liabilities less cash and bank balances

Notes on Accounts

29 Contingent Liability not provided for: ***(` in Lacs)***

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
a) Bank guarantees issued on behalf of the Company	40.70	39.35
b) In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
F.Y. 2011-2012 and F.Y. 2012-2013	39.25	-
c) In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
F.Y. 2011-2012 (VAT-Kerala)	74.79	74.79
F.Y. 2010-2011 (VAT-Kerala)	87.99	87.99

30 Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ` Nil (P.Y. ` Nil)

31 Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ` NIL (P.Y. ` 35.91 Lacs) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) The Company has taken various residential / commercial premises under cancellable operating lease. Lease rental expenses included in the Statement of Profit and Loss for the financial year is ` Nil (P.Y. ` Nil).

c) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

d) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

32 The disclosure of Ind AS 19 “Employee Benefits” is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ` 14.87 Lacs (P.Y. ` 13.30 Lacs) under defined contribution plan as employer’s contribution to Provident Fund.

Defined Benefit Plan

The Employees’ gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below: ***(`)***

	As at March 31, 2018	**As at March 31, 2017**
	Unfunded Gratuity	**Unfunded Gratuity**
Present Value of obligation	44.02	42.23
Fair Value of Plans	-	-
Net Liability in the balance sheet	**44.02**	**42.23**
Defined Benefit Obligations		
Opening balance	42.23	24.93
Interest expenses	3.04	2.01
Current service cost	4.27	2.75
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	-
Benefit paid directly by the employer	-	-
Benefit paid from the fund	(0.77)	(0.81)
Actuarial (gain) / loss-Due to change in Financial assumptions	(3.06)	4.33
Actuarial (gain) / loss- Due to Experience	(1.69)	9.02
Closing balance	**44.02**	**42.23**
Plan Assets		
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-

Closing balance	**-**	**-**
Return on Plan Assets		
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	**-**	**-**
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	4.27	2.75
Past service cost	-	-
Interest expense	3.04	2.01
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**7.31**	**4.76**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	(4.75)	13.35
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**(4.75)**	**13.35**
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	1.38	-
2nd Following Year	1.43	-
3rd Following Year	1.48	-
4th Following Year	1.55	-
5th Following Year	1.61	-
Sum of Years 6 to 10	17.42	-
Sum of Years 11 and above	102.58	-
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	44.02	-
Delta Effect +1% Change in Rate of Discounting	(4.65)	-
Delta Effect -1% Change in Rate of Discounting	5.46	-
Delta Effect +1% Change in Rate of Salary Increase	5.56	-
Delta Effect -1% Change in Rate of Salary Increase	(4.81)	-
Delta Effect +1% Change in Rate of Employee Turnover	1.40	-
Delta Effect -1% Change in Rate of Employee Turnover	(1.57)	-
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.78%	7.20%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	2.00%	2.00%

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Unfunded Gratuity for the year ended	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Present value of DBO	44.02	42.23	24.93	22.41	16.57
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	44.02	42.23	24.93	22.41	16.57
Experience adjustments on plan liabilities	(1.69)	9.02	(1.67)	(1.54)	-
Experience adjustments on plan assets	-	-	-	-	-

33 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Vahni Distilleries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: PunjabExpo Breweries Private Limited
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar — Member of Suspended Board of Directors
: Dr. Keshab Nandy — Member of Suspended Board of Directors
: Mr. C V Bijlani — Member of Suspended Board of Directors
: Dr. Ravindra Bapat — Member of Suspended Board of Directors
: Trishila Agrahari — Company Secretary

(` in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	2017-18	2016-17	2017-18	2016-17
Sales				
Tilaknagar Industries Ltd.	15.79	4.99	-	-
PunjabExpo Breweries Private Limited	266.16	-	-	-
Total	**281.95**	**4.99**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	11.96	318.68	-	-
Total	**11.96**	**318.68**	**-**	**-**
Income (Bottling & Commission)				
Tilaknagar Industries Ltd.	13.31	682.71	-	-
Total	**13.31**	**682.71**	**-**	**-**
Brand Owners' Surplus (Expense)				
Tilaknagar Industries Ltd.	90.49	5,444.51	-	-
Total	**90.49**	**5,444.51**	**-**	**-**
Payment to Key Managerial Personnel				
(Sitting fees)				
Mr. C.V.Bijlani	-	-	0.05	0.20
Dr. Ravindra Bapat	-	-	0.05	0.20
Total	**-**	**-**	**0.10**	**0.40**
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	3,328.02	(1,935.44)	-	-
Total	**3,328.02**	**(1,935.44)**	**-**	**-**
Outstanding Payable				
Tilaknagar Industries Ltd.	(6,102.87)	(9,430.89)	-	-
Total	**(6,102.87)**	**(9,430.89)**	**-**	**-**

Note :

Compensation of key management personnel of the Company **	**2017-18**	**2016-17**
Short-term employee benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	0.10	0.40
Share-based payments	-	-
Total compensation of key management personnel of the Company	**0.10**	**0.40**

**Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

34 Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2018 estimated at ` Nil (P.Y. ` 4,09,69,814) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

(` in Lacs)

	2017-18	2016-17
Provision for excise duty on finished goods at the beginning of the year	409.70	30.77
Provision for excise duty on finished goods at the end of the year	-	409.70
Provision for excise duty on finished goods charged in the Statement of Profit and Loss	**(409.70)**	**378.93**

(` in Lacs)

35 Auditor's remuneration charged to accounts:	**2017-18**	**2016-17**
a) Audit fees	1.18	1.15
b) Reimbursement of expenses	0.05	0.13
	1.23	**1.28**

36 Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

(` in Lacs)

	2017-18	2016-17
Dues remaining unpaid as at March 31		
- Principal	69.11	-
- Interest on the above	59.57	-

(` in Lacs)

37 Earnings per share:	**2017-18**	**2016-17**
Profit After Tax	(613.56)	(321.23)
Weighted average number of shares	36.81	36.81
Basic Earnings Per Share	(16.67)	(8.73)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	36.81	36.81
Diluted Earnings Per Share	(16.67)	(8.73)
Face Value per Equity Share	10.00	10.00

38 The Company has entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2018 are as under:

		March 31, 2018		March 31, 2017	
	Currency	**FC Amount**	**INR Amount**	**FC Amount**	**INR Amount**
Term Loans	USD	20.63	1,341.53	20.63	1,337.30

39 The Company has entered into arrangements with certain distilleries and bottling units (tie up units) for manufacture and marketing of its own brands. The tie up units have necessary license and regulatory permits to manufacture alcohol. Under the previous GAAP the Company had recognised net surplus (total revenue over total expenses) from the operation through these tie up units under Revenue from operations. However, under Ind AS 18, the Company has aggregated the below mentioned amounts in its Statement of Profit and Loss and Balance Sheet with respect to these tie up units. Consequent to these changes, there is no impact on the total profit and total equity.

(` in Lacs)

Particulars	**Year ended**	**Year ended**
	2017-2018	**2016-2017**
	Audited	**Audited**
Revenue from operations	41.49	2,685.78
Total Income	**41.49**	**2,685.78**
Cost of materials consumed /Changes in inventories of finished goods, stock-in-trade and work-in-progress	12.00	434.09
Excise Duty	-	1,826.45
Other expenses	29.49	20.04
Total expenses	**41.49**	**2,280.58**
Profit / (Loss)	**-**	**405.20**

(` in Lacs)

In Balance Sheet	**March 31, 2018**	**March 31, 2017**
	Audited	**Audited**
Increase (Decrease)		
Inventory	-	48.88
Trade Receivables	-	899.09
Other Financial Assets	-	(1,055.09)
Other Assets	-	109.33
Total	**-**	**2.21**
Increase (Decrease)	**-**	**-**
Other Liabilities	-	2.21
Total	**-**	**2.21**
	-	**0.00**

40 Prag Distillery, wholly owned subsidiary of Tilaknagar Industries Ltd had been referred to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016("the Code") and accordingly a Resolution Professional (RP) was appointed. An application for liquidation under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed by the Resolution Professional (RP) before The National Company Law Tribunal, Mumbai Bench seeking order requiring Prag Distillery (P) Ltd., to be liquidated "on going concern basis" in the manner laid down under Section 33 of the Code on April 06, 2018. However, a resolution proposal has since been submitted by a third party for approval of the creditors subject to the directions / orders to be given by The National Company Law Tribunal, Mumbai Bench.

41 The company had applied for expansion of its bottling capacity in 2010-2011 before the appropriate authorities. In anticipation of the sanction, the company had incurred ` 9,828.52 lacs on building up the required infrastructure for the same. The sanction was delayed and received during 2016-2017 requiring payment of license fees to give effect to the said capacity expansion. However, due to financial constraints, the company was unable to pay the requisite fees. Accordingly the expansion project has been kept in abeyance pending infusion of funds. The company is hopeful of arranging the required funds in the near future. In view of this, the management believes that there is no impairment in value of its unit and hence the recoverable amount of the unit is not required to be estimated.

42 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

43 The standalone financial statements of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 01, 2016 were audited by another firm of Chartered Accountants.

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Dr. Keshab Nandy
Member of Suspended Board of Directors
(DIN:02163480)

Trishila Agrahari
Company Secretary

Place : Mumbai
Date : July 24, 2018

VAHNI DISTILLERIES PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN No: [U24119PN1993PTC133461]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 26th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2017-18, the revenue from operations of the Company stood at Rs. 41,470.97 lacs as compared to Rs. 31,386.04 lacs in the previous year. It has incurred total comprehensive loss of Rs. 1,119.66 lacs during the financial ayear 2017-18 as compared to total comprehensive loss of Rs. 758.61 lacs in the previous year.

The production capacity of the Company's plant has been fully utilized in the financial year 2017-18.

The Trademark License Agreement entered into by the Company with Holding Company on October 27, 2016 whereby exclusive license was granted to the Company for use of certain trademarks of the Holding Company in the territories of Karnataka on royalty basis for a period of 15 years w.e.f. April 01, 2017 was cancelled.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. HOLDING COMPANY

Your Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

During the financial year under review, Mr. Amit Dahanukar ceased to occupy the position of Managing Director w.e.f. November 06, 2017 and continued to act as Chairman of the Company.

Mr. Srijit Mullick was appointed as an Additional Director of the Company by the Board on January 22, 2018 for the term expiring at the ensuing 26th Annual General Meeting. He was also appointed as the Managing Director of the Company for the term of three years commencing from January 22, 2018 and ending on January 21, 2021. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Srijit Mullick for appointment as Director of the Company at the ensuing AGM alongwith his consent to act as such.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Dr. Keshab Nandy, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board of Directors recommends their appointment/ re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013.

All the Independent Directors have furnished declaration stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 9 (nine) times during the financial year 2017-18 on May 16, 2017; July 14, 2017, August 07, 2017; August 31, 2017; September 18, 2017; November 06, 2017; December 21, 2017, January 22, 2018 and February 26, 2018 and the intervening period between the two meetings did not exceed 120 days.

6. SHARE CAPITAL

During the financial year under review, the Authorized Share Capital of the Company was increased from Rs. 15,00,00,000 divided into 15,00,000 Equity Shares of Rs. 100/- each to Rs. 30,00,00,000 divided into 30,00,000 Equity Shares of Rs. 100/- each to enable the Company to garner funds for meeting the working capital requirements, repayment of its existing liabilities and general corporate purposes.

During the financial year under review , the Company had circulated the Private Placement Offer Letter dated August 17, 2017 ("Offer Letter") alongwith the Share Application Form for inviting subscription to the Equity Shares of the Company proposed to be issued on preferential basis through private placement to Strategic Investors pursuant to the authority/approval granted by the Board of Directors/Members of the Company in Meetings held on September 14, 2016 and August 05, 2017 respectively.

The Company was in receipt of part application money from Strategic Investors till the expiry of offer period i.e. September 15, 2017 and they had expressed their unwillingness to subscribe to the Private Placement Offer vide their letters dated September 15, 2017.

As the Company had not received any valid application in response to the Private Placement Offer Letter circulated on August 17, 2017, the Board advised the management to refund the abovementioned application money within the time prescribed under the Companies Act, 2013.

7. AUDIT COMMITTEE

The composition of the Audit Committee, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2018 was as follows:

Name of the Member	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Dr. Keshab Nandy	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member

The terms of reference of the Committee are as follows:

a) to recommend to the Board the appointment, remuneration and terms of appointment of auditors of the Company;

b) to review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) examination of the financial statement and the auditors' report thereon;

d) approval or any subsequent modification of transactions of the company with related parties;

e) scrutiny of inter-corporate loans and investments;

f) valuation of undertakings or assets of the company, wherever it is necessary;

g) evaluation of internal financial controls and risk management systems;

h) monitoring the end use of funds raised through public offers and related matters.

There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board of Directors.

8. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2018 was as follows:

Name of the Director	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Mr. Amit Dahanukar	Chairman	Member
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member

The terms of reference of the Committee are as follows:

i. identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and to carry evaluation of every Director's performance;

ii. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending a policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Company has a Nomination, Remuneration and Evaluation Policy which lays down criteria for

i. determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;

ii. tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

iii. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and

iv. evaluation of the performance of the Board and its constituents.

In accordance with the provisions of Section 149(9) read with Section 197 of the Companies Act, 2013, the Members of the Company had, by way of ordinary resolution passed in their Annual General Meeting held on September 27, 2014, authorized the Board to pay remuneration by way of commission to the Non-Executive Directors (including Independent Directors) for a period of 5 financial years commencing from April 01, 2014, subject to overall ceiling of 1% of the net profits of the Company computed in the manner prescribed in Section 198 of the Companies Act, 2013, in addition to the sitting fees and reimbursement of expenses for participation in the Board meeting.

During the financial year 2017-18, no commission and sitting fees have been paid to the Independent Directors. There is no pecuniary or business relationship between the Independent Directors and the Company.

9. BOARD EVALUATION

In accordance with the provisions of Section 178(2) and Schedule IV of the Companies Act, 2013 read with Clause 5 of the Nomination, Remuneration and Evaluation Policy of the Company, the annual performance evaluation of the Independent Directors, Non-Independent Directors, Chairman and Board as a whole (including its Committees) was carried out on January 22, 2018 in the manner given below:

i. The performance evaluation of Independent Directors was done by the entire Board of Directors (excluding the Director being evaluated);

ii. Independent Directors in their separate meeting reviewed the performance of Non-Independent Directors and the Board as a whole (including its Committees); and

iii. Independent Directors in their separate meeting also reviewed the performance of the Chairman after taking into account the views of all the Directors.

After taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance, a structured questionnaire was prepared and circulated among the Directors for the abovementioned evaluation.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation in its Meeting held on May 19, 2018 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

10. KEY MANAGERIAL PERSONNEL

As on March 31, 2018, Mr. Srijit Mullick, Managing Director, Mr. Ajit Anant Sirsat, Chief Financial Officer and Ms. Priya Dubey, Company Secretary were the Key Managerial Personnel of Company under the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies(Appointment and Qualifications of Managerial Personnel) Rules, 2014.

During the financial year under review, Mr. Srijit Mullick resigned from the position of Chief Financial Officer of the Company w.e.f. December 21, 2017 and Mr. Ajit Anant Sirsat was appointed as Chief Financial Officer w.e.f. January 22, 2018 in his place.

During the financial year under review, Mr. Tejas Mehta resigned from the position of Company Secretary w.e.f. September 18, 2017 and Ms. Priya Dubey was appointed as Company Secretary w.e.f. November 13, 2017 in his place.

11. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Batliboi & Purohit, Chartered Accountants were appointed as Statutory Auditors of the Company, in place of retiring auditors' M/s. Deepak Jhanwar & Co., in the 25th Annual General Meeting held on September 25, 2017 to hold office from the conclusion of the 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 30th Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Batliboi & Purohit., Chartered Accountants hold office until the conclusion of the 30th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 36 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

12. INTERNAL AUDITORS AND INTERNAL AUDIT REPORT

The Company is having M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors. The Audit Committee reviews the observations made by the Internal Auditors in their Report on quarterly basis and makes necessary recommendations to the management.

13. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are set out in Annexure 'A' to this Report.

14. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees and related disclosures as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are set out in Annexure 'B' of this Report.

15. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, has been made in the financial statements.

17. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapter.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, there were no related party transactions requiring disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

19. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. RESIDUARY DISCLOSURES

i. In view of the loss incurred by the Company during the financial year 2017-18, no amount is proposed to be carried to reserves;

ii. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

iii. The key business risks, which in the opinion of the Board of Directors may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

   i. **Regulatory Risk**

   The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

   ii. **Strategic Risk**

   The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

   In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy has been formulated.

iv. During the financial year 2017-18, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

v. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

vi. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable; and

ix. During the financial year 2017-18, the Company has not issued sweat equity shares to its employees. Hence, disclosure under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

x. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2017-18; and

xi. During the financial year 2017-18, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

22. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 09, 2018

Amit Dahanukar
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

Due to the current financial constraints of the Company, it had not made any investment for conservation of energy.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

With current local power cost, other than use of gen-set as an alternate source of energy under emergency, no other steps are economically viable, though search for an economically viable alternate source is on.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2017-18, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) **Efforts made towards Technology Absorption:** NIL

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:** NIL

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) **Expenditure incurred on Research and Development:**

During the financial year 2017-18, neither capital nor revenue expenditure has been incurred by the Company on Research and Development activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings and expenditure in foreign currency during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 09, 2018

Amit Dahanukar
Chairman

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Statement pursuant to Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART - A : List of top ten employees of the Company as on March 31, 2018 :

Sr No	Name	Designation	Remuneration (inclusive of contribution to PF)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience (years)	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	Ashish Choudhury	Assistant Vice President	22,00,000	Permanent	B.A.	35	03.09.2009	63	SAB Miller India	No
2	V. Nagabhushanam	Senior Manager	7,98,268	Permanent	B.Sc.	31	21.12.2009	59	M/S Universal Bottlers Private Limited	No
3	P. Niruppadapa	Junior Executive	5,48,304	Permanent	P.U.C	16	11.01.2010	48	Surya Organic Chemicals Pvt. Ltd.	No
4	Syed Arif Basha	Area Manager - Sales	4,99,980	Permanent	B.B.M.	14	04.10.2016	43	Beam Global Spirits and Wine Pvt. Ltd.	No
5	Jojo Joseph	Supervisor Mechanical	4,79,556	Permanent	Diploma Mechanical Engineering	22	01.04.2009	47	JP Distilleries Ltd.	No
6	Priya Dubey	Company Secretary	4,30,008	Permanent	B.Com., C.S.	4	13-11-2017	25	Pantomath Advisory Services Group	No
7	Samir Khan	Assistant - Production	4,21,620	Permanent	B.Sc.	19	01.01.2009	43	Al-Kabeer Export Pvt. Ltd	No
8	C Munnuswamy	Executive	4,07,664	Permanent	B.Com.	15	15-06-2011	44	Empee Distilleries Limited	No
9	Raviraje Urs	Assistant Manager - Sales	3,99,984	Permanent	B.A.	27	08.08.2016	55	S. L. V. Distillery	No
10	Sujithkumar Shetty	Senior Executive - Sales	3,99,984	Permanent	B.B.M.	7	10.07.2017	42	Fratelli Wines Pvt. Ltd.	No

PART - B : List of employees in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Company during the financial year 2017-18 : Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 09, 2018

Amit Dahanukar
Chairman

Independent Auditor’s Report

To,
The Members of
Vahni Distilleries Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Vahni Distilleries 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “ Ind AS financial statements”).

Management’s Responsibility for the Ind AS 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 state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the Ind AS financial statements 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 controls 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, of the state of affairs of the Company as at March 31, 2018, and its loss including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 36 in the Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The financial statements of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 01, 2016 were audited by another firm of Chartered Accountants which issued a unmodified opinion vide their audit report dated May 29, 2017.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in '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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and 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 Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are 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'.

g) With respect to the other matters to be included in the Auditor's 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 does not have any pending litigations that 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 required to be transferred to the Investor Education and Protection Fund by the Company.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 19, 2018

Annexure A to the Independent Auditor's Report
on the Ind AS financial statements of Vahni Distilleries Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Vahni Distilleries Private Limited ("the Company")

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such 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 management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and book records were not material.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year though there have been delays.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), duty of excise, value added tax, cess and any other material statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to Government or debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 19, 2018

Annexure B to the Independent Auditors' Report
on the Ind AS Financial Statements of Vahni Distilleries Private Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 Vahni Distilleries Private Limited ("the Company") as of March 31, 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 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 Ind AS 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 ICAI.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 19, 2018

VAHNI DISTILLERIES PRIVATE LIMITED

Balance Sheet as at March 31, 2018

(` in Lacs)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2	267.51	280.52	321.72
Capital Work-In-Progress		-	1,036.68	1,048.22
Financial Assets				
Other Financial Assets	3	-	-	-
Income Tax Asset (Net)	25	8.33	3.02	18.52
Other Non-Current Assets	4	1.65	-	112.58
		277.49	**1,320.22**	**1,501.04**
Current Assets				
Inventories	5	1,372.31	632.72	873.83
Financial Assets				
Trade Receivables	6	1,623.38	1,662.14	1,521.48
Cash and Bank Balances	7	4,846.80	40.76	86.73
Other Financial Assets	3	0.37	103.37	1,193.40
Other Current Assets	4	86.35	251.64	256.55
		7,929.21	**2,690.63**	**3,931.99**
Total		**8,206.70**	**4,010.85**	**5,433.03**
II EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	8	1,498.05	1,498.05	1,498.05
Other Equity	9	(2,127.26)	(1,007.59)	(248.98)
		(629.21)	**490.46**	**1,249.07**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	10	-	-	-
Other Financial Liabilities	11	2,710.00	-	-
Provisions	12	1.15	-	-
Other Non-Current Liabilities	13	-	-	-
		2,711.15	**-**	**-**
Current Liabilities				
Financial Liabilities				
Borrowings	10	4,221.71	1,052.44	1,865.57
Trade Payables	14	803.69	2,365.53	2,171.46
Other Financial Liabilities	11	11.66	2.02	4.25
Provisions	12	1,032.40	79.94	124.34
Other Current Liabilities	13	55.30	20.46	18.34
		6,124.76	**3,520.39**	**4,183.96**
Total		**8,206.70**	**4,010.85**	**5,433.03**

Summary of significant accounting policies	1
The accompanying notes are an integral part of the financial statements	2-36

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : May 19, 2018

Ajit Sirsat
Chief Financial Officer

Priya Dubey
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

	Note No.	Year ended March 31, 2018	(` in Lacs) Year ended March 31, 2017
INCOME			
Revenue from Operations			
Sale of products (Gross)	15	41,190.13	31,283.75
Other Operating Income	15.1	280.84	102.29
Other Income	16	98.68	0.96
Total Income		**41,569.65**	**31,387.00**
EXPENSES			
Cost of Materials Consumed	17	3,277.28	2,343.28
(Increase) / Decrease in Stock	18	(1,008.43)	209.11
Excise duty		35,338.65	25,531.80
Employee Benefit Expense	19	53.45	-
Finance Cost	20	322.77	180.74
Depreciation		26.11	41.20
Other Expenses	21	4,679.48	3,836.05
		42,689.31	**32,142.18**
Profit / (Loss) before tax		**(1,119.66)**	**(755.18)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	3.43
3) Deferred Tax		-	-
Total Tax Expense		**-**	**3.43**
Profit / (Loss) after tax		**(1,119.66)**	**(758.61)**
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
Total Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**(1,119.66)**	**(758.61)**
Earnings Per Share (`) Basic & Diluted	33	(74.74)	(50.64)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-36		

As per our Report of even date annexed.

For **Batliboi & Purohit**
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Place : Mumbai
Date : May 19, 2018

Ajit Sirsat
Chief Financial Officer

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Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2018

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,498.05**	**1,498.05**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,498.05**	**1,498.05**

(` in Lacs)

B) Other Equity

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance as at April 01, 2016	**356.25**	**18.97**	**(624.20)**	**(248.98)**
Profit / (Loss) for the year	-	-	(758.61)	**(758.61)**
Balance as at March 31, 2017	**356.25**	**18.97**	**(1,382.81)**	**(1,007.59)**
Additions during the year :				
Profit / (Loss) for the year	-	-	(1,119.66)	**(1,119.66)**
Balance as at March 31, 2018	**356.25**	**18.97**	**(2,502.47)**	**(2,127.25)**

As per our Report of even date annexed.

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

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Place : Mumbai
Date : May 19, 2018

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Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2018

(` in Lacs)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(1,119.66)**		**(755.18)**
	Adjustment for:				
	Depreciation	26.11		41.20	
	Advances written off	1,040.84		292.09	
	Profit on Sale of Investments	(98.68)		-	
	Interest expenses	322.78		180.74	
	Interest income	-		(0.96)	
	Operating Profit before working capital changes		1,291.05		513.07
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	2,140.00		152.84	
	(Increase) / Decrease in loans and advances and other assets	262.45		926.93	
	(Increase) / Decrease in inventories	(739.60)		241.12	
	(Increase) / Decrease in trade receivables	38.76	1,701.61	(140.66)	1,180.23
	Direct taxes refund / (paid)		(5.31)		13.04
	Net Cash from Operating activities		1,867.69		951.16
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(13.09)		(3.27)	
	Purchase of investments	(3,000.00)		-	
	Sale of investments	3,098.68		-	
	Net Cash from Investing Activities		85.59		(3.27)
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings including current maturities	4,083.89		-	
	Repayment of borrowings including current maturities	(933.75)		(776.56)	
	Interest paid	(297.39)		(217.31)	
	Net Cash from Financing Activities		2,852.75		(993.86)
	Net increase in Cash & Cash equivalents		4,806.03		(45.97)
	Opening cash & cash equivalents		**40.76**		**86.73**
	Closing cash & cash equivalents		4,846.80		40.76

Notes :

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	4,841.62	40.01
	ii) Cash on Hand	5.18	0.75
		4,846.80	**40.76**

(` in Lacs)

		As at April 01, 2017	Cash Flow (net)	Amounts written back	Non-cash changes (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**					
	Borrowings	1,052.44	3,150.14	-	19.13	4,221.71

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

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Partner
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Amit Dahanukar
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Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : May 19, 2018

Ajit Sirsat
Chief Financial Officer

Priya Dubey
Company Secretary

1 Notes to Financial Statements for the year ended March 31, 2018

1 Reporting Entity

Vahni Distilleries Private Limited (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 26.

The financial statements were authorised for issue by the Company's Board of Directors on May 19, 2018.

Details of the Company's accounting policies are included in Note 3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence 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 Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship. The CMU is regarded as a principal when it has exposure to significant risks and rewards associated with the sale of products or rendering of services i.e., it has the primary responsibility for providing goods or services to the customer, has pricing latitude and is also exposed to inventory and credit risks. In all other cases, the CMU is regarded as an agent. Where CMU is regarded as a principal, net surplus from sale of TI brand products by CMU is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "Revenue from Operations" in the statement of profit and loss. Where CMU is regarded as an agent, revenue is recognized on sale of products by CMU to its customers. The related cost of sales is also recognized by the Company, as and when incurred by the CMU.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or
• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Property, Plant and Equipment *(` in Lacs)*

	Gross Block				Depreciation				Net Block	
	As on April 01, 2017	Additions	Deductions	As on March 31, 2018	As on April 01, 2017	Deductions	For the year	As on March 31, 2018	As on March 31, 2018	As on March 31, 2017
TANGIBLE ASSETS										
Land	0.15	-	-	**0.15**	-	-	-	**-**	**0.15**	0.15
Factory Building	52.35	-	-	**52.35**	43.41	-	0.24	**43.65**	**8.70**	8.94
Residence Building	5.26	-	-	**5.26**	5.00	-	-	**5.00**	**0.26**	0.26
Roads & Bridges	50.00	-	-	**50.00**	47.50	-	-	**47.50**	**2.50**	2.50
Plant and Equipment	432.89	12.39	-	**445.28**	169.03	-	24.77	**193.80**	**251.48**	263.87
Furniture and Fixtures	0.41	-	-	**0.41**	0.39	-	-	**0.39**	**0.02**	0.02
Motor Vehicles	0.03	-	-	**0.03**	0.03	-	-	**0.03**	**-**	-
Office Equipment	0.69	0.70	-	**1.39**	0.51	-	0.14	**0.65**	**0.74**	0.17
Computers	0.17	-	-	**0.17**	0.15	-	0.01	**0.16**	**0.01**	0.01
Electrical Installation	8.46	-	-	**8.46**	3.86	-	0.95	**4.81**	**3.65**	4.60
Total Tangible Assets	**550.41**	**13.09**	**-**	**563.50**	**269.88**	**-**	**26.11**	**295.99**	**267.51**	**280.52**
Previous Year	**550.39**	**-**	**-**	**550.39**	**228.67**	**-**	**41.20**	**269.88**	**280.52**	

Property, Plant and Equipment (Contd.) [Schedule of Fixed Assets for the previous year 2016-2017] *(` in Lacs)*

	Gross Block				Depreciation				Net Block	
	As on April 01, 2016	Additions	Deductions	As on March 31, 2017	As on April 01, 2016	Deductions	For the year	As on March 31, 2017	As on March 31, 2017	As on March 31, 2016
TANGIBLE ASSETS										
Land	0.15	-	-	**0.15**	-	-	-	**-**	**0.15**	0.15
Factory Building	52.35	-	-	**52.35**	42.72	-	0.69	**43.41**	**8.94**	9.63
Residence Building	5.26	-	-	**5.26**	5.00	-	-	**5.00**	**0.26**	0.26
Roads & Bridges	50.00	-	-	**50.00**	32.78	-	14.72	**47.50**	**2.50**	17.22
Plant and Equipment	432.89	-	-	**432.89**	144.37	-	24.66	**169.03**	**263.86**	288.52
Furniture and Fixtures	0.41	-	-	**0.41**	0.39	-	-	**0.39**	**0.02**	0.02
Motor Vehicles	0.03	-	-	**0.03**	0.03	-	-	**0.03**	**-**	-
Office Equipment	0.69	-	-	**0.69**	0.38	-	0.13	**0.51**	**0.18**	0.30
Computers	0.17	-	-	**0.17**	0.10	-	0.05	**0.15**	**0.02**	0.07
Electrical Installation	8.46	-	-	**8.46**	2.91	-	0.95	**3.86**	**4.60**	5.55
Total Tangible Assets	**550.41**	**-**	**-**	**550.41**	**228.68**	**-**	**41.20**	**269.88**	**280.53**	**321.72**

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

		Non-Current			Current		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
3	**Other Financial Assets**						
	Deposits	-	-	-	0.37	-	-
	Advance to Holding Company	-	-	-	-	103.37	1,193.40
		-	**-**	**-**	**0.37**	**103.37**	**1,193.40**
4	**Other Assets**						
	Unsecured, considered good						
	Capital advances	1.65	-	112.58	-	-	-
	Balance with Government Authorities	-	-	-	33.85	125.16	-
	Advances recoverable in cash or kind or for	-	-	-	52.50	126.48	334.55
	value to be received	-	-	-	-	-	-
	Less : Impairment for doubtful advances	-	-	-	-	-	(78.00)
		1.65	**-**	**112.58**	**86.35**	**251.64**	**256.55**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

		As at March 31, 2018	As at March 31, 2017	(` in Lacs) As at April 01, 2016
5	**Inventories**			
	(At lower of cost and net realisable value)			
	(Net of provision for non-moving and obsolete stocks)			
	Raw materials	1.00	1.58	0.62
	Stores, Spares and Packing Materials	126.79	395.05	428.01
	Work-In-Progress	118.81	147.69	303.48
	Finished goods	1,125.71	88.40	141.72
		1,372.31	**632.72**	**873.83**
6	**Trade Receivables**			
	Unsecured, considered good	1,623.38	1,662.14	1,521.48
		1,623.38	**1,662.14**	**1,521.48**
7	**Cash and Bank Balances**			
	Cash and Cash Equivalents			
	(i) Balances with Banks			
	In Current Accounts	4,841.62	40.01	84.51
	(ii) Cash on Hand	5.18	0.75	2.22
		4,846.80	**40.76**	**86.73**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
8 Equity Share Capital			
Authorised Shares			
3,000,000 equity shares of ` 100/- each (P.Y. 1,500,000 equity shares of ` 100/- each)	**3,000.00**	**1,500.00**	**1,500.00**
Issued, subscribed and paid up shares			
1,498,050 equity shares of ` 100/- each fully paid up (P.Y. 1,498,050 equity shares of ` 100/- each fully paid up)	1,498.05	1,498.05	1,498.05
	1,498.05	**1,498.05**	**1,498.05**

a) Reconciliation of the number of shares outstanding *(Nos.in Lacs)*

Number of equity shares at the beginning	14.98	14.98	14.98
Equity Shares issued during the period	-	-	-
Number of equity shares at the end	**14.98**	**14.98**	**14.98**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	14.98	14.98	14.98

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	14.98	100	14.98	100	14.98	100
Total	**14.98**	**100**	**14.98**	**100**	**14.98**	**100**

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
9 Other Equity			
a) Securities Premium Account			
As per last Balance Sheet	**356.25**	**356.25**	**356.25**
b) Capital Reserve			
As per last Balance Sheet	18.97	18.97	18.97
c) Retained Earnings			
As per last Balance Sheet	(1,382.82)	(624.20)	(624.20)
Add: Profit / (Loss) after tax for the year	(1,119.66)	(758.61)	-
	(2,502.48)	**(1,382.81)**	**(624.20)**
	(2,127.26)	**(1,007.59)**	**(248.98)**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
10 Borrowings						
Secured Loans						
From Banks						
Cash Credit (including Working Capital Demand Loan)	-	-	-	102.88	441.64	1,259.65
Unsecured						
From Holding Company	-	-	-	3,683.89	-	-
From other parties	-	-	-	434.94	610.80	605.92
	-	**-**	**-**	**4,221.71**	**1,052.44**	**1,865.57**
11 Other Financial Liabilities						
Trade Deposits & Others (Unsecured)	2,710.00	-	-	-	-	-
Payable for purchase of Fixed Assets	-	-	-	0.39	0.39	3.66
Employee dues	-	-	-	2.10	-	-
Other Payables	-	-	-	9.17	1.63	0.59
	2,710.00	**-**	**-**	**11.66**	**2.02**	**4.25**
12 Provisions						
Provision for Gratuity	0.43	-	-	-	-	-
Provision for Leave Encashment	0.72	-	-	1.06	-	-
Provision for Excise Duty on Finished Goods	-	-	-	1,031.34	79.94	124.34
	1.15	**-**	**-**	**1,032.40**	**79.94**	**124.34**
13 Other Liabilities						
Payable towards Statutory Liabilities	-	-	-	55.30	20.46	18.34
	-	**-**	**-**	**55.30**	**20.46**	**18.34**
14 Trade Payables						
Trade Payables [Refer Note No.32]	-	-	-	803.69	2,365.53	2,171.46
	-	**-**	**-**	**803.69**	**2,365.53**	**2,171.46**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

		Year ended March 31, 2018	(` in Lacs) Year ended March 31, 2017
15	**Revenue from Operations**		
	Sales of products	41,190.13	31,283.75
		41,190.13	**31,283.75**
15.1	**Other Operating Income**		
	Sale of scrap	15.33	11.02
	Income from contract manufacturing	265.51	91.27
		280.84	**102.29**
16	**Other Income**		
	Interest income	-	0.96
	Profit on Sale of Investments	98.68	-
		98.68	**0.96**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

(` in Lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
17 Cost of Materials Consumed		
i) Raw Material Consumption		
Opening Stock	1.58	0.62
Add: Purchases	1,130.30	961.17
Less: Closing Stock	1.00	1.58
	1,130.88	**960.21**
ii) Packing Materials & Consumables	2,146.40	1,383.07
	3,277.28	**2,343.28**
18 (Increase) / Decrease in Stock		
Opening Stock		
i) Work-In-Progress	147.69	303.48
ii) Finished goods	88.40	141.72
	236.09	**445.20**
Less : Closing Stock		
i) Work-In-Progress	118.81	147.69
ii) Finished goods	1,125.71	88.40
	1,244.52	**236.09**
(Increase) / Decrease in Stock	**(1,008.43)**	**209.11**

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

	Year ended March 31, 2018	(` in Lacs) Year ended March 31, 2017
19 Employee Benefit Expense		
Salary and wages	46.50	-
Contribution to provident fund and family pension fund	2.38	-
Staff welfare expenses	4.13	-
Gratuity	0.44	-
	53.45	**-**
20 Finance Cost		
Interest - Others	322.67	180.55
Other Finance Cost	0.10	0.19
	322.77	**180.74**
21 Other Expenses		
Power and fuel	9.20	10.10
Repairs & maintenance :-		
i) Plant & Equipment	1.04	-
ii) Others	5.79	2.70
Insurance	1.66	0.98
Legal and professional charges	103.43	4.78
Auditor's Remuneration [Refer Note No.31]	1.23	0.86
Rates and taxes	268.32	105.59
Freight, transport charges & other expenses	287.04	228.01
Selling expenses [Sales Promotion & Advertising etc.]	970.66	618.82
Surplus to brandowners	1,865.06	2,307.69
Travelling and conveyance expenses	2.22	1.84
Printing and stationery	0.87	0.65
Communication expenses	0.61	0.99
Vehicle running expenses	4.38	2.10
Corporate Social Responsibility	6.98	5.51
Advances written off	1,040.84	292.09
Miscellaneous expenses	110.15	253.34
	4,679.48	**3,836.05**

22 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2018 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	1,623.38	-	1,623.38
Cash and Cash Equivalents	-	4,846.80	-	4,846.80
Other Financial Assets	-	0.37	-	0.37
	-	**6,470.55**	**-**	**6,470.55**
Financial liabilities				
Borrowings	-	-	4,221.71	4,221.71
Trade Payables	-	-	803.69	803.69
Other Financial Liabilities	-	-	11.66	11.66
	-	**-**	**5,037.06**	**5,037.06**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2017 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	1,662.14	-	1,662.14
Cash and Cash Equivalents	-	40.76	-	40.76
Other Financial Assets	-	103.37	-	103.37
	-	**1,806.27**	**-**	**1,806.27**
Financial liabilities				
Borrowings	-	-	1,052.44	1,052.44
Trade Payables	-	-	2,365.53	2,365.53
Other Financial Liabilities	-	-	2.02	2.02
	-	**-**	**3,419.99**	**3,419.99**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	1,521.48	-	1,521.48
Cash and Cash Equivalents	-	86.73	-	86.73
Other Financial Assets	-	1,193.40	-	1,193.40
	-	**2,801.61**	**-**	**2,801.61**
Financial liabilities				
Borrowings	-	-	1,865.57	1,865.57
Trade Payables	-	-	2,171.46	2,171.46
Other Financial Liabilities	-	-	4.25	4.25
	-	**-**	**4,041.28**	**4,041.28**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

23 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables	1,623.38	1,662.14	1,521.48
Cash and cash equivalents	4,846.80	40.76	86.73
Other financial assets	0.37	103.37	1,193.40
Total	**6,470.55**	**1,806.27**	**2,801.61**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Trade Receivables of the Company mainly consist of receivables from the state corporations. In respect of receivable from the state corporations, there is no past history of credit loss from these parties. Hence, in the opinion of the management there is no credit loss on receivable from the state corporations.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(` in Lacs)

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2018	1,623.38	1,623.38	-
As at March 31, 2017	1,662.14	1,662.14	-
As at April 01, 2016	1,521.48	1,521.48	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 *(` in Lacs)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	4,221.71	3,776.14	445.57
Trade payables	803.69	718.94	84.75
Other financial liabilities	2,721.66	2,721.27	0.39
	7,747.06	**7,216.35**	**530.71**

As at March 31, 2017 *(` in Lacs)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,052.44	15.80	1,036.64
Trade payables	2,365.53	901.61	1,463.92
Other financial liabilities	2.02	1.63	0.39
	3,419.99	**919.04**	**2,500.95**

As at April 01, 2016 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	1,865.57	647.37	1,218.20
Trade payables	2,171.46	1,243.01	928.45
Other financial liabilities	4.25	0.66	3.59
	4,041.28	**1,891.04**	**2,150.24**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2018 USD	As at March 31, 2017 USD	As at April 01, 2016 USD
Export receivables	-	-	-
Overseas payables	-	-	-
Total	**-**	**-**	**-**

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017
Increase / (decrease) in profit	-	-
Total increase / (decrease) in profit	**-**	**-**

A 1% increase in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed rate instruments			
Financial liabilities			
Borrowings	434.94	610.80	605.92
Total	**434.94**	**610.80**	**605.92**
Variable-rate instruments			
Financial liabilities			
Borrowings	102.88	441.64	1,259.65
Total	**102.88**	**441.64**	**1,259.65**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
March 31, 2018	
Variable-rate instruments	(1.00)
Cash flow sensitivity	**(1.00)**
March 31, 2017	
Variable-rate instruments	(4.00)
Cash flow sensitivity	**(4.00)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

24 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

A) Exemptions availed

Ind AS 101 allows first time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirments under Ind AS. The Company has applied the following exemptions:

Property, plant and equipment and intangible assets
As per Ind AS 101 carrying values of all its property, plant and equipment and intangible assets as at the date of transition to Ind AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

B) Principal adjustments

a) Sale of products
Under Indian GAAP, sale of products was presented as net of excise duty and differential excise duty on opening and closing stock of manufactured goods is adjusted from (Increase) / decrease in stock. However, under Ind AS, sale of goods includes excise duty and excise duty is separately presented on the face of statement of profit and loss.

b) Cash Discount
Under previous GAAP, the discount given on sales for early payment was recognised as an expense in the statement of profit and loss. However as per IND AS, if the discount is known at time of transfer of risk and reward then the same needs to be adjusted through revenue.

C) Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(` in Lacs)

Particulars	**Note No.**	**March 31, 2017**	**April 01, 2016**
Total Equity as per previous GAAP		608.43	1,367.04
Recognition of deferred tax asset	b	(117.97)	(117.97)
Total Equity as per Ind AS		**490.46**	**1,249.07**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(` in Lacs)

Particulars	**Note No.**	**March 31, 2017**
Profit for the year under previous GAAP		(758.61)
Ind AS adjustments		-
Profit for the year under Ind AS		**(758.61)**

Notes to reconciliation

a) Deferred Tax
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The Company has recognised deferred tax assets on unabsorbed depreciation and business losses under income tax only to the extent there are deferred tax liabilities.

b) Expected Credit Loss
Under previous GAAP, provision is made for all the trade receivables aged beyond three years and in case of trade receivables aged below three years, provision is made for cases like bankruptcy, terminated agents. Under Ind AS 109 , the Company is required to apply expected credit loss model for recognising the allowances for doubtful debts. The Company has applied the simplified approach as a practical expedient to measure expected credit losses on its portfolio of trade receivables.

c) Remeasurements of post employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

25 Income Taxes

	2017-2018	(` in Lacs) 2016-2017
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	3.43
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	34.608%	34.608%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Provision for Taxation (Net of Advance Tax)		
Advance Tax (Net of Provision for Taxation)	8.33	3.02

26 Capital Management *(` in Lacs)*

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Group monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	-	-	-
Total Equity	(629.21)	490.46	1,249.07
Debt to Equity Ratio	-	-	-

* Current maturities under other financial liabilities less cash and bank balances

Notes on Accounts

27 Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ` NIL (P.Y. ` Nil) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) The Company has taken various residential / commercial premises under cancellable operating lease. Lease rental expenses included in the Statement of Profit and Loss for the financial year is ` Nil (P.Y. ` Nil).

c) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

d) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

28 The disclosure of Ind AS 19 "Employee Benefits" is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ` 2.38 Lacs (P.Y. ` Nil) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees' gratuity scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below: *(` in Lacs)*

	As at March 31, 2018 Unfunded Gratuity	As at March 31, 2017 Unfunded Gratuity
Present Value of obligation	0.43	-
Fair Value of Plans	-	-
Net Liability in the balance sheet	**0.43**	**-**
Defined Benefit Obligations		
Opening balance	-	-
Interest expenses	-	-
Current service cost	0.43	-
Past service cost	-	-
(Liability Transferred Out/ Divestments)	0.36	-
Benefit paid directly by the employer	(0.36)	-
Actuarial (gain) / loss-Due to change in Financial assumptions	-	-
Actuarial (gain) / loss- Due to Experience	-	-
Closing balance	**0.43**	**-**
Plan Assets		
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	**-**	**-**
Return on Plan Assets		
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	**-**	**-**
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	0.44	-
Past service cost	-	-
Interest expense	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**0.44**	**-**

Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	-	-
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**-**	**-**
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	0.02	-
Sum of Years 6 to 10	0.17	-
Sum of Years 11 and above	1.04	-
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	0.44	-
Delta Effect +1% Change in Rate of Discounting	(0.05)	-
Delta Effect -1% Change in Rate of Discounting	0.05	-
Delta Effect +1% Change in Rate of Salary Increase	0.06	-
Delta Effect -1% Change in Rate of Salary Increase	(0.05)	-
Delta Effect +1% Change in Rate of Employee Turnover	(0.01)	-
Delta Effect -1% Change in Rate of Employee Turnover	0.01	-

Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.88%	-
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	-
Attrition rate (per annum)	2.00%	-

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Unfunded Gratuity for the year ended	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Present value of DBO	0.43	-	-	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	0.43	-	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

29 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies : Prag Distillery (P) Ltd.
: Kesarval Springs Distillers Pvt. Ltd.
: PunjabExpo Breweries Private Limited
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

(` in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above	
	2017-18	2016-17
Sales		
Tilaknagar Industries Ltd.	8.05	6.82
PunjabExpo Breweries Private Limited	2.89	-
Total	**10.94**	**6.82**
Purchase		
Tilaknagar Industries Ltd.	77.90	38.19
PunjabExpo Breweries Private Limited	49.13	-
Total	**127.03**	**38.19**
Income (Bottling & Commission)		
Tilaknagar Industries Ltd.	265.51	104.96
Total	**265.51**	**104.96**
Brand Owners' Surplus		
Tilaknagar Industries Ltd.	1,865.06	2,307.69
Total	**1,865.06**	**2,307.69**
Net Loans & Advances given / (taken)		
Tilaknagar Industries Ltd.	(3,787.26)	(1,090.02)
Total	**(3,787.26)**	**(1,090.02)**
Outstanding Receivable / (Payable)		
Tilaknagar Industries Ltd.	(3,683.89)	103.37
Total	**(3,683.89)**	**103.37**

30 Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2018 estimated at ` 1031.34 Lacs (P.Y. ` 79.94 Lacs) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

		(` in Lacs)
	2017-18	**2016-17**
Provision for excise duty on finished goods at the beginning of the year	79.94	124.34
Provision for excise duty on finished goods at the end of the year	1,031.34	79.94
Provision for excise duty on finished goods charged in the Statement of Profit and Loss	**951.40**	**(44.40)**

		(` in Lacs)
31 Auditor's remuneration charged to accounts:	**2017-18**	**2016-17**
a) Audit fees	1.18	0.86
b) Auditors remuneration in other capacity	-	-
c) Reimbursement of expenses	0.05	-
	1.23	**0.86**

32 Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

		(` in Lacs)
	2017-18	**2016-17**
Dues remaining unpaid as at March 31		
- Principal	59.27	-
- Interest on the above	6.26	-

		(` in Lacs)
33 Earnings per share:	**2017-18**	**2016-17**
Profit After Tax	(1,119.66)	(758.61)
Weighted average number of shares	14.98	14.98
Basic Earnings Per Share	(74.74)	(50.64)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	14.98	14.98
Diluted Earnings Per Share	(74.74)	(50.64)
Face Value per Equity Share	10.00	10.00

34 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

35 The standalone financial statements of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 01, 2016 were audited by another firm of Chartered Accountants.

36 The Company's net worth has eroded. However, there is an improvement in operational performance of the liquor business in terms of higher sales, market share and margins in the southern states. Hence, the accounts are prepared on going concern basis.

As per our Report of even date annexed

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Srijit Mullick
Managing Director
(DIN:00581678)

Place : Mumbai
Date : May 19, 2018

Ajit Sirsat
Chief Financial Officer

Priya Dubey
Company Secretary

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413720
Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN: U15511PN1993PTC140561

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 25th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2017-18, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 5.99 Lacs during the year as compared to total comprehensive loss of Rs. 8.35 Lacs in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (five) times during the financial year 2017-18 on May 16, 2017; August 07, 2017; August 31, 2017; December 22, 2017; January 22, 2018 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s Deepak Jhanwar & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 21st Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 21st Annual General Meeting till the conclusion of the 26th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 21st Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s Deepak Jhanwar & Co., Chartered Accountants hold office until the conclusion of the 26th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 26 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Your Directors state that the Company is incurring losses as it has not commenced any business activity for lack of feasible projects. In this regard, the Company is exploring better business opportunities. Your Directors are hopeful that the performance of the Company will improve with commencement of the operations.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, has been made in the financial statements.

11. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies

Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2017-18, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2017-18, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2017-18, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2017-18. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2017-18, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2017-18; and

xiii. During the financial year 2017-18, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : August 09, 2018

Independent Auditor's Report

To,
The Members of
Kesarval Springs Distillers Pvt. Ltd.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kesarval Springs Distillers 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS 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 state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the Ind AS financial statements 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 controls 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, of the state of affairs of the Company as at March 31, 2018, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 26 in the Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 (“the Order”) issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in ‘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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and 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 Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are 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’.

g) With respect to the other matters to be included in the Auditor’s 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 has disclosed the impact of pending litigations on its financial position in its Ind AS 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.

For **DEEPAK JHANWAR & CO.**
Chartered Accountants
Firm Registration No. 023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : May 19, 2018

Annexure A to the Independent Auditor’s Report on the Ind AS financial statements of Kesarval Springs Distillers Pvt. Ltd.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Kesarval Springs Distillers Pvt. Ltd. ("the Company")

i) In our opinion and according to the information and explanations given to us the Company does not have any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.

ii) The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and book records were not material.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year though there have been delays.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax (‘GST’), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **DEEPAK JHANWAR & CO.**
Chartered Accountants
Firm Registration No. 023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : May 19, 2018

Annexure B to the Independent Auditors' Report
on the Ind AS Financial Statements of Kesarval Springs Distillers Pvt. Ltd.

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 Kesarval Springs Distillers Pvt. Ltd. ("the Company") as of March 31, 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 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 Ind AS 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 ICAI.

For **DEEPAK JHANWAR & CO.**
Chartered Accountants
Firm Registration No. 023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : May 19, 2018

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Balance Sheet as at March 31, 2018

(` in Lacs)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I ASSETS				
Non-Current Assets				
Income Tax Assets (Net)	19	-	-	2.15
		-	**-**	**2.15**
Current Assets				
Financial Assets				
Trade Receivables	2	17.50	17.14	30.11
Cash and Cash Equivalents	3	1.25	4.51	6.57
Other Financial Assets	4	4.84	4.84	5.24
Other Current Assets	5	6.08	10.08	-
		29.67	**36.57**	**41.92**
Total		**29.67**	**36.57**	**44.07**
II EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	6	30.00	30.00	30.00
Other Equity	7	(404.51)	(398.52)	(390.17)
		(374.51)	**(368.52)**	**(360.17)**
Current Liabilities				
Financial Liabilities				
Borrowings	8	394.39	394.39	394.39
Trade Payables	9	0.42	1.40	0.16
Other Financial Liabilities	10	9.27	9.27	9.27
Other Current Liabilities	11	0.10	0.03	0.42
		404.18	**405.09**	**404.24**
Total		**29.67**	**36.57**	**44.07**

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Profit and Loss for the year ended March 31, 2018

(` in Lacs)

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Other Income	12	-	0.10
		-	**0.10**
EXPENSES			
Cost of Materials Consumed	13	-	0.52
Finance Cost	14	0.01	0.01
Other Expenses	15	5.98	7.92
		5.99	**8.45**
Profit / (Loss) before taxation		**(5.99)**	**(8.35)**
Tax expenses			
For earlier years		-	-
		-	**-**
Profit / (Loss) after taxation		**(5.99)**	**(8.35)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**(5.99)**	**(8.35)**
Earnings Per Share (`) Basic & Diluted	25	(19.97)	(27.85)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-27		

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

KESARVAL SPRINGS DISTILLERS PVT. LTD

Statement of Changes in Equity for the year ended March 31, 2018

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017
A) Equity Share Capital		
Balance at the beginning of the reporting year	**30.00**	**30.00**
Changes in Equity Share Capital during the year	**-**	**-**
Balance at the end of the reporting year	**30.00**	**30.00**

(` in Lacs)

B) Other Equity	**Reserves and Surplus**
	Retained Earnings
Balance as at April 01, 2016	**(390.17)**
Profit / (Loss) for the year	(8.35)
Balance as at March 31, 2017	**(398.52)**
Additions during the year :	
Profit / (Loss) for the year	(5.99)
Balance as at March 31, 2018	**(404.51)**

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Cash Flow for the year ended March 31, 2018

(` in Lacs)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(5.99)**		**(8.35)**
	Adjustment for:				
	Interest income	-		0.10	
	Operating Profit before working capital changes		-		0.10
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(0.91)		0.82	
	(Increase) / Decrease in loans and advances and other assets	4.00		(9.66)	
	(Increase) / Decrease in trade receivables	(0.36)	2.73	12.97	4.13
	Direct taxes refund / (paid)		-		2.16
	Net Cash from Operating activities		**(3.26)**		**(1.96)**
B)	**Cash Flow from Financing activities**				
	Repayment of borrowings	-		-	
	Interest received	-		(0.10)	
	Net Cash from Financing Activities		**-**		**(0.10)**
	Net increase in Cash & Cash equivalents		**(3.26)**		**(2.06)**
	Opening cash & cash equivalents		4.51		6.57
	Closing cash & cash equivalents		**1.25**		**4.51**

Notes :

(` in Lacs)

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	1.25	4.44
	ii) Cash on Hand	-	0.07
		1.25	**4.51**

(` in Lacs)

		As at April 01, 2017	Cash Flow (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**			
	Borrowings	394.39	-	394.39

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For Deepak Jhanwar & Co.
Chartered Accountants
Firm Reg No. 023982N

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

1 Notes to Financial Statements for the year ended March 31, 2018

1 Reporting Entity

Kesarval Springs Distillers Pvt Ltd (The ‘Company’) is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL).

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The Company’s financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 18.

The financial statements were authorised for issue by the Company’s Board of Directors on May 19, 2018.

Details of the Company’s accounting policies are included in Note 3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company’s functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the ‘Value in Use’ and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence 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 Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship. The CMU is regarded as a principal when it has exposure to significant risks and rewards associated with the sale of products or rendering of services i.e., it has the primary responsibility for providing goods or services to the customer, has pricing latitude and is also exposed to inventory and credit risks. In all other cases, the CMU is regarded as an agent. Where CMU is regarded as a principal, net surplus from sale of TI brand products by CMU is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "Revenue from Operations" in the statement of profit and loss. Where CMU is regarded as an agent, revenue is recognized on sale of products by CMU to its customers. The related cost of sales is also recognized by the Company, as and when incurred by the CMU.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

2 Trade Receivables	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other receivables			
Unsecured, considered good	17.50	17.14	30.11
	17.50	**17.14**	**30.11**

3 Cash and Bank Balances			
Cash and Cash Equivalents			
i) Balances with Banks In Current Accounts	1.25	4.44	6.50
ii) Cash on Hand	-	0.07	0.07
	1.25	**4.51**	**6.57**

4 Other Financial Assets			
Deposits	4.84	4.84	5.24
	4.84	**4.84**	**5.24**

5 Other Assets			
Unsecured, considered good			
Advances recoverable in cash or kind or for value to be received	6.08	10.08	-
	6.08	**10.08**	**-**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
6 Equity Share Capital			
Authorised Shares			
30,000 Equity Shares of ` 100/- each (P.Y. 30,000 equity shares of ` 100/- each)	**30.00**	**30.00**	**30.00**
Issued, subscribed and paid up shares			
30,000 equity shares of ` 100/- each fully paid up (P.Y. 30,000 equity shares of ` 100/- each fully paid up)	30.00	30.00	30.00
	30.00	**30.00**	**30.00**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	0.30	0.30	0.30
Equity Shares issued during the period	-	-	-
Number of equity shares at the end	**0.30**	**0.30**	**0.30**

b) Terms / rights attached to equity shares

Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend by the Company. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the company after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Tilaknagar Industries Ltd.	0.30	0.30	0.30

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	0.30	100	0.30	100	0.30	100
Total	**0.30**	**100**	**0.30**	**100**	**0.30**	**100**

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
7 Other Equity			
Retained Earnings			
As per last Balance Sheet	(398.52)	(390.17)	(390.17)
Add: Profit / (Loss) after tax for the year	(5.99)	(8.35)	-
	(404.51)	**(398.52)**	**(390.17)**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

		Current		
		As at	**As at**	**As at**
8	**Borrowings**	**March 31, 2018**	**March 31, 2017**	**April 01, 2016**
	Unsecured loans			
	From Holding Company	394.39	394.39	394.39
		394.39	**394.39**	**394.39**
9	**Trade Payables**			
	Trade Payables	0.42	1.40	0.16
		0.42	**1.40**	**0.16**
10	**Other Financial Liabilities**			
	Other Payables	9.27	9.27	9.27
		9.27	**9.27**	**9.27**
11	**Other Liabilities**			
	Payable towards Statutory Liabilities	0.10	0.03	0.42
		0.10	**0.03**	**0.42**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

		Year ended March 31, 2018	Year ended March 31, 2017
12	**Other Income**		
	Interest income	-	0.10
		-	**0.10**
13	**Cost of Materials Consumed**		
	Packing Materials & Consumables	-	0.52
		-	**0.52**
14	**Finance Costs**		
	Other Borrowing Costs	0.01	0.01
		0.01	**0.01**
15	**Other Expenses**		
	Legal and professional charges	0.87	1.16
	Auditors Remuneration [Refer Note No.24]	0.18	0.17
	Rates and taxes	4.86	0.02
	Selling expenses [Sales Promotion & Advertising etc.]	-	5.36
	Miscellaneous Expenses	0.07	1.21
		5.98	**7.92**

16 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

<u>As at March 31, 2018</u> *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	17.50	-	17.50
Cash and Cash Equivalents	-	1.25	-	1.25
Other Financial Assets	-	4.84	-	4.84
	-	**23.59**	**-**	**23.59**
Financial liabilities				
Borrowings	-	-	394.39	394.39
Trade Payables	-	-	0.42	0.42
Other Financial Liabilities	-	-	9.27	9.27
	-	**-**	**404.08**	**404.08**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

<u>As at March 31, 2017</u> *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	17.14	-	17.14
Cash and Cash Equivalents	-	4.51	-	4.51
Other Financial Assets	-	4.84	-	4.84
	-	**26.49**	**-**	**26.49**
Financial liabilities				
Borrowings	-	-	394.39	394.39
Trade Payables	-	-	1.40	1.40
Other Financial Liabilities	-	-	9.27	9.27
	-	**-**	**405.06**	**405.06**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016

(` in Lacs)

	Carrying amount			
	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets				
Trade Receivables	-	30.11	-	30.11
Cash and Cash Equivalents	-	6.57	-	6.57
Other Financial Assets	-	5.24	-	5.24
	-	**41.92**	**-**	**41.92**
Financial liabilities				
Borrowings	-	-	394.39	394.39
Trade Payables	-	-	0.16	0.16
Other Financial Liabilities	-	-	9.27	9.27
	-	**-**	**403.82**	**403.82**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

17 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(` in Lacs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Trade receivables	17.50	17.14	30.11
Cash and cash equivalents	1.25	4.51	6.57
Other financial assets	4.84	4.84	5.24
Total	**23.59**	**26.49**	**41.92**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(` in Lacs)

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2018	17.50	17.50	-
As at March 31, 2017	17.14	17.14	-
As at April 01, 2016	30.11	30.11	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 *(` in Lacs)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	394.39	-	394.39
Trade payables	0.42	0.23	0.19
Other financial liabilities	9.27	-	9.27
	404.08	**0.23**	**403.85**

As at March 31, 2017 *(` in Lacs)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	394.39	-	394.39
Trade payables	1.40	1.24	0.16
Other financial liabilities	9.27	-	9.27
	405.06	**1.24**	**403.82**

As at April 01, 2016 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	394.39	-	394.39
Trade payables	0.16	0.16	0.00
Other financial liabilities	9.27	-	9.27
	403.82	**0.16**	**403.66**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

18 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

C) Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(` in Lacs)

Particulars	Note No.	March 31, 2017	April 01, 2016
Total Equity as per previous GAAP		(368.52)	(360.17)
Ind AS adjustments		-	-
Total Equity as per Ind AS		**(368.52)**	**(360.17)**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(` in Lacs)

Particulars	Note No.	March 31, 2017
Profit for the year under previous GAAP		(8.35)
Ind AS adjustments		-
Profit for the year under Ind AS		**(8.35)**

19 Income Taxes

	2017-2018	(` in Lacs) 2016-2017
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	34.608%	34.608%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	-	-

20 Capital Management

(` in Lacs)

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	-	-	-
Total Equity	(374.51)	(368.52)	(360.17)
Debt to Equity Ratio	-	-	-

* Current maturities under other financial liabilities less cash and bank balances

Notes on Accounts

21 There is no contingent liability as on March 31, 2018.

22 Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ` Nil (P.Y. ` Nil).

23 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company	:Tilaknagar Industries Ltd.
List of Fellow Subsidiary Companies	: Prag Distillery (P) Ltd. : Vahni Distilleries Private Limited : PunjabExpo Breweries Private Limited : Mykingdom Ventures Pvt. Ltd. : Studd Projects P. Ltd. : Srirampur Grains Private Limited : Shivprabha Sugars Ltd.
b) Key Managerial Personnel	: Mr. Amit Dahanukar - Chairman : Dr. Keshab Nandy - Director

(` in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		
	2017-18		2016-17
Outstanding Payable			
Tilaknagar Industries Ltd.	388.31		394.39
Total	**388.31**		**394.39**

Compensation of key management personnel of the Company	2017-18		2016-17
Short-term employee benefits	-		-
Post-employment benefits	-		-
Termination benefits	-		-
Sitting fees	-		-
Share-based payments	-		-
Total compensation of key management personnel of the Company	**-**		**-**

(` in Lacs)

24 Auditor's remuneration charged to accounts:	**2017-18**	**2016-17**
Audit fees	0.18	0.17
	0.18	**0.17**

(` in Lacs)

25 Earnings per share:	**2017-18**	**2016-17**
Profit After Tax	(5.99)	(8.35)
Weighted average number of shares	0.30	0.30
Basic Earnings Per Share	(19.97)	(27.85)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	0.30	0.30
Diluted Earnings Per Share	(19.97)	(27.85)
Face Value per Equity Share	10.00	10.00

26 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in liquor and allied activities. Hence, the accounts are prepared on going concern basis.

27 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

PUNJABEXPO BREWERIES PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U15531PN1997PTC143390]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 21st Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2017-18, the revenue from operations of the Company stood at Rs. 52,099.98 lacs as compared to Rs. 1,838.87 lacs in the previous year. It has incurred total comprehensive income of Rs. 356.71 lacs during the financial year 2017-18 as compared to total comprehensive loss of Rs. 57.12 lacs in the previous year.

The Trademark License Agreement entered into by the Company with its Holding Company, on April 10, 2017 was modified to enable the Holding Company to manufacture its brands/products in the States of Andhra Pradesh, Telangana, Puducherry, Mahe & Karikal, where the Company was granted the right to sell, manufacture and distribute the licensed trademark of TI with effect from April 01, 2017.

2. DIVIDEND

In order to conserve the resources, the Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. SHARE CAPITAL

During the financial year 2017-18, the Company has issued 53,03,998 (Fifty Three Lacs Three Thousand Nine Hundred and Ninety Eight) Equity Shares having face value of Rs. 10/- (Rupees Ten Only) each at an issue price of Rs.10/- (Rupees Ten Only) each amounting to Rs. 5,30,39,980/- (Rupees Five Crores Thirty Lacs Thirty Nine Thousand Nine Hundred and Eighty Only) to its Holding Company, Tilaknagar Industries Ltd. on preferential basis through private placement.

4. HOLDING COMPANY

Your Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

5. DIRECTORS

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

During the financial year under review, Mr. Amit Dahanukar, Chairman was appointed as the Chairman & Managing Director of the Company at the Extra Ordinary General Meeting held on November 14, 2017 for a term of three years commencing from November 07, 2017 and ending on November 06, 2020.

Mrs. Shivani Amit Dahanukar, Director was appointed as the Executive Director of the Company at the Extra Ordinary General Meeting held on December 21, 2017 for a term of three years commencing from January 15, 2018 and ending on January 14, 2021.

In accordance with the provisions of the SEBI (LODR) Regulations, 2015, Tilaknagar Industries Ltd., Holding Company is required to appoint one of its Independent Directors as the Independent Director of the Company.

Accordingly, the Company has received a notice under Section 160 of the Companies Act, 2013 from Tilaknagar Industries Ltd. proposing the candidature of Mr. Chanderbhan Verhomal Bijlani for appointment in the ensuing General Meeting as an Independent Director of the Company alongwith the consent in writing received from him to act as such.

Mr. Chanderbhan Verhomal Bijlani is fulfilling the conditions specified in the Companies Act, 2013 and the rules made there under for being appointed as an Independent Director and is Independent of the Management.

The Board recommends his appointment as Director of the Company in terms of the provisions of Sections 149 and 152 of the Companies Act, 2013.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 12 (twelve) times during the financial year 2017-18 on May 16, 2017; June 30, 2017, July 14, 2017, August 07, 2017, August 31, 2017, September 02, 2017, September 26, 2017, November 07, 2017, December 21, 2017, January 22, 2018, February 21, 2018 and March 21, 2018 and the intervening period between the two meetings did not exceed 120 days.

7. KEY MANAGERIAL PERSONNEL

As on March 31, 2018, Mr. Amit Dahanukar, Chairman & Managing Director, Mrs. Shivani Amit Dahanukar, Director and Ms. Piyushika Kamad, Company Secretary were the Key Managerial Personnel of the Company under the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014.

During the financial year under review, Mr. Praveen Soni and Ms. Piyushika Kamad were appointed as the Company Secretary w.e.f. September 26, 2017 and February 05, 2018 respectively.

Mr. Praveen Soni and Ms. Piyushika Kamad resigned from the Company w.e.f. January 16, 2018 and July 19, 2018 respectively. The Board places on record its appreciation for the valuable advice and guidance rendered by them during their tenure as Company Secretary.

8. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Deepak Jhanwar & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 17th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 17th Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Deepak Jhanwar & Co., Chartered Accountants hold office until the conclusion of the 22nd Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Internal Auditors and Internal Audit Report

The Company is having M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors. The Board reviews the observations made by the Internal Auditors in their Report on quarterly basis and makes necessary recommendations to the management.

9. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in Annexure 'A' to this Report.

10. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees and related disclosures as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are set out in Annexure 'B' of this Report.

11. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, has been made in the financial statements.

13. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapter.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any contracts or arrangements with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. RESIDUARY DISCLOSURES

i. During the financial year 2017-18, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2017-18, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. During the financial year 2017-18, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 except as disclosed in this Report;

v. The key business risks, which in the opinion of the Board of Directors may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

i. **Regulatory Risk**

The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

ii. **Strategic Risk**

The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy is under formulation.

vi. During the financial year 2017-18, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2017-18; and

xiii. During the financial year 2017-18, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

18. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, employees, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman

Place : Mumbai
Date : August 09, 2018

ANNEXURE 'A' TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

The manufacturing unit of the Company is too small to consider investment under the present financial constraints and have a healthy return on investment.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

With current local power cost, other than use of gen-set as an alternate source of energy under emergency, no other steps are economically viable, though search for an economically viable alternate source is on.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2017-18, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption: NIL

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) Expenditure incurred on Research and Development:

During the financial year 2017-18, neither capital nor revenue expenditure has been incurred by the Company on Research and Development acitivities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings and expenditure in foreign currency during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 09, 2018

Amit Dahanukar
Chairman

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Statement pursuant to Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART - A : List of top ten employees of the Company as on March 31, 2018 :

Sr. No	Name	Designation	Remuneration (inclusive of contribution to PF)(Rs.)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience (years)	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	Shivani Amit Dahanukar	Executive Director	1,20,00,000	Contractual	M.B.A., L.L.B	12	15-01-2018	41	Tilaknagar Industries Ltd.	Yes, Spouse of Mr. Amit Dahanukar
2	Amit Dahanukar	Chairman & Managing Director	1,02,00,000	Contractual	B.E.(Elec.), M.S. (U.S.A.)	17	07-11-2017	42	Tilaknagar Industries Ltd.	Yes, Spouse of Mrs. Shivani Amit Dahanukar
3	Srinivasarao Garaga	Deputy General Manager	14,00,004	Permanent	B.E, Mech.	28	19-02-2016	53	Arthos Breweries Ltd.	No
4	S V S Mahesh	Assistant General Manager	10,80,000	Permanent	B.Com.	27	03-09-2015	57	John Distilleries Pvt. Ltd.	No
5	T Sreedhar	Area Manager	9,76,004	Permanent	M.B.A.	18	16-09-2015	46	John Distilleries Pvt. Ltd.	No
6	K Srinivasa Rao	Area Manager	9,52,004	Permanent	B.Sc.	18	08-09-2015	49	John Distilleries Pvt. Ltd.	No
7	Surada Koteswara Rao	Manager - Production	7,66,164	Permanent	B.Sc.	12	09-10-2017	39	Kyndal India Pvt. Ltd.	No
8	K Surendranath	Area Manager	7,65,600	Permanent	B.Com.	22	07-09-2015	51	Lionsgate Beverages Pvt. Ltd.	No
9	Ruppa Appalasuri	Area Manager	7,54,004	Permanent	M.A.	29	01-10-2015	59	Krishna Agencies Pvt. Ltd.	No
10	P Keshav Rao	Assistant Manager	7,34,550	Permanent	B.Com., M.B.A	22	04-07-2011	46	Radico Khaitan Ltd.	No

PART - B : List of employees in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Company during the financial year 2017-18:

Sr. No	Name	Designation	Remuneration (inclusive of contribution to PF)(Rs.)	Nature of Employment, whether contractual or otherwise	Qualifications	Total Experience	Date Of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	Shivani Amit Dahanukar	Executive Director	1,20,00,000	Contractual	M.B.A., L.L.B	12	15-01-2018	41	Tilaknagar Industries Ltd.	Yes, Spouse of Mr. Amit Dahanukar
2	Amit Dahanukar	Chairman & Managing Director	1,02,00,000	Contractual	B.E.(Elec.), M.S. (U.S.A.)	17	07-11-2017	42	Tilaknagar Industries Ltd.	Yes, Spouse of Mrs. Shivani Amit Dahanukar

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 09, 2018

Amit Dahanukar
Chairman

Independent Auditor's Report

To,
The Members of
PunjabExpo Breweries Private Ltd.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of PunjabExpo Breweries Private 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS 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 state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the Ind AS financial statements 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 controls 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, of the state of affairs of the Company as at March 31, 2018, and its profits including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in '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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and 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 Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are 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'.

g) With respect to the other matters to be included in the Auditor's 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 has disclosed the impact of pending litigations on its financial position in its Ind AS 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.

For **DEEPAK JHANWAR & CO.**
Chartered Accountants
Firm Registration No. 023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : May 19, 2018

Annexure A to the Independent Auditor's Report
on the Ind AS financial statements of PunjabExpo Breweries Private Ltd.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of PunjabExpo Breweries Private Ltd. ("the Company")

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such 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 management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and book records were not material.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year though there have been delays.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment through private placement of shares during the year and the requirement of Section 42 of the Companies Act, 2013 has been complied with and the amount raised have been used for the purposes for which the funds were raised.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **DEEPAK JHANWAR & CO.**
Chartered Accountants
Firm Registration No. 023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : May 19, 2018

Annexure B to the Independent Auditors' Report
on the Ind AS Financial Statements of PunjabExpo Breweries Private Ltd.

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 PunjabExpo Breweries Private Ltd. ("the Company") as of March 31, 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 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 Ind AS 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 ICAI.

For **DEEPAK JHANWAR & CO.**
Chartered Accountants
Firm Registration No. 023982N

Deepak Jhanwar
Partner
Membership No. 509398

Place : Mumbai
Date : May 19, 2018

PUNJABEXPO BREWERIES PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

(` in Lacs)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2	747.11	757.93	798.69
Other Intangible Assets		0.03	0.03	0.10
Financial Assets				
Other Financial Assets	3	0.62	7.05	6.02
Income Tax Asset (Net)	27	7.92	2.78	-
Other Non-Current Assets	4	140.68	71.20	71.86
		896.36	**838.99**	**876.67**
Current Assets				
Inventories	5	1,557.24	121.57	161.45
Financial Assets				
Trade Receivables	6	8,295.69	436.89	459.70
Cash and Cash Equivalents	7	1,562.12	1.98	53.93
Other Bank Balances	7	23.94	4.40	4.00
Other Financial Assets		32.33	17.55	17.57
Other Current Assets		772.82	48.90	54.56
		12,244.14	**631.29**	**751.21**
Total		**13,140.50**	**1,470.28**	**1,627.88**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	8	560.00	29.60	29.60
Other Equity	9	12.10	(344.61)	(285.21)
		572.10	**(315.01)**	**(255.61)**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	10	11.62	-	-
Other Financial Liabilities	11	6,522.70	-	-
Provisions	12	6.72	-	-
Deferred Tax Liabilities (Net)	13	-	-	-
		6,541.04	**-**	**-**
Current Liabilities				
Financial Liabilities				
Borrowings	10	549.77	1,488.18	1,589.18
Trade Payables	14	3,579.35	271.59	255.24
Other Financial Liabilities	11	1,088.15	11.99	17.07
Other Current Liabilities	15	139.31	13.53	21.13
Provisions	12	578.78	-	-
Current Tax Liabilities (Net)	27	92.00	-	0.87
		6,027.36	**1,785.29**	**1,883.49**
Total		**13,140.50**	**1,470.28**	**1,627.88**

Significant accounting policies	1
The accompanying notes are an integral part of the financial statements	2-39

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

Piyushika Kamad
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

(` in Lacs)

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from Operations			
Sale of products (including Excise Duty)	16	51,754.42	1,745.43
Other Operating Income	17	345.56	93.45
Other Income	18	77.14	1.03
Total Income		**52,177.12**	**1,839.91**
EXPENSES			
Cost of Materials Consumed	19	13,787.10	1,031.81
(Increase) / Decrease in Stock	20	(1,065.92)	6.19
Excise duty		27,253.09	-
Employee Benefits Expense	21	175.29	22.57
Finance Costs	22	1,079.07	0.06
Depreciation		38.43	40.85
Other Expenses	23	10,461.25	799.67
Total expenses		**51,728.31**	**1,901.15**
Profit / (Loss) before tax		**448.81**	**(61.24)**
Less : Tax expense			
1) Current Tax		92.00	-
2) Taxes for earlier years		0.10	(4.12)
3) Deferred Tax		-	-
Total Tax Expense		**92.10**	**(4.12)**
Profit / (Loss) after tax		**356.71**	**(57.12)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**356.71**	**(57.12)**
Earnings Per Share (`) Basic & Diluted	37	10.66	(19.30)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-39		

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

Piyushika Kamad
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2018

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017
A) Equity Share Capital		
Balance at the beginning of the reporting year	**29.60**	**29.60**
Changes in Equity Share Capital during the year	530.40	-
Balance at the end of the reporting year	**560.00**	**29.60**

(` Lacs)

B) Other Equity	
Balance as at April 01, 2016	**(285.21)**
Profit / (Loss) for the year	(57.12)
Transfer from Deferred Tax Asset (Liability)	(2.28)
Balance as at March 31, 2017	**(344.61)**
Additions during the year :	
Profit / (Loss) for the year	356.71
Balance as at March 31, 2018	**12.10**

As per our Report of even date annexed.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

Piyushika Kamad
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2018

(` in Lacs)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		448.81		(61.24)
	Adjustment for:				
	Depreciation	38.43		40.85	
	Gain on sale of investments	(75.42)		-	
	Interest expenses	1,078.52		-	
	Interest income	(1.72)		(1.03)	
	Operating Profit before working capital changes		1,039.81		39.82
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	11,614.59		3.09	
	(Increase) / Decrease in loans and advances and other assets	(808.16)		6.30	
	(Increase) / Decrease in inventories	(1,435.66)		39.88	
	(Increase) / Decrease in trade receivables	(7,858.80)	1,511.97	22.81	72.08
	Direct taxes refund / (paid)		(5.25)		(1.78)
	Net Cash from Operating activities		**2,995.34**		**48.88**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(27.16)		0.60	
	Purchase of investments	(2,500.00)		-	
	Sale of investments	2,575.42		-	
	(Increase) / Decrease in other bank balances	(13.11)		(1.47)	
	Net Cash from Investing Activities		**35.15**		**(0.87)**
C)	**Cash Flow from Financing activities**				
	Proceeds of share capital	530.40		-	
	Repayment of borrowings	(936.30)		(100.99)	
	Interest paid	(1,066.17)		-	
	Interest received	1.72		1.03	
	Net Cash from Financing Activities		**(1,470.35)**		**(99.96)**
	Net increase in Cash & Cash equivalents		**1,560.14**		**(51.95)**
	Opening cash & cash equivalents		1.98		53.93
	Closing cash & cash equivalents		**1,562.12**		**1.98**

Notes :

(` in Lacs)

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	1,560.88	0.90
	ii) Cash on Hand	1.24	1.08
		1,562.12	**1.98**

(` in Lacs)

		As at April 01, 2017	Cash Flow (net)	Non-cash changes (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**				
	Borrowings	1,488.18	(936.30)	9.51	561.39

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

Piyushika Kamad
Company Secretary

1 Notes to Financial Statements for the year ended March 31, 2018

1 Reporting Entity

PunjabExpo Breweries Private Limited (The ‘Company’) is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The Company’s financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 26.

The financial statements were authorised for issue by the Company’s Board of Directors on May 19, 2018.

Details of the Company’s accounting policies are included in Note 3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account and hence 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 Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement.

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship. The CMU is regarded as a principal when it has exposure to significant risks and rewards associated with the sale of products or rendering of services i.e., it has the primary responsibility for providing goods or services to the customer, has pricing latitude and is also exposed to inventory and credit risks. In all other cases, the CMU is regarded as an agent. Where CMU is regarded as a principal, net surplus from sale of TI brand products by CMU is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "Revenue from Operations" in the statement of profit and loss. Where CMU is regarded as an agent, revenue is recognized on sale of products by CMU to its customers. The related cost of sales is also recognized by the Company, as and when incurred by the CMU.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

2 Property, Plant and Equipment *(` in Lacs)*

Fixed Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at April 01, 2017	Deductions	For the year	Up to March 31, 2018	As at March 31, 2018	As at March 31,2017
Tangible Assets										
Land & Development	7.70	-	-	**7.70**	-	-	-	**-**	**7.70**	7.70
Factory Building	689.85	-	-	**689.85**	94.47	-	22.00	**116.47**	**573.38**	595.38
Plant and Equipment	206.56	-	-	**206.56**	77.60	-	11.74	**89.34**	**117.22**	128.96
Vehicles	11.12	24.59	-	**35.71**	4.35	-	1.38	**5.73**	**29.98**	6.77
Tools and Equipments	0.37	-	-	**0.37**	0.11	-	0.02	**0.13**	**0.24**	0.26
Furniture	1.07	-	-	**1.07**	0.46	-	0.11	**0.57**	**0.50**	0.61
Office Equipment	3.50	3.02	-	**6.52**	3.05	-	0.22	**3.27**	**3.25**	0.45
Computer	17.57	-	-	**17.57**	16.69	-	-	**16.69**	**0.88**	0.88
Electrical Installation	29.04	-	-	**29.04**	12.12	-	2.96	**15.08**	**13.96**	16.92
Total Tangible Assets	**966.78**	**27.61**	**-**	**994.39**	**208.85**	**-**	**38.43**	**247.28**	**747.11**	**757.93**
Software	0.60	-	-	**0.60**	0.57	-	-	**0.57**	**0.03**	0.03
Grand Total	**967.38**	**27.61**	**-**	**994.99**	**209.42**	**-**	**38.43**	**247.85**	**747.14**	**757.96**
Previous Year	967.38	-	-	967.38	168.57	-	40.85	209.42	757.96	

Property, Plant and Equipment (Contd.) [For the previous year 2016-2017]

Fixed Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	As at April 01, 2016	Deductions	For the year	Up to March 31, 2017	As at March 31, 2017	As at March 31,2016
Tangible Assets										
Land & Development	7.70	-	-	**7.70**	-	-	-	**-**	**7.70**	7.70
Factory Building	689.85	-	-	**689.85**	72.47	-	22.00	**94.47**	**595.38**	617.37
Plant and Equipment	206.56	-	-	**206.56**	65.86	-	11.74	**77.60**	**128.96**	140.70
Vehicles	11.12	-	-	**11.12**	3.03	-	1.32	**4.35**	**6.77**	8.08
Tools and Equipments	0.37	-	-	**0.37**	0.09	-	0.02	**0.11**	**0.26**	0.28
Furniture	1.07	-	-	**1.07**	0.35	-	0.11	**0.46**	**0.61**	0.72
Office Equipment	3.50	-	-	**3.50**	2.54	-	0.51	**3.05**	**0.45**	0.96
Computer	17.57	-	-	**17.57**	14.57	-	2.12	**16.69**	**0.88**	3.00
Electrical Installation	29.04	-	-	**29.04**	9.16	-	2.96	**12.12**	**16.92**	19.88
Total Tangible Assets	**966.78**	**-**	**-**	**966.78**	**168.07**	**-**	**40.78**	**208.85**	**757.93**	**798.69**
Software	0.60	-	-	**0.60**	0.50	-	0.07	**0.57**	**0.03**	0.10
Grand Total	**967.38**	**-**	**-**	**967.38**	**168.57**	**-**	**40.85**	**209.42**	**757.96**	**798.79**
	-	-	-							
Previous Year	**967.36**	**-**	**-**	**967.36**	**126.43**	**-**	**42.14**	**168.57**	**798.79**	

(` in Lacs)

3 Other Financial Assets

	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and Bank Balances						
Short-Term Bank Deposits (Maturity exceeding 12 months)	0.62	7.05	6.02	-	-	-
Deposits	-	-	-	32.33	17.55	17.57
	0.62	**7.05**	**6.02**	**32.33**	**17.55**	**17.57**

4 Other Assets

	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital advances	7.07	-	0.66	-	-	-
Advances recoverable in cash or kind or for value to be received	-	-	-	717.66	45.72	54.56
Balance with Government Authorities	133.61	71.20	71.20	55.16	3.18	-
	140.68	**71.20**	**71.86**	**772.82**	**48.90**	**54.56**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

		Current		
		As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
5	**Inventories**			
	(At lower of cost and net realisable value)			
	(Net of provision for non-moving and obsolete stocks)			
	Raw materials	5.54	0.70	0.88
	Stores and spares	432.14	67.23	100.74
	Work-In-Progress	149.93	38.32	45.53
	Finished goods	969.63	15.32	14.30
		1,557.24	**121.57**	**161.45**
6	**Trade Receivables**			
	Unsecured, considered good	8,295.69	436.89	459.70
		8,295.69	**436.89**	**459.70**
7	**Cash and bank balances**			
	a) Cash and Cash Equivalents			
	i) Balances with Banks			
	In Current Accounts	1,560.88	0.90	48.09
	ii) Cash on Hand	1.24	1.08	5.84
		1,562.12	**1.98**	**53.93**
	b) Other Bank Balances			
	Short-term Bank Deposits (Maturity within 12 months)	23.94	4.40	4.00
		23.94	**4.40**	**4.00**
		1,586.06	**6.38**	**57.93**

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
8 Equity Share Capital			
Authorised Shares			
12,000,000 equity shares of ` 10/- each (P.Y. 12,000,000 equity shares of ` 10/- each)	**1,200.00**	**1,200.00**	**35.00**
Issued, subscribed and paid up shares			
5,600,000 equity shares of ` 10/- each fully paid up (P.Y. 296,002 equity shares of ` 10/- each fully paid up)	560.00	29.60	29.60
	560.00	**29.60**	**29.60**

a) Reconciliation of the number of shares outstanding

			Nos.
Number of equity shares at the beginning	2.96	2.96	2.96
Equity Shares issued during the period	53.04	-	-
Number of equity shares at the end	**56.00**	**2.96**	**2.96**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding Company

			Nos.in Lacs
Tilaknagar Industries Ltd.	56	2.96	2.96

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	No. of equity	As a % of total holding
Tilaknagar Industries Ltd.	56.00	100	2.96	100	2.96	100
Total	**56.00**	**100**	**2.96**	**100**	**2.96**	**100**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
9 Other Equity			
Retained Earnings			
As per last Balance Sheet	(344.61)	(285.21)	(285.21)
Add: Profit / (Loss) after tax for the year	356.71	(57.12)	-
Less: Transfer from Deferred Tax Asset / Liability	-	(2.28)	-
	12.10	**(344.61)**	**(285.21)**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

(` in Lacs)

		Non-Current			Current	
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
10 Borrowings						
Secured Loans						
Hire Purchase Car Loans (with banker's lien on cars)	11.62	-	-	4.62	-	-
From other parties	-	-	-	109.51	-	-
Unsecured						
From Holding Company	-	-	-	435.64	1,488.18	1,589.18
	11.62	**-**	**-**	**549.77**	**1,488.18**	**1,589.18**

		Non-Current			Current	
11 Other Financial Liabilities	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Deposits & Others (Unsecured)	6,522.70	-	-	-	-	-
Payable for purchase of Fixed Assets	-	-	-	2.18	2.61	3.21
Employee dues	-	-	-	4.72	1.45	1.78
Other Payables	-	-	-	1,081.25	7.93	12.08
	6,522.70	**-**	**-**	**1,088.15**	**11.99**	**17.07**

		Non-Current			Current	
12 Provisions	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Gratuity	2.23	-	-	0.04	-	-
Provision for Leave Encashment	4.49	-	-	1.72	-	-
Provision for Excise Duty on Finished Goods	-	-	-	577.02	-	-
	6.72	**-**	**-**	**578.78**	**-**	**-**

		Non-Current			Current	
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
13 Deferred Tax Liabilities						
Deferred Tax Liability	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

Movement in Deferred Tax :

Movement in deferred tax (assets)/ liability	MAT Credit	Income Tax losses	Total
As at April 01, 2016	**-**	**-**	**-**
Charged / (Credited)			
To profit or loss	(2.28)	2.28	-
As at March 31, 2017	**(2.28)**	**2.28**	**-**
Charged / (Credited)			
To profit or loss	-		-
As at March 31, 2018	**(2.28)**	**2.28**	**-**

		Non-Current			Current	
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
14 Trade Payables						
Trade Payables [Refer Note No.36]	-	-	-	3,579.35	271.59	255.24
	-	**-**	**-**	**3,579.35**	**271.59**	**255.24**

		Non-Current			Current	
15 Other Liabilities	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Payable towards Statutory Liabilities	-	-	-	139.31	13.53	21.13
	-	**-**	**-**	**139.31**	**13.53**	**21.13**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

	Year ended March 31, 2018	(` in Lacs) Year ended March 31, 2017
16 Revenue from Operations		
Sales of products	51,754.42	1,745.43
	51,754.42	**1,745.43**
17 Other Operating Income		
Sale of scrap	51.66	7.76
Income from contract manufacturing	293.90	85.69
	345.56	**93.45**
18 Other Income		
Interest income	1.72	1.03
Sundry balance written back	-	-
Gain on Sale of Investments	75.42	-
	77.14	**1.03**
19 Cost of Materials Consumed		
i) Raw Material Consumption		
Opening Stock	0.70	0.88
Add: Purchases	6,162.14	560.97
Less: Closing Stock	5.54	0.70
	6,157.30	**561.15**
ii) Packing Materials & Consumables	7,629.80	470.66
	13,787.10	**1,031.81**
20 (Increase) / Decrease in stock		
Opening Stock		
i) Work-In-Progress	38.32	45.53
ii) Finished goods	15.32	14.30
	53.64	**59.83**
Less : Closing Stock		
i) Work-In-Progress	149.93	38.32
ii) Finished goods	969.63	15.32
	1,119.56	**53.64**
(Increase)/Decrease in Stock	**(1,065.92)**	**6.19**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

	Year ended March 31, 2018	(` in Lacs) Year ended March 31, 2017
21 Employee Benefit Expense		
Salary and wages	160.55	19.61
Contribution to provident fund and family pension fund	5.96	1.26
Staff welfare expenses	6.51	1.70
Gratuity	2.27	-
	175.29	**22.57**

22 Finance costs		
Interest	1,078.52	-
Bank charges	0.55	0.06
	1,079.07	**0.06**

23 Other Expenses		
Power and fuel	6.71	6.00
Repairs & maintenance		
i) Plant & Equipment	1.52	-
ii) Others	2.33	1.87
Insurance	0.83	0.75
Rent	7.20	-
Contract manufacturing cost	1,720.83	-
Legal and professional charges	257.44	1.36
Auditor's Remuneration [Refer Note No.35]	0.77	0.82
Rates and taxes	519.19	73.52
Freight, transport charges & other expenses	702.19	57.77
Selling expenses [Sales Promotion & Advertising etc.]	5,192.63	33.62
Surplus to brandowner	1,702.37	567.47
Travelling and conveyance expenses	47.40	1.06
Printing and stationery	3.62	2.19
Communication expenses	3.64	2.44
Vehicle running expenses	0.52	-
Miscellaneous expenses	292.06	50.80
	10,461.25	**799.67**

24 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2018 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	8,295.69	-	8,296
Cash and Cash Equivalents	-	1,562.11	-	1,562
Other Bank Balances	-	23.94	-	24
Other Financial Assets	-	32.33	-	32
	-	**9,914.07**	**-**	**9,914.07**
Financial liabilities				
Borrowings	-	-	561.39	561.39
Trade Payables	-	-	3,579.35	3,579.35
Other Financial Liabilities	-	-	7,610.84	7,610.84
	-	**-**	**11,751.58**	**11,751.58**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2017 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	436.89	-	436.89
Cash and Cash Equivalents	-	1.98	-	1.98
Other Bank Balances	-	4.40	-	4.40
Other Financial Assets	-	17.55	-	17.55
	-	**460.82**	**-**	**460.82**
Financial liabilities				
Borrowings	-	-	1,488.18	1,488.18
Trade Payables	-	-	271.59	271.59
Other Financial Liabilities	-	-	12.00	12.00
	-	**-**	**1,771.77**	**1,771.77**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016 *(` in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	459.70	-	459.70
Cash and Cash Equivalents	-	53.93	-	53.93
Other Bank Balances	-	4.00	-	4.00
Other Financial Assets	-	17.57	-	17.57
	-	**535.20**	**-**	**535.20**
Financial liabilities				
Borrowings	-	-	1,589.18	1,589.18
Trade Payables	-	-	255.24	255.24
Other Financial Liabilities	-	-	17.07	17.07
	-	**-**	**1,861.49**	**1,861.49**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

25 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables	8,295.69	436.89	459.70
Cash and cash equivalents	1,562.12	1.98	53.93
Other bank balances	23.94	4.40	4.00
Other financial assets	32.33	17.55	17.57
Total	**9,914.08**	**460.82**	**535.20**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(` in Lacs)

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2018	8,295.69	8,295.69	-
As at March 31, 2017	436.89	436.89	-
As at April 01, 2016	459.70	459.70	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 *(` in Lacs)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	561.39	561.39	-
Trade payables	3,579.35	3,541.25	38.10
Other financial liabilities	7,610.85	7,610.23	0.62
	11,751.59	**11,712.87**	**38.72**

As at March 31, 2017 *(` in Lacs)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,488.18	1,488.18	-
Trade payables	271.59	194.91	76.68
Other financial liabilities	11.99	9.39	2.60
	1,771.76	**1,692.48**	**79.28**

As at April 01, 2016 *(` in Lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	1,589.18	1,589.18	-
Trade payables	255.24	225.24	30.00
Other financial liabilities	17.07	14.46	2.61
	1,861.49	**1,828.88**	**32.61**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(` in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed rate instruments			
Financial liabilities			
Borrowings	125.74	-	-
Total	**125.74**	**-**	**-**
Variable-rate instruments			
Financial liabilities			
Borrowings	-	-	-
Total	**-**	**-**	**-**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
March 31, 2018	
Variable-rate instruments	-
Cash flow sensitivity	**-**
March 31, 2017	
Variable-rate instruments	-
Cash flow sensitivity	**-**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

26 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

A) Exemptions availed

Ind AS 101 allows first time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirments under Ind AS. The Company has applied the following exemptions:

a) Property, plant and equipment and intangible assets
As per Ind AS 101 carrying values of all its property, plant and equipment and intangible assets as at the date of transition to Ind AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

b) Investment in subsidiaries and associates
As permitted by Ind AS 101, the Company has elected to carry all investments in subsidiaries and associates at cost less impairment as determined in accordance with Ind AS 27.

B) Principal adjustments

a) Sale of products
Under Indian GAAP, sale of products was presented as net of excise duty and differential excise duty on opening and closing stock of manufactured goods is adjusted from (Increase) / decrease in stock. However, under Ind AS, sale of goods includes excise duty and excise duty is separately presented on the face of statement of profit and loss.

b) Cash Discount
Under previous GAAP, the discount given on sales for early payment was recognised as an expense in the statement of profit and loss. However as per IND AS, if the discount is known at time of transfer of risk and reward then the same needs to be adjusted through revenue.

c) Income from tie up units
The Company has entered into arrangements with certain distilleries and bottling units (tie up units) for manufacture and marketing of its own brands. The tie up units have necessary license and regulatory permits to manufacture alcohol. Under the previous GAAP the Company had recognised net surplus (total revenue over total expenses) from the operation through these tie up units under Revenue from operations. However, under Ind AS 18, the Company has aggregated the below mentioned amounts in its Statement of Profit and Loss with respect to these tie up units. Consequent to these changes, there is no impact on the total profit. For details, refer Note 38.

C) Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(` in Lacs)

Particulars	Note No.	March 31, 2017	April 01, 2016
Total Equity as per previous GAAP		(361.79)	(304.67)
Recognition of deferred tax asset	a	46.78	49.06
Total Equity as per Ind AS		**(315.01)**	**(255.61)**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(` Lacs)

Particulars	Note No.	March 31, 2017
Profit for the year under previous GAAP		(61.24)
Ind AS adjustments		-
Profit for the year under Ind AS		**(61.24)**

Notes to reconciliation

a) Deferred Tax
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The Company has recognised deferred tax assets on unabsorbed depreciation and business losses under income tax only to the extent there are deferred tax liabilities.

b) Expected Credit Loss

Under previous GAAP, provision is made for all the trade receivables aged beyond three years and in case of trade receivables aged below three years, provision is made for cases like bankruptcy, terminated agents. Under Ind AS 109 , the Company is required to apply expected credit loss model for recognising the allowances for doubtful debts. The Company has applied the simplified approach as a practical expedient to measure expected credit losses on its portfolio of trade receivables.

c) Remeasurements of post employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

27 Income Taxes

(` in Lacs)

		2017-2018	2016-2017
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	92.00	-
	Adjustments in respect of previous years	0.10	(4.12)
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	34.608%	34.608%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	92.00	-
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	7.92	2.78

28 Capital Management

(` in Lacs)

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	-	-	-
Total Equity	572.10	(315.01)	(255.61)
Debt to Equity Ratio	-	-	-

* Current maturities under other financial liabilities less cash and bank balances

Notes on Accounts

29 Contingent Liability not provided for: *(` in Lacs)*

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Bank guarantees issued on behalf of the Company	8.50	8.50

30 Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ` Nil (P.Y. ` Nil)

31 Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ` 3.26 Lacs (P.Y. ` Nil) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) The Company has taken various residential / commercial premises under cancellable operating lease. Lease rental expenses included in the Statement of Profit and Loss for the financial year is ` 7.20 Lacs (P.Y. ` Nil).

c) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

d) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

32 The disclosure of Ind AS 19 “Employee Benefits” is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ` 5.96 Lacs (P.Y. ` 1.26 Lacs) under defined contribution plan as employer’s contribution to Provident Fund.

Defined Benefit Plan

The Employees’ gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below: *(` in Lacs)*

	As at March 31, 2018	**As at March 31, 2017**
	Unfunded Gratuity	**Unfunded Gratuity**
Present Value of obligation	2.27	-
Fair Value of Plans	-	-
Net Liability in the balance sheet	**2.27**	**-**
Defined Benefit Obligations		
Opening balance	-	-
Interest expenses	-	-
Current service cost	2.27	-
Past service cost	-	-
(Liability Transferred Out/ Divestments)	0.46	-
Benefit paid directly by the employer	(0.46)	-
Actuarial (gain) / loss-Due to change in Financial assumptions	-	-
Actuarial (gain) / loss- Due to Experience	-	-
Closing balance	**2.27**	**-**
Plan Assets		
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	**-**	**-**
Return on Plan Assets		
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	**-**	**-**
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		

Current service costs	2.27	-
Past service cost	-	-
Interest expense	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**2.27**	**-**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	-	-
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**-**	**-**
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.05	-
2nd Following Year	0.05	-
3rd Following Year	0.05	-
4th Following Year	0.06	-
5th Following Year	0.09	-
Sum of Years 6 to 10	1.10	-
Sum of Years 11 and above	6.40	-
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	2.27	-
Delta Effect +1% Change in Rate of Discounting	(0.26)	-
Delta Effect -1% Change in Rate of Discounting	0.32	-
Delta Effect +1% Change in Rate of Salary Increase	0.32	-
Delta Effect -1% Change in Rate of Salary Increase	(0.27)	-
Delta Effect +1% Change in Rate of Employee Turnover	0.04	-
Delta Effect -1% Change in Rate of Employee Turnover	(0.05)	-

Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.83%	-
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	-
Attrition rate (per annum)	2.00%	-

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Funded Gratuity for the year ended	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Present value of DBO	2.27	-	-	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	2.27	-	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

33 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman & Managing Director
: Mrs. Shivani Amit Dahanukar - Executive Director
: Dr. Keshab Nandy - Director
: Ms. Piyushika Kamad - Company Secretary

(` in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	2017-18	2016-17	2017-18	2016-17
Sales				
Tilaknagar Industries Ltd.	57.03	20.60	-	-
Total	**57.03**	**20.60**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	541.72	43.89	-	-
Total	**541.72**	**43.89**	**-**	**-**
Income (Bottling Charges)				
Tilaknagar Industries Ltd.	293.90	98.54	-	-
Total	**293.90**	**98.54**	**-**	**-**
Brand Owners' Surplus (Expense)				
Tilaknagar Industries Ltd.	1,702.37	567.47	-	-
Total	**1,702.37**	**567.47**	**-**	**-**
Royalty Income				
Tilaknagar Industries Ltd.	237.23	-	-	-
Total	**237.23**	**-**		
Payment to Key Managerial Personnel				
Mr. Amit Dahanukar	-	-	37.76	-
Mrs. Shivani Amit Dahanukar	-	-	22.25	-
Total	**-**	**-**	**60.01**	**-**
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	1,052.54	100.99	-	-
Total	**1,052.54**	**100.99**	**-**	**-**
Outstanding Payable				
Tilaknagar Industries Ltd.	(435.64)	(1,488.18)	-	-
Total	**(435.64)**	**(1,488.18)**	**-**	**-**

Compensation of key management personnel of the Company **	2017-18	2016-17
Short-term employee benefits	60.01	-
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	-	-
Share-based payments	**-**	**-**
Total compensation of key management personnel of the Company	**60.01**	**-**

**Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

34 Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2018 estimated at ` 577.02 Lacs (P.Y. ` Nil) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

-

(` in Lacs)

	2017-18	2016-17
Provision for excise duty on finished goods at the beginning of the year	-	-
Provision for excise duty on finished goods at the end of the year	577.02	-
Provision for excise duty on finished goods charged in the Statement of Profit and Loss	**577.02**	**-**

(` in Lacs)

35 Auditor's remuneration charged to accounts:	2017-18	2016-17
Audit fees	0.77	0.82
	0.77	**0.82**

36 Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

(` in Lacs)

	2017-18	2016-17
Dues remaining unpaid as at March 31		
- Principal	82.12	-
- Interest on the above	1.02	-

(` in Lacs)

37 Earnings per share:	2017-18	2016-17
Profit After Tax	356.71	(57.12)
Weighted average number of shares	33.48	2.96
Basic Earnings Per Share	10.66	(19.30)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	33.48	2.96
Diluted Earnings Per Share	10.66	(19.30)
Face Value per Equity Share	10.00	10.00

38

The Company has entered into arrangements with certain distilleries and bottling units (tie up units) for manufacture and marketing of its own brands. The tie up units have necessary license and regulatory permits to manufacture alcohol. Under the previous GAAP the Company had recognised net surplus (total revenue over total expenses) from the operation through these tie up units under Revenue from operations. However, under Ind AS 18, the Company has aggregated the below mentioned amounts in its Statement of Profit and Loss and Balance Sheet with respect to these tie up units. Consequent to these changes, there is no impact on the total profit and total equity.

(` in Lacs)

Particulars	**Year ended**	**Year ended**
	2017-2018	**2016-2017**
	Audited	**Audited**
Revenue from operations	45,657.52	-
Other Income	38.88	-
Total Income	**45,696.40**	**-**
Cost of materials consumed /Changes in inventories of finished goods, stock-in-trade and work-in-progress	10,598.84	-
Excise Duty	24,870.49	-
Finance costs	0.13	-
Other expenses	1,502.35	-
Total expenses	**36,971.81**	**-**
Profit/(Loss)	**8,724.59**	**-**

(` in Lacs)

In Balance Sheet	**March 31, 2018**	**March 31, 2017**
	Audited	**Audited**
Increase (Decrease)		
Inventory	1,212.02	-
Trade Receivables	6,275.22	-
Cash and Bank Balances	244.23	-
Other Financial Assets	(5,948.02)	-
Other Assets	819.16	-
Total	**2,602.61**	**-**
Increase (Decrease)		
Trade Payables	2,043.07	-
Provisions	508.79	-
Other Liabilities	50.75	-
Total	**2,602.61**	**-**
	-	-

39 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For Deepak Jhanwar & Co.
Chartered Accountants
Regn. No . 023982N

For and on behalf of the Board

Deepak Jhanwar
Partner
Membership No. 509398

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

Piyushika Kamad
Company Secretary

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 10th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2017-18, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 2,291,049/- during the year as compared to total comprehensive loss of Rs. 33,571/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 6 (six) times during the financial year 2017-18 on May 16, 2017; July 14, 2017; August 07, 2017; August 31, 2017; December 22, 2017; January 22, 2018 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 6th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 6th Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Shyam D. Menghani & Co., Chartered Accountants hold office until the conclusion of the 11th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Your Directors state that the Company is incurring losses as it has not commenced any business activity for lack of feasible projects. In this regard, the Company is exploring better business opportunities. Your Directors are hopeful that the performance of the Company will improve with commencement of the operations.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2017-18, the Company has neither given any loan or made any investment, nor given any guarantee or provided any security falling under the purview of Section 186 of the Companies Act, 2013. Hence, disclosure under Section 134(3)(g) of the Companies Act, 2013 is not applicable.

11. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2017-18, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2017-18, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2017-18, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2017-18. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2017-18, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2017-18; and

xiii. During the financial year 2017-18, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : August 09, 2018

Independent Auditor's Report

To,
The Members of
Mykingdom Ventures Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Mykingdom Ventures 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone 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 standalone 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 standalone 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, of the state of affairs of the Company as at March 31, 2018, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in '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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are 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'.

   g) With respect to the other matters to be included in the Auditor's 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

SHYAM D. MENGHANI & CO.

Chartered Accountants

C-1, Bhagyanagar CHS Ltd., Gopi Tank Road, Mahim, Mumbai 400016 Mob.: 9920984944 Email: sdlmenghani@gmail.com

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.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

Annexure A to the Independent Auditor's Report
on the standalone Ind AS financial statements of Mykingdom Ventures Private Limited
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Mykingdom Ventures Private Limited ("the Company")

i) In our opinion and according to the information and explanations given to us the Company does not have any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.

ii) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **SHYAM D. MENGHANI &CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

Annexure B to the Independent Auditors' Report
on the Standalone Ind AS Financial Statements of Mykingdom Ventures Private Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 Mykingdom Ventures Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 standalone Ind AS 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 ICAI.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

MYKINGDOM VENTURES PVT.LTD.

BALANCE SHEET AS AT MARCH 31, 2018

	Note No.	As at March 31, 2018	As at March 31, 2017	(`) As at April 1, 2016
I ASSETS				
Current Assets				
Financial Assets				
Cash and Cash Equivalents	2	17,90,782	20,40,871	25,45,657
		17,90,782	**20,40,871**	**25,45,657**
Total		**17,90,782**	**20,40,871**	**25,45,657**
II EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	3	1,00,000	1,00,000	1,00,000
Other Equity	4	(5,84,411)	17,06,638	17,40,209
		(4,84,411)	**18,06,638**	**18,40,209**
Liabilities				
Current Liabilities				
Financial Liabilities				
Borrowings	5	2,75,120	1,99,808	6,88,273
Other Financial Liabilities	6	18,12,464	34,425	17,175
Other Current Liabilities	7	1,87,609	-	-
		22,75,193	**2,34,233**	**7,05,448**
Total		**17,90,782**	**20,40,871**	**25,45,657**

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

MYKINGDOM VENTURES PVT. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
			(`)
INCOME			
Other Income		-	-
Total Income		**-**	**-**
EXPENSES			
Finance Cost	8	64,574	86
Other Expenses	9	22,26,475	33,485
Total expenses		**22,91,049**	**33,571**
Profit / (Loss) before tax		**(22,91,049)**	**(33,571)**
Tax expenses			
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(22,91,049)**	**(33,571)**
Other Comprehensive Income		**-**	**-**
Total Other Comprehensive Income		**(22,91,049)**	**(33,571)**
Earnings Per Share (`) Basic & Diluted	18	(229.10)	(3.36)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-21		

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

MYKINGDOM VENTURES PVT. LTD.

Statement of Changes in Equity for the year ended March 31, 2018

		(`)
	As at March 31, 2018	**As at March 31, 2017**
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,00,000**	**1,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,00,000**	**1,00,000**

	(`)
B) Other Equity	**Reserves and Surplus**
	Retained Earnings
Balance as at April 01, 2016	**17,40,209**
Profit / (Loss) for the year	**(33,571)**
Balance as at March 31, 2017	**17,06,638**
Additions during the year :	
Profit / (Loss) for the year	**(22,91,049)**
Balance as at March 31, 2018	**(5,84,411)**

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

MYKINGDOM VENTURES PVT.LTD.

Statement of Cash Flow for the year ended March 31, 2018

(`)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(22,91,049)**		**(33,571)**
	Interest paid		64,485		-
	Net Cash from Operating Activities		(22,26,564)		(33,571)
	Adjustment for:				
	(Decrease)/ Increase in current liabilities, and other financial liabilities		19,65,648		17,250
	Net Cash from Operating activities		**(2,60,916)**		**(16,321)**
B)	**Cash Flow from Investing activities**				
	Purchase of investments		-		-
	Sale of investments		-		-
			-		**-**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings (Net)		75,312		-
	Repayment of borrowings (Net)		-		(4,88,465)
	Interest paid		(64,485)		-
	Net Cash from Financing Activities		**10,827**		**(4,88,465)**
	Net increase in Cash & Cash equivalents		**(2,50,089)**		**(5,04,786)**
	Opening cash & cash equivalents		20,40,871		25,45,657
	Closing cash & cash equivalents		**17,90,782**		**20,40,871**

Notes :

(`)

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	Cheques on hand	-	20,00,000
	Balance with Banks in Current Accounts	17,90,782	40,871
		17,90,782	**20,40,871**

(`)

		As at April 01, 2017	Cash Flow (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**			
	Borrowings	1,99,808	75,312	2,75,120
		As at April 01, 2016	**Cash Flow (net)**	**As at March 31, 2017**
	Borrowings	6,88,273	(4,88,465)	1,99,808

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

1 Notes to Financial Statements for the year ended March 31, 2018

1 Reporting Entity

Mykingdom Ventures Pvt Ltd. (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 12.

The financial statements were authorised for issue by the Company's Board of Directors on May 19, 2018.

Details of the Company's accounting policies are included in sub note 3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

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Notes to Financial Statements for the year ended March 31, 2018

			(`)
		Current	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016**
2 Cash and Bank Balances			
Cash and Cash equivalents			
Cheques on hand	-	20,00,000	25,00,000
Balance with Banks in Current Account	17,90,782	40,871	45,657
	17,90,782	**20,40,871**	**25,45,657**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	(`) As at April 1, 2016
3 Equity Share Capital			
Authorised Shares			
2,50,000 equity shares of ` 10/- each (P.Y. 2,50,000 equity shares of ` 10/- each)	**25,00,000**	**25,00,000**	**25,00,000**
Issued, subscribed and paid up shares			
10,000 equity shares of ` 10/- each fully paid up (P.Y. 10,000 equity shares of ` 10/- each fully paid up)	1,00,000	1,00,000	1,00,000
	1,00,000	**1,00,000**	**1,00,000**

a) Reconciliation of the number of shares outstanding

			(Nos.)
Number of equity shares at the beginning	10,000	10,000	10,000
Equity shares issued during the period	-	-	-
Number of equity shares at the end	**10,000**	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	10,000	10,000	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2018	As at March 31, 2017	(`) As at March 31, 2016
4 Other Equity			
Retained Earnings			
As per last Balance Sheet	17,06,638	17,40,209	17,40,209
Add: Profit / (Loss) after tax for the year	(22,91,049)	(33,571)	-
	(5,84,411)	**17,06,638**	**17,40,209**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

			(`)
		Current	
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
5 Borrowings			
Unsecured Loan			
From Holding Company	2,75,120	1,99,808	6,88,273
	2,75,120	**1,99,808**	**6,88,273**
6 Other Financial Liabilities			
Other Payables [Refer Note No.15]	18,12,464	34,425	17,175
	18,12,464	**34,425**	**17,175**
7 Other Liabilities			
Payable towards Statutory Liabilities	1,87,609	-	-
	1,87,609	**-**	**-**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

	Year ended March 31, 2018	(`) Year ended March 31, 2017
8 Finance Cost		
Interest on Borrowings	64,485	-
Bank charges	89	86
	64,574	**86**
9 Other Expenses		
Auditors Remuneration [Refer Note No.17]	17,700	17,250
Rates and taxes	4,461	11,535
Legal and professional charges	22,04,314	4,700
	22,26,475	**33,485**

10 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2018 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	17,90,782	-	17,90,782
	-	**17,90,782**	**-**	**17,90,782**
Financial liabilities				
Borrowings	-	-	2,75,120	2,75,120
Other Financial Liabilities	-	-	18,12,464	18,12,464
	-	**-**	**20,87,584**	**20,87,584**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2017 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	20,40,871	-	20,40,871
	-	**20,40,871**	**-**	**20,40,871**
Financial liabilities				
Borrowings	-	-	1,99,808	1,99,808
Other Financial Liabilities	-	-	34,425	34,425
	-	**-**	**2,34,233**	**2,34,233**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	25,45,657	-	25,45,657
	-	**25,45,657**	**-**	**25,45,657**
Financial liabilities				
Borrowings	-	-	6,88,273	6,88,273
Other Financial Liabilities	-	-	17,175	17,175
	-	**-**	**7,05,448**	**7,05,448**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

11 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(`)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and cash equivalents	17,90,782	20,40,871	25,45,657
Total	**17,90,782**	**20,40,871**	**25,45,657**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	2,75,120	2,75,120	-
Other financial liabilities	18,12,464	18,12,464	-
	20,87,584	**20,87,584**	**-**

As at March 31, 2017 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,99,808	1,99,808	-
Other financial liabilities	34,425	34,425	-
	2,34,233	**2,34,233**	**-**

As at April 01, 2016 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	6,88,273	6,88,273	-
Other financial liabilities	17,175	17,175	-
	7,05,448	**7,05,448**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates.

12 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in sub note 3 of Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(`)

Particulars	Note No.	March 31, 2017	April 01, 2016
Total Equity as per previous GAAP		18,06,638	23,20,109
Ind AS adjustments ;- Adjustment of MAT Credit		-	(4,79,900)
Total Equity as per Ind AS		**18,06,638**	**18,40,209**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(`)

Particulars	Note No.	March 31, 2017
Profit for the year under previous GAAP		(33,571)
Ind AS adjustments		-
Profit for the year under Ind AS		**(33,571)**

13 Income Taxes

	2017-2018	(`) 2016-2017
a) **Income Tax recognised in the Statement of Profit and Loss**		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) **Income tax expense recognised in Other Comprehensive Income**		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) **Applicable corporate tax rate**	25.750%	34.608%
d) **Current Tax Liabilities**		
Provision for Taxation (Net of Advance Tax)	-	-
e) **Current Tax Assets**		
Advance Tax (Net of Provision for Taxation)	-	-

14 Capital Management (`)

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	-	-	-
Total Equity	(4,84,411)	18,06,638	18,40,209
Debt to Equity Ratio	-	-	-

* Long term debt less cash and bank balances

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2018

15 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

16 Related Party Disclosures:
The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company	:Tilaknagar Industries Ltd.
List of Fellow Subsidiary Companies	: Prag Distillery (P) Ltd. : Vahni Distilleries Private Limited : PunjabExpo Breweries Private Limited : Kesarval Springs Distillers Pvt. Ltd. : Studd Projects P. Ltd. : Srirampur Grains Private Limited : Shivprabha Sugars Ltd.
b) Key Managerial Personnel	: Mr. Amit Dahanukar - Chairman : Dr. Keshab Nandy - Director

(`)

Nature of Transaction	Parties refered in (a) above	
	March 31, 2018	March 31, 2017
Other Expenses		
Tilaknagar Industries Ltd.	21,85,200	-
Total	**21,85,200**	**-**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	75,312	(4,88,466)
Total	**75,312**	**(4,88,466)**
Outstanding Payable		
Tilaknagar Industries Ltd.	2,75,120	1,99,808
Total	**2,75,120**	**1,99,808**

17 Auditor's remuneration charged to accounts:	**March 31, 2018**	**March 31, 2017**
Audit Fees	17,700	17,250
	17,700	**17,250**

18 Earnings Per Share (EPS)	**March 31, 2018**	**March 31, 2017**
Profit/ (Loss) After Tax	(22,91,049)	(33,571)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(229.10)	(3.36)
Face Value per Equity Share	10	10

19 There is no contingent liability as on March 31, 2018.

20 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

21 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

STUDD PROJECTS P. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U45202PN2008PTC144178]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 10th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2017-18, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 877,421/- during the year as compared to total comprehensive loss of Rs. 27,901/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 6 (six) times during the financial year 2017-18 on May 16, 2017; July 14, 2017; August 07, 2017; August 31, 2017; December 22, 2017; January 22, 2018 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 6th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 6th Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Shyam D. Menghani & Co., Chartered Accountants hold office until the conclusion of the 11th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 21 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Your Directors state that the Company is incurring losses as it has not commenced any business activity for lack of feasible projects. In this regard, the Company is exploring better business opportunities. Your Directors are hopeful that the performance of the Company will improve with commencement of the operations.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no particulars to be furnished in this Report as required under Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013.

11. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2017-18, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2017-18, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2017-18, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2017-18. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2017-18, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2017-18; and

xiii. During the financial year 2017-18, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : August 09, 2018

Independent Auditor's Report

To,
The Members of
Studd Projects Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Studd Projects 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone 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 standalone 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 standalone 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, of the state of affairs of the Company as at March 31, 2018, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 21 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditors Report) Order 2016 (“the Order”) issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in ‘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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are 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’.

g) With respect to the other matters to be included in the Auditor’s 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS 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.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

Annexure A to the Independent Auditor's Report
on the standalone Ind AS financial statements of Studd Projects Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Studd Projects Private Limited ("the Company")

i) In our opinion and according to the information and explanations given to us the Company does not have any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.

ii) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax (‘GST’), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable except Income Tax Advance Tax liability of Rs.62,451 which remained unpaid for more than six months as on 31/03/2018.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

SHYAM D. MENGHANI & CO.

Chartered Accountants

C-1, Bhagyanagar CHS Ltd., Gopi Tank Road, Mahim, Mumbai 400016 Mob.: 9920984944 Email: sdlmenghani@gmail.com

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **SHYAM D. MENGHANI &CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : June 14, 2018

Annexure B to the Independent Auditors' Report
on the Standalone Ind AS Financial Statements of Studd Projects Private Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 Studd Projects Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 standalone Ind AS financial statements.

SHYAM D. MENGHANI & CO.

Chartered Accountants

C-1, Bhagyanagar CHS Ltd., Gopi Tank Road, Mahim, Mumbai 400016 Mob.: 9920984944 Email: sdlmenghani@gmail.com

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 ICAI.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

STUDD PROJECTS P. LTD.

BALANCE SHEET AS AT MARCH 31, 2018

		Note No.	As at March 31, 2018	As at March 31, 2017	(`) As at April 01, 2016
I	**ASSETS**				
	Current Assets				
	Financial Assets				
	Cash and Cash Equivalents	2	1,89,094	1,91,056	1,96,434
			1,89,094	**1,91,056**	**1,96,434**
	Total		**1,89,094**	**1,91,056**	**1,96,434**
II	**EQUITY AND LIABILITIES**				
	Equity				
	Equity Share Capital	3	1,00,000	1,00,000	1,00,000
	Other Equity	4	(11,74,449)	(2,97,028)	(2,69,127)
			(10,74,449)	**(1,97,028)**	**(1,69,127)**
	Liabilities				
	Current Liabilities				
	Financial Liabilities				
	Borrowings	5	9,97,867	3,65,134	3,54,111
	Other Financial Liabilities	6	11,800	22,950	11,450
	Other Current Liabilities	7	1,15,095	-	-
	Current Tax Liabilities (Net)	14	1,38,781	-	-
			12,63,543	**3,88,084**	**3,65,561**
	Total		**1,89,094**	**1,91,056**	**1,96,434**

Summary of significant accounting policies	1
The accompanying notes are an integral part of the financial statements	2-22

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

STUDD PROJECTS P. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017 (`)
INCOME			
Other Income	8	4,49,129	-
Total Income		**4,49,129**	**-**
EXPENSES			
Finance Cost	9	11,52,044	978
Other Expenses	10	35,725	26,923
Total expenses		**11,87,769**	**27,901**
Profit / (Loss) before tax		**(7,38,640)**	**(27,901)**
Tax expenses			
Less : Tax expense			
1) Current Tax		1,38,781	-
2) Taxes for earlier years			-
3) Deferred Tax		-	-
Total Tax Expense		**1,38,781**	**-**
Profit / (Loss) after tax		**(8,77,421)**	**(27,901)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(8,77,421)**	**(27,901)**
Earnings Per Share (`) Basic & Diluted	19	(87.74)	(2.79)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-22		

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

STUDD PROJECTS P. LTD.

Statement of Changes in Equity for the year ended March 31, 2018

	As at March 31, 2018	(`) As at March 31, 2017
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,00,000**	**1,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,00,000**	**1,00,000**

	(`)
B) Other Equity	**Reserves and Surplus**
	Retained Earnings
Balance as at April 01, 2016	**(2,69,127)**
Profit / (Loss) for the year	**(27,901)**
Balance as at March 31, 2017	**(2,97,028)**
Additions during the year :	
Profit / (Loss) for the year	**(8,77,421)**
Balance as at March 31, 2018	**(11,74,449)**

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

STUDD PROJECTS P. LTD.

Statement of Cash Flow for the year ended March 31, 2018

(`)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(7,38,640)**		**(27,901)**
	Gain on sale of investments		(4,49,129)		-
	Interest paid		11,50,953		-
	Net Cash from Operating Activities		(36,816)		(27,901)
	Adjustment for:				
	(Decrease)/ Increase in current liabilities, and other financial liabilities		1,03,945		11,500
	Net Cash from Operating activities		**67,129**		**(16,401)**
B)	**Cash Flow from Investing activities**				
	Purchase of investments		(5,00,00,000)		-
	Sale of investments		5,04,49,129		
			4,49,129		**-**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings (Net)		6,32,733		11,023
	Interest paid		(11,50,953)		-
	Net Cash from Financing Activities		**(5,18,220)**		**11,023**
	Net increase in Cash & Cash equivalents		**(1,962)**		**(5,378)**
	Opening cash & cash equivalents		1,91,056		1,96,434
	Closing cash & cash equivalents		**1,89,094**		**1,91,056**

Notes :

(`)

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	Balance with Bank in Current Account	1,89,094	1,91,056
	Cash on Hand	-	-
		1,89,094	**1,91,056**

(`)

		As at April 01, 2017	Cash Flow (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**			
	Borrowings	3,65,134	6,32,733	9,97,867
		As at April 01, 2016	**Cash Flow (net)**	**As at March 31, 2017**
	Borrowings	3,54,111	11,023	3,65,134

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

1 Notes to Financial Statements for the year ended March 31, 2018

1 Reporting Entity

Studd Projects P.Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 13.

The financial statements were authorised for issue by the Company's Board of Directors on May 19, 2018.

Details of the Company's accounting policies are included in sub note 3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.
The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2018

(`)

	Current		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
2 Cash and Cash Equivalents			
Balance with Bank in Current Account	1,89,094	1,91,056	1,92,298
Cash on Hand	-	-	4,136
	1,89,094	**1,91,056**	**1,96,434**

(`)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
3 Equity Share Capital			
Authorised Shares			
2,50,000 equity shares of ` 10/- each (P.Y. 2,50,000 equity shares of ` 10/- each)	**25,00,000**	**25,00,000**	**25,00,000**
Issued, subscribed and paid up shares			
10,000 equity shares of ` 10/- each fully paid up (P.Y. 10,000 equity shares of ` 10/- each fully paid up)	1,00,000	1,00,000	1,00,000
	1,00,000	**1,00,000**	**1,00,000**

a) Reconciliation of the number of shares outstanding (Nos.)

Number of equity shares at the beginning	10,000	10,000	10,000
Equity shares issued during the period	-	-	-
Number of equity shares at the end	**10,000**	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Tilaknagar Industries Ltd.	10,000	10,000	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**	**10,000**	**100**

(`)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
4 Other Equity			
Retained Earnings			
As per last Balance Sheet	(2,97,028)	(2,69,127)	(2,69,127)
Add: Profit / (Loss) after tax for the year	(8,77,421)	(27,901)	-
	(11,74,449)	**(2,97,028)**	**(2,69,127)**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2018

(`)

	Current		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
5 Borrowings			
Unsecured Loan			
From Holding Company	9,97,867	3,65,134	3,54,111
	9,97,867	**3,65,134**	**3,54,111**
6 Other Financial Liabilities			
Other Payables [Refer Note No.16]	11,800	22,950	11,450
	11,800	**22,950**	**11,450**
7 Other Liabilities			
Payable towards Statutory Liabilities	1,15,095	-	-
	1,15,095	**-**	**-**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2018

		Year ended March 31, 2018	(`) Year ended March 31, 2017
8	**Other Income**		
	Gain on Sale of Investments	4,49,129	-
		4,49,129	**-**
9	**Finance Cost**		
	Interest on Borrowings	11,50,953	-
	Bank charges	1,091	978
		11,52,044	**978**
10	**Other Expenses**		
	Auditors Remuneration [Refer Note No.18]	11,800	11,500
	Rates and taxes	4,811	11,023
	Legal and professional charges	19,114	4,400
		35,725	**26,923**

11 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2018 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,89,094	-	1,89,094
	-	**1,89,094**	**-**	**1,89,094**
Financial liabilities				
Borrowings	-	-	9,97,867	9,97,867
Other Financial Liabilities	-	-	11,800	11,800
	-	**-**	**10,09,667**	**10,09,667**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2017 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,91,056	-	1,91,056
	-	**1,91,056**	**-**	**1,91,056**
Financial liabilities				
Borrowings	-	-	3,65,134	3,65,134
Other Financial Liabilities	-	-	22,950	22,950
	-	**-**	**3,88,084**	**3,88,084**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,96,434	-	1,96,434
	-	**1,96,434**	**-**	**1,96,434**
Financial liabilities				
Borrowings	-	-	3,54,111	3,54,111
Other Financial Liabilities	-	-	11,450	11,450
	-	**-**	**3,65,561**	**3,65,561**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

12 Financial risk management

Objectives and policies

Risk management framework

The Company’s management has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(`)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and cash equivalents	1,89,094	1,91,056	1,96,434
Total	**1,89,094**	**1,91,056**	**1,96,434**

Trade receivables

Customer credit risk is managed as per Company’s established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company’s Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	9,97,867	9,97,867	-
Other financial liabilities	11,800	11,800	-
	10,09,667	**10,09,667**	**-**

As at March 31, 2017 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	3,65,134	3,65,134	-
Other financial liabilities	22,950	22,950	-
	3,88,084	**3,88,084**	**-**

As at April 01, 2016 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	3,54,111	3,54,111	-
Other financial liabilities	11,450	11,450	-
	3,65,561	**3,65,561**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates.

13 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in sub note 3 of Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(`)

Particulars	**Note No.**	**March 31, 2017**	**April 01, 2016**
Total Equity as per previous GAAP		(1,97,028)	(1,69,127)
Ind AS adjustments		-	-
Total Equity as per Ind AS		**(1,97,028)**	**(1,69,127)**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(`)

Particulars	**Note No.**	**March 31, 2017**
Profit for the year under previous GAAP		(27,901)
Ind AS adjustments		-
Profit for the year under Ind AS		**(27,901)**

14 Income Taxes

	2017-2018	(`) 2016-2017
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) Income tax expense recognised in Other Comprehensive Income		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) Applicable corporate tax rate	30.900%	34.608%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	1,38,781	-
e) Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	-	-

15 Capital Management

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For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	-	-	-
Total Equity	(10,74,449)	(1,97,028)	(1,69,127)
Debt to Equity Ratio	-	-	-

* Long term debt less cash and bank balances

STUDD PROJECTS P. LTD.

Notes to Financial Statements for the year ended March 31, 2018

16 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

17 Related Party Disclosures:
The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Dr. Keshab Nandy - Director

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Nature of Transaction	Parties refered in (a) above	
	March 31, 2018	March 31, 2017
Interest Expense		
Tilaknagar Industries Ltd.	11,50,953	-
Total	**11,50,953**	**-**
Net Loans & Advances taken		
Tilaknagar Industries Ltd.	6,32,733	11,023
Total	**6,32,733**	**11,023**
Outstanding Payable		
Tilaknagar Industries Ltd.	9,97,867	3,65,134
Total	**9,97,867**	**3,65,134**

18 Auditor's remuneration charged to accounts:	**March 31, 2018**	**March 31, 2017**
Audit Fees	11,800	11,500
	11,800	**11,500**

19 Earnings Per Share (EPS)	**March 31, 2018**	**March 31, 2017**
Profit /(Loss) After Tax	(8,77,421)	(27,901)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(87.74)	(2.79)
Face Value per Equity Share	10	10

20 There is no contingent liability as on March 31, 2018.

21 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

22 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SRIRAMPUR GRAINS PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U01300PN2008PTC144177]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 10th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2017-18, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 218,482/- during the year as compared to total comprehensive loss of Rs. 39,009/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 6 (six) times during the financial year 2017-18 on May 16, 2017; July 14, 2017; August 07, 2017; August 31, 2017; December 22, 2017; January 22, 2018 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 6th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 6th Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Shyam D. Menghani & Co., Chartered Accountants hold office until the conclusion of the 11th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors have drawn attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Your Directors state that the Company is incurring losses as it has not commenced any business activity for lack of feasible projects. In this regard, the Company is exploring better business opportunities. Your Directors are hopeful that the performance of the Company will improve with commencement of the operations.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2017-18, the Company has neither given any loan or made any investment, nor given any guarantee or provided any security falling under the purview of Section 186 of the Companies Act, 2013. Hence, disclosure under Section 134(3)(g) of the Companies Act, 2013 is not applicable.

11. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapter.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2017-18, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2017-18, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2017-18, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2017-18. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2017-18, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2017-18; and

xiii. During the financial year 2017-18, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : August 09, 2018

Independent Auditor's Report

To,
The Members of
Srirampur Grains Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Srirampur Grains 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone 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 standalone 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 standalone 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, of the state of affairs of the Company as at March 31, 2018, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditors Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in '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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are 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'.

g) With respect to the other matters to be included in the Auditor's 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS 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.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

Annexure A to the Independent Auditor's Report
on the standalone Ind AS financial statements of Srirampur Grains Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Srirampur Grains Private Limited ("the Company")

i) In our opinion and according to the information and explanations given to us the Company does not have any fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.

ii) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax (‘GST’), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **SHYAM D. MENGHANI &CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

Annexure B to the Independent Auditors' Report
on the Standalone Ind AS Financial Statements of Srirampur Grains Private Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 Srirampur Grains Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 standalone Ind AS 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 ICAI.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

SRIRAMPUR GRAINS PVT.LTD

BALANCE SHEET AS AT MARCH 31, 2018

		Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
					(`)
I	**ASSETS**				
	Current Assets				
	Financial Assets				
	Cash and Cash Equivalents	2	1,06,523	6,612	11,598
			1,06,523	**6,612**	**11,598**
	Total		**1,06,523**	**6,612**	**11,598**
I	**EQUITY AND LIABILITIES**				
	Equity				
	Equity Share Capital	3	1,00,000	1,00,000	1,00,000
	Other Equity	4	(18,39,631)	(16,21,149)	(15,82,140)
			(17,39,631)	**(15,21,149)**	**(14,82,140)**
	Liabilities				
	Current Liabilities				
	Financial Liabilities				
	Borrowings	5	18,08,962	14,81,861	14,70,838
	Other Financial Liabilities	6	23,600	45,900	22,900
	Other Current Liabilities	7	13,592	-	-
			18,46,154	**15,27,761**	**14,93,738**
	Total		**1,06,523**	**6,612**	**11,598**

Summary of significant accounting policies 1
The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SRIRAMPUR GRAINS PVT.LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note No.	Year ended March 31, 2018	(`) Year ended March 31, 2017
INCOME			
Other Income		-	-
		-	**-**
EXPENSES			
Finance Cost	8	1,36,007	286
Other Expenses	9	82,475	38,723
		2,18,482	**39,009**
Profit / (Loss) before tax		**(2,18,482)**	**(39,009)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(2,18,482)**	**(39,009)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(2,18,482)**	**(39,009)**
Earnings Per Share (`) Basic & Diluted	18	(21.85)	(3.90)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-21		

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SRIRAMPUR GRAINS PVT LTD.

Statement of Changes in Equity for the year ended March 31, 2018

	As at March 31, 2018	(`) As at March 31, 2017
A) Equity Share Capital		
Balance at the beginning of the reporting year	**1,00,000**	**1,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**1,00,000**	**1,00,000**

B) Other Equity

	(`) Reserves and Surplus — Retained Earnings
Balance as at April 01, 2016	**(15,82,140)**
Profit / (Loss) for the year	**(39,009)**
Balance as at March 31, 2017	**(16,21,149)**
Additions during the year :	
Profit / (Loss) for the year	**(2,18,482)**
Balance as at March 31, 2018	**(18,39,631)**

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SRIRAMPUR GRAINS PVT.LTD

Statement of Cash Flow for the year ended March 31, 2018

(`)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(2,18,482)**		**(39,009)**
	Interest paid		1,35,918		-
	Net Cash from Operating Activities		(82,564)		(39,009)
	Adjustment for:				
	(Decrease)/ Increase in current liabilities, and other financial liabilities		(8,708)		23,000
	Net Cash from Operating activities		**(91,272)**		**(16,009)**
B)	**Cash Flow from Financing activities**				
	Proceeds from borrowings (Net)		3,27,101		11,023
	Interest paid		(1,35,918)		-
	Net Cash from Financing Activities		**1,91,183**		**11,023**
	Net increase in Cash & Cash equivalents		**99,911**		**(4,986)**
	Opening cash & cash equivalents		6,612		11,598
	Closing cash & cash equivalents		**1,06,523**		**6,612**

Notes :

(`)

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	Balance with Banks in Current Accounts	1,06,523	6,612
	Cash on Hand	-	-
		1,06,523	**6,612**

(`)

		As at April 01, 2017	Cash Flow (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**			
	Borrowings	14,81,861	3,27,101	18,08,962
		As at April 01, 2016	**Cash Flow (net)**	**As at March 31, 2017**
	Borrowings	14,70,838	11,023	14,81,861

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

Shyam D.Menghani
Proprietor
Membership No. 107345

For and on behalf of the Board

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

1 **Notes to Financial Statements for the year ended March 31, 2018**

1 **Reporting Entity**

Srirampur Grains Pvt Ltd (The ‘Company’) is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 **Basis of preparation**

a) **Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The Company’s financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 12.

The financial statements were authorised for issue by the Company’s Board of Directors on May 19, 2018.

Details of the Company’s accounting policies are included in sub note 3 below.

b) **Functional and presentation currency**

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency.

c) **Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) **Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) **Measurement at fair values**

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2018

(`)

	Current		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
2 Cash and Bank Balances			
Cash and Cash Equivalents			
Balance with Banks in Current Account	1,06,523	6,612	11,043
Cash on Hand	-	-	555
	1,06,523	**6,612**	**11,598**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	(`) As at April 01, 2016
3 Equity Share Capital			
Authorised Shares			
2,50,000 equity shares of ` 10/- each (P.Y. 2,50,000 equity shares of ` 10/- each)	**25,00,000**	**25,00,000**	**25,00,000**
Issued, subscribed and paid up shares			
10,000 equity shares of ` 10/- each fully paid up (P.Y.10,000 equity shares of ` 10/- each fully paid up)	1,00,000	1,00,000	1,00,000
	1,00,000	**1,00,000**	**1,00,000**

a) Reconciliation of the number of shares outstanding **(Nos.)**

Number of equity shares at the beginning	10,000	10,000	10,000
Equity shares issued during the period	-	-	-
Number of equity shares at the end	**10,000**	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	10,000	10000	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2018	As at March 31, 2017	(`) As at April 01, 2016
4 Other Equity			
Retained Earnings			
As per last Balance Sheet	(16,21,149)	(15,82,140)	(15,82,140)
Add: Profit / (Loss) after tax for the year	(2,18,482)	(39,009)	-
	(18,39,631)	**(16,21,149)**	**(15,82,140)**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2018

	As at March 31, 2018	Current As at March 31, 2017	(`) As at April 01, 2016
5 Borrowings			
Unsecured Loan			
From Holding Company	18,08,962	14,81,861	14,70,838
	18,08,962	**14,81,861**	**14,70,838**
6 Other Financial Liabilities			
Other Payables [Refer Note No.15]	23,600	45,900	22,900
	23,600	**45,900**	**22,900**
7 Other Liabilities			
Payable towards Statutory Liabilities	13,592	-	-
	13,592	**-**	**-**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2018

		Year ended March 31, 2018	(`) Year ended March 31, 2017
8	**Finance Cost**		
	Interest on Borrowings	1,35,918	-
	Bank charges	89	286
		1,36,007	**286**
9	**Other Expenses**		
	Auditors Remuneration [Refer Note No.17]	23,600	23,000
	Rates and taxes	11,011	11,023
	Legal and professional charges	47,864	4,700
		82,475	**38,723**

10 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2018 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,06,523	-	1,06,523
	-	**1,06,523**	**-**	**1,06,523**
Financial liabilities				
Borrowings	-	-	18,08,962	18,08,962
Other Financial Liabilities	-	-	23,600	23,600
	-	**-**	**18,32,562**	**18,32,562**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2017 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	6,612	-	6,612
	-	**6,612**	**-**	**6,612**
Financial liabilities				
Borrowings	-	-	14,81,861	14,81,861
Other Financial Liabilities	-	-	45,900	45,900
	-	**-**	**15,27,761**	**15,27,761**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	11,598	-	11,598
	-	**11,598**	**-**	**11,598**
Financial liabilities				
Borrowings	-	-	14,70,838	14,70,838
Other Financial Liabilities	-	-	22,900	22,900
	-	**-**	**14,93,738**	**14,93,738**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

11 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(`)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and cash equivalents	1,06,523	6,612	11,598
Total	**1,06,523**	**6,612**	**11,598**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 (`)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
Borrowings	18,08,962	18,08,962	-
Other financial liabilities	23,600	23,600	-
	18,32,562	**18,32,562**	**-**

As at March 31, 2017 (`)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
Borrowings	14,81,861	14,81,861	-
Other financial liabilities	45,900	45,900	-
	15,27,761	**15,27,761**	**-**

As at April 01, 2016 (`)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
Borrowings	14,70,838	14,70,838	-
Other financial liabilities	22,900	22,900	-
	14,93,738	**14,93,738**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

12 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in sub note 3 of Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(`)

Particulars	Note No.	March 31, 2017	April 01, 2016
Total Equity as per previous GAAP		(15,21,149)	(14,82,140)
Ind AS adjustments		-	-
Total Equity as per Ind AS		**(15,21,149)**	**(14,82,140)**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(`)

Particulars	Note No.	March 31, 2017
Profit for the year under previous GAAP		(39,009)
Ind AS adjustments		-
Profit for the year under Ind AS		**(39,009)**

13 Income Taxes

	2017-2018	(`) 2016-2017
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) Income tax expense recognised in Other Comprehensive Income		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) Applicable corporate tax rate	25.75%	34.608%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	-	-
e) Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	-	-

14 Capital Management (`)

For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	-	-	-
Total Equity	(17,39,631)	(15,21,149)	(14,82,140)
Debt to Equity Ratio	-	-	-

* Long term debt less cash and bank balances

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for the year ended March 31, 2018

15 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

16 Related Party Disclosures:
The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Dr. Keshab Nandy - Director

(`)

Nature of Transaction	Parties refered in (a) above	
	March 31, 2018	March 31, 2017
Interest Expense		
Tilaknagar Industries Ltd.	1,35,918	-
Total	**1,35,918**	**-**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	3,27,101	11,023
Total	**3,27,101**	**11,023**
Outstanding Payable		
Tilaknagar Industries Ltd.	18,08,962	14,81,861
Total	**18,08,962**	**14,81,861**

17 Auditor's remuneration charged to accounts:

	March 31, 2018	March 31, 2017
Audit Fees	23,600	23,000
	23,600	**23,000**

18 Earnings Per Share (EPS)

	March 31, 2018	March 31, 2017
Profit /(Loss) After Tax	(2,18,482)	(39,009)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(21.85)	(3.90)
Face Value per Equity Share	10	10

19 There is no contingent liability as on March 31, 2018.

20 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

21 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SHIVPRABHA SUGARS LTD.

Regd Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U15424PN2006PLC129391]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 12th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2017-18, no activities have been carried out by the Company and it has incurred net loss of Rs. 82,115/- during the year as compared to net loss of Rs. 98,585/- in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. HOLDING COMPANY

Your Company is subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (five) times during the financial year 2017-18 on May 16, 2017; August 07, 2017; August 31, 2017; December 22, 2017 and January 22, 2018 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s Shyam D. Menghani & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in the 8th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 8th Annual General Meeting till the conclusion of the 13th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 8th Annual General Meeting.

Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, has omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM and accordingly, M/s. Shyam D. Menghani & Co., Chartered Accountants hold office until the conclusion of the 13th Annual General Meeting without following the requirement of ratification of their appointment by the Members at the AGM every year.

No frauds have been reported by the Statutory Auditors during the financial year 2017-18 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

With reference to the Statutory Auditors' qualified opinion, matter of emphasis and observations in the Auditors' Report, the explanation/comments of the Board in accordance with the provisions of Section 134(3)(f) of the Companies Act, 2013 are set out in Annexure 'A' to this Report.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2018 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : http://www.tilind.com/investors/#disclosure.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no particulars to be furnished in this Report as required under Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013.

11. FIXED DEPOSITS

As on April 01, 2017, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2017-18. As on March 31, 2018, the Company was not having any outstanding deposit falling under the scope of said Chapters.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any contracts or arrangements with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis and;

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the financial year 2017-18, provisions of Section 149(4) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Companies Act, 2013 is not applicable;

ii. During the financial year 2017-18, provisions of Section 178(1) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Companies Act, 2013 is not applicable;

iii. In view of the loss incurred by the Company during the financial year 2017-18, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

v. No activities have been carried out by the Company during the financial year 2017-18. Hence, disclosure under Section 134(3)(n) of the Companies Act, 2013 is not applicable;

vi. During the financial year 2017-18, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the financial year 2017-18, provisions of Section 178(2) of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2017-18, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the financial year 2017-18, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the financial year 2017-18, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the financial year 2017-18, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable; and

xii. During the financial year 2017-18, the Company has not received any complaint of sexual harassment pursuant to the provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xiii. During the financial year 2017-18, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : August 09, 2018

ANNEXURE 'A' TO THE DIRECTORS' REPORT

BOARD OF DIRECTORS' RESPONSES TO THE OBSERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS IN AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
[Pursuant to Section 134(3)(f) of the Companies Act, 2013]

With reference to the Statutory Auditors' Observations, Qualifications and Adverse Remarks in their Audit Reports on the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018, the Board of Directors provides its explanations/comments as under:

i. **Auditors' observations under paragraph 1 of 'Basis for Qualified Opinion' of the Auditors' Report to the financial statements:**

Balance under Unsecured Loan from Director is subject to confirmation and adjustment, if any, required upon such confirmation are not ascertainable and hence not provided for.

Board's response:

There is no adjustment required for unsecured Loan from Director as the entire balance is payable to the Director.

ii. **Auditors' observations under paragraph 2 of 'Basis for Qualified Opinion' of the Auditors' Report to the financial statements:**

The Company has borrowed money from its holding Company which is not in compliance with Section 180 of the Companies Act, 2013.

Board's response:

The loan taken from the Holding Company was used for business purpose only to pay its creditors.

iii. **Auditors' observations under paragraph of 'Material Uncertainty related to Going Concern' of the Auditors' Report to the financial statements:**

We draw attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's response:

Your Directors state that the Company is incurring losses as it has not commenced any business activity for lack of feasible projects. In this regard, the Company is exploring better business opportunities. Your Directors are hopeful that the performance of the Company will improve with commencement of the operations.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 09, 2018

Amit Dahanukar
Chairman
(DIN: 00305636)

SHYAM D. MENGHANI & CO.

Chartered Accountants

C-1, Bhagyanagar CHS Ltd., Gopi Tank Road, Mahim, Mumbai 400016 Mob.: 9920984944 Email: sdlmenghani@gmail.com

Independent Auditor's Report

To,
The Members of
Shivprabha Sugar Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shivprabha Sugar 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone 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 standalone Ind AS financial statements.

Basis for Qualified Opinion

1) Balance under Unsecured Loan from Director is subject to confirmation and adjustment, if any, required upon such confirmation are not ascertainable and hence not provided for.
2) The Company has borrowed money from its holding Company which is not in compliance with Section 180 of the Companies Act, 2013.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2018, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Material Uncertainty related to Going Concern

We draw attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditors Report) Order 2016 (“the Order”) issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in ‘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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are 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’.

g) With respect to the other matters to be included in the Auditor's 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS 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.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

Annexure A to the Independent Auditor's Report
on the standalone Ind AS financial statements of Shivprabha Sugar Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Shivprabha Sugar Limited ("the Company")

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such 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) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii) of the Order is not applicable.

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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us there is no outstanding dues of income tax, duty of excise, value added tax, cess and any other statutory dues.

viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks and financial Institutions. There were no outstanding dues to any debenture holders anytime during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. The Company has not taken any term loan from Banks during the year.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The Company has not paid any remuneration to managerial personnel, hence the provision of this clause are not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order 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 **SHYAM D. MENGHANI &CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

Annexure B to the Independent Auditors' Report
on the Standalone Ind AS Financial Statements of Shivprabha Sugar Limited

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements section of our report of even date)

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 Shivprabha Sugar Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company.

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 standalone Ind AS 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 ICAI.

For **SHYAM D. MENGHANI & CO.**
Chartered Accountants
Firm Registration No. 131574W

Shyam D. Menghani
Proprietor
Membership No. 107345

Place : Mumbai
Date : May 19, 2018

SHIVPRABHA SUGAR LTD.

BALANCE SHEET AS AT MARCH 31, 2018

		Note No.	As at March 31, 2018	As at March 31, 2017	(`) As at April 01, 2016
I	**ASSETS**				
	Non-Current Assets				
	Property, Plant and Equipment	2	15,34,240	15,34,240	15,34,240
			15,34,240	**15,34,240**	**15,34,240**
	Current Assets				
	Financial Assets				
	Cash and Cash Equivalents	3	55,434	55,434	60,592
	Income Tax Assets (Net)		-	27,441	27,441
			55,434	**82,875**	**88,033**
	Total		**15,89,674**	**16,17,115**	**16,22,273**
II	**EQUITY AND LIABILITIES**				
	Equity				
	Equity Share Capital	4	5,00,000	5,00,000	5,00,000
	Other Equity	5	(1,47,35,223)	(1,46,53,108)	(1,45,54,523)
			(1,42,35,223)	**(1,41,53,108)**	**(1,40,54,523)**
	Current Liabilities				
	Financial Liabilities				
	Borrowings	6	1,57,95,397	1,57,14,449	1,56,48,171
	Other Financial Liabilities	7	29,500	55,774	28,625
			1,58,24,897	**1,57,70,223**	**1,56,76,796**
	Total		**15,89,674**	**16,17,115**	**16,22,273**
			-	-	-
	Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SHIVPRABHA SUGAR LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note No.	Year ended March 31, 2018	(`) Year ended March 31, 2017
INCOME			
Other Income		-	-
Total Income		**-**	**-**
EXPENSES			
Other Expenses	8	54,674	98,585
Total expenses		**54,674**	**98,585**
Profit / (Loss) before tax		**(54,674)**	**(98,585)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		27,441	-
3) Deferred Tax		-	-
		27,441	**-**
Profit / (Loss) after tax		**(82,115)**	**(98,585)**
Other Comprehensive Income			
Total Other Comprehensive Income		**(82,115)**	**(98,585)**
Earnings Per Share (`) Basic & Diluted	17	(1.64)	(1.97)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-20		

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SHIVPRABHA SUGAR LTD.

Statement of Changes in Equity for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017
		(`)
A) Equity Share Capital		
Balance at the beginning of the reporting year	**5,00,000**	**5,00,000**
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	**5,00,000**	**5,00,000**

B) Other Equity

	(`)
	Reserves and Surplus
	Retained Earnings
Balance as at April 01, 2016	**(1,45,54,523)**
Profit / (Loss) for the year	**(98,585)**
Balance as at March 31, 2017	**(1,46,53,108)**
Additions during the year :	
Profit / (Loss) for the year	**(82,115)**
Balance as at March 31, 2018	**(1,47,35,223)**

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

SHIVPRABHA SUGAR LTD.

Statement of Cash Flow for the year ended March 31, 2018

(`)

		2017-2018		2016-2017	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**(54,674)**		**(98,585)**
	Net Cash from Operating Activities		(54,674)		(98,585)
	Adjustment for:				
	(Decrease)/ Increase in other financial liabilities		(26,274)		27,149
	Net Cash from Operating activities		**(80,948)**		**(71,436)**
B)	**Cash Flow from Financing activities**				
	Proceeds from borrowings (Net)		80,948		66,278
	Net Cash from Financing Activities		**80,948**		**66,278**
	Net increase in Cash & Cash equivalents		**-**		**(5,158)**
	Opening cash & cash equivalents		55,434		60,592
	Closing cash & cash equivalents		**55,434**		**55,434**
			55,434		55,434
			-		-

Notes :

(`)

		As at March 31, 2018	As at March 31, 2017
(a)	**Cash and cash equivalents comprises of**		
	Balance with Bank in Current Account	55,434	55,434
	Cash on Hand	-	-
		55,434	**55,434**

(`)

		As at April 01, 2017	Cash Flow (net)	As at March 31, 2018
(b)	**Change in liability arising from financing activities**			
	Borrowings	1,57,14,449	80,948	1,57,95,397
		As at April 01, 2016	**Cash Flow (net)**	**As at March 31, 2017**
	Borrowings	1,56,48,171	66,278	1,57,14,449

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

Shyam D.Menghani
Proprietor
Membership No. 107345

For and on behalf of the Board

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018

1 **Notes to Financial Statements for the year ended March 31, 2018**

1 **Reporting Entity**

Shivprabha Sugar Ltd (The ‘Company’) is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

2 **Basis of preparation**

a) **Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The Company’s financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 11.

The financial statements were authorised for issue by the Company’s Board of Directors on May 19, 2018.

Details of the Company’s accounting policies are included in sub note 3 below.

b) **Functional and presentation currency**

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency.

c) **Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) **Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) **Measurement at fair values**

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Revenue

Revenue is recognized 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

iv) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

v) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

vi) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

vii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

viii) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

ix) Ind AS issued but not effective

Ind AS 115 - Revenue from contract with customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This standard will come into force from April 01, 2018. As per the evaluation of the management of the Company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the Company, the effect of this amendment will not be material.

SHIVPRABHA SUGAR LTD.

Notes to Financial Statements for the year ended March 31, 2018

2 Property, Plant and Equipment

(`)

FIXED ASSETS	Gross Block				Depreciation / Amortisation				Net Block	
	As At April 01, 2017	Additions	Deductions	As At March 31, 2018	As At April 01, 2017	Deductions	For the year	As At March 31, 2018	As At March 31, 2018	As At March 31,2017
TANGIBLE ASSETS										
Land	15,34,240	-	-	**15,34,240**	-	-	-	**-**	15,34,240	15,34,240
Total Tangible Assets	**15,34,240**	**-**	**-**	**15,34,240**	**-**	**-**	**-**	**-**	**15,34,240**	**15,34,240**
Previous Year	***15,34,240***			***15,34,240***	**-**	**-**	**-**	**-**	***15,34,240***	

Property, Plant and Equipment (Contd.) [Schedule of Fixed Assets for the previous year 2016-2017]

FIXED ASSETS	Gross Block				Depreciation / Amortisation				Net Block	
	As At April 01, 2016	Additions	Deductions	As At March 31, 2017	As At April 01, 2016	Deductions	For the year	As At March 31, 2017	As At March 31, 2017	As At March 31,2016
TANGIBLE ASSETS										
Land	15,34,240	-	-	**15,34,240**	-	-	-	**-**	15,34,240	15,34,240
Total Tangible Assets	**15,34,240**	**-**	**-**	**15,34,240**	**-**	**-**	**-**	**-**	**15,34,240**	**15,34,240**
Previous Year	***15,34,240***			***15,34,240***	**-**	**-**	**-**	**-**	***15,34,240***	

Notes to Financial Statements for the year ended March 31, 2018

			(`)
		Current	
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
3 Cash and Bank Balances			
Cash and Cash Equivalents			
Balance with Bank in Current Account	55,434	55,434	60,030
Cash on Hand	-	-	562
	55,434	**55,434**	**60,592**

SHIVPRABHA SUGAR LTD.

Notes to Financial Statements for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	(`) As at April 01, 2016
4 Equity Share Capital			
Authorised Shares			
50,000 equity shares of ` 10/- each (P.Y. 50,000 equity shares of ` 10/- each)	**5,00,000**	**5,00,000**	**5,00,000**
Issued, subscribed and paid up shares			
50,000 equity shares of ` 10/- each fully paid up (P.Y. 50,000 equity shares of ` 10/- each fully paid up)	5,00,000	5,00,000	5,00,000
	5,00,000	**5,00,000**	**5,00,000**

a) Reconciliation of the number of shares outstanding

			(Nos.)
Number of equity shares at the beginning	50,000	50,000	50,000
Equity shares issued during the period	-	-	-
Number of equity shares at the end	**50,000**	**50,000**	**50,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Tilaknagar Industries Ltd.	45,000	45,000	45,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	**As at March 31, 2018**		**As at March 31, 2017**		**As at April 01, 2016**	
	No. of equity shares	**As a % of total holding**	**No. of equity shares**	**As a % of total holding**	**No. of equity shares**	**As a % of total holding**
Tilaknagar Industries Ltd.	45,000	90	45,000	90	45,000	90
Shivaji Baburao Disle	5,000	10	5,000	10	5,000	10
Total	**50,000**	**100**	**50,000**	**100**	**50,000**	**100**

	As at March 31, 2018	As at March 31, 2017	(`) As at April 01, 2016
5 Other Equity			
Retained Earnings			
As per last Balance Sheet	(1,46,53,108)	(1,45,54,523)	(1,45,54,523)
Add: Profit / (Loss) after tax for the year	(82,115)	(98,585)	-
	(1,47,35,223)	**(1,46,53,108)**	**(1,45,54,523)**

SHIVPRABHA SUGAR LTD.

Notes to Financial Statements for the year ended March 31, 2018

(`)

	Current		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
6 Borrowings			
Unsecured Loan			
From Holding Company	43,95,397	43,14,449	42,48,171
From Director	1,14,00,000	1,14,00,000	1,14,00,000
	1,57,95,397	**1,57,14,449**	**1,56,48,171**
7 Other Financial Liabilities			
Other Payables [Refer Note No.14]	29,500	55,774	28,625
	29,500	**55,774**	**28,625**

SHIVPRABHA SUGAR LTD.

Notes to Financial Statements for the year ended March 31, 2018

	Year ended March 31, 2018	Year ended March 31, 2017 (`)
8 Other Expenses		
Auditors Remuneration [Refer Note No.16]	29,500	28,750
Rates and taxes	4,459	66,278
Legal and professional charges	19,114	4,700
Miscellaneous Expenses	1,601	(1,143)
	54,674	**98,585**

9 Financial Instruments - Accounting classification and fair value measurements

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2018 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	55,434	-	55,434
	-	**55,434**	**-**	**55,434**
Financial liabilities				
Borrowings	-	-	1,57,95,397	1,57,95,397
Other Financial Liabilities	-	-	29,500	29,500
	-	**-**	**1,58,24,897**	**1,58,24,897**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2017 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	55,434	-	55,434
	-	**55,434**	**-**	**55,434**
Financial liabilities				
Borrowings	-	-	1,57,14,449	1,57,14,449
Other Financial Liabilities	-	-	55,774	55,774
	-	**-**	**1,57,70,223**	**1,57,70,223**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at April 01, 2016 (`)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	60,592	-	60,592
	-	**60,592**	**-**	**60,592**
Financial liabilities				
Borrowings	-	-	1,56,48,171	1,56,48,171
Other Financial Liabilities	-	-	28,625	28,625
	-	**-**	**1,56,76,796**	**1,56,76,796**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

10 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(`)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and cash equivalents	55,434	55,434	60,592
Total	**55,434**	**55,434**	**60,592**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,57,95,397	1,57,95,397	-
Other financial liabilities	29,500	29,500	-
	1,58,24,897	**1,58,24,897**	**-**

As at March 31, 2017 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,57,14,449	1,57,14,449	-
Other financial liabilities	55,774	55,774	-
	1,57,70,223	**1,57,70,223**	**-**

As at April 01, 2016 (`)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,56,48,171	1,56,48,171	-
Other financial liabilities	28,625	28,625	-
	1,56,76,796	**1,56,76,796**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

11 Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended March 31, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in sub note 3 of Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind AS:

(`)

Particulars	Note No.	March 31, 2017	April 01, 2016
Total Equity as per previous GAAP		(1,41,53,108)	(1,40,54,523)
Ind AS adjustments		-	-
Total Equity as per Ind AS		**(1,41,53,108)**	**(1,40,54,523)**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS:

(`)

Particulars	Note No.	March 31, 2017
Profit for the year under previous GAAP		(98,585)
Ind AS adjustments		-
Profit for the year under Ind AS		**(98,585)**

12 Income Taxes

	2017-2018	(`) 2016-2017
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) Income tax expense recognised in Other Comprehensive Income		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) Applicable corporate tax rate	25.75%	34.608%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	-	-
e) Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	-	27,441

13 Capital Management

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For the purpose of the Company's's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	March 31, 2018	March 31, 2017	April 01, 2016
Net Debt *	-	-	-
Total Equity	(1,42,35,223)	(1,41,53,108)	(1,40,54,523)
Debt to Equity Ratio	-	-	-

* Long term debt less cash and bank balances

SHIVPRABHA SUGAR LTD.

Notes to Financial Statements for the year ended March 31, 2018

14 No amounts is payable to any enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

15 Related Party Disclosures:
The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) List of Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Dr. Keshab Nandy - Director

(`)

Nature of Transaction	Parties refered in (a) above	
	March 31, 2018	March 31, 2017
Net Loans & Advances taken / (given)		
Tilaknagar Industries Ltd.	80,948	66,278
Total	**80,948**	**66,278**
Outstanding Payable		
Tilaknagar Industries Ltd.	43,95,397	43,14,449
Total	**43,95,397**	**43,14,449**

16 Auditor's remuneration charged to accounts:

	March 31, 2018	March 31, 2017
Audit Fees	29,500	28,750
	29,500	**28,750**

17 Earnings Per Share (EPS)

	March 31, 2018	March 31, 2017
Profit /(Loss) After Tax	(82,115)	(98,585)
Weighted average number of shares	50,000	50,000
Basic & Diluted Earnings Per Share	(1.64)	(1.97)
Face Value per Equity Share	10	10

18 There is no contingent liability as on March 31, 2018.

19 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

20 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For Shyam D.Menghani & Co.
Chartered Accountants
Firm Regn. No . 131574W

For and on behalf of the Board

Shyam D.Menghani
Proprietor
Membership No. 107345

Amit Dahanukar
Chairman
(DIN:00305636)

Dr. Keshab Nandy
Director
(DIN:02163480)

Place : Mumbai
Date : May 19, 2018