

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MAJHAULIA SUGAR INDUSTRIES PVT LTD REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Majhulia Sugar Industries Pvt Ltd ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 financial statements – refer note 2. 26 (A) and (B) to the financial statements;
    - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
    - iv. The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company.

For Jitendra K Agarwal & Associates  
Chartered Accountants  
Firm's Registration No. 319086E

  
(Anishek Mohta)

Partner

Membership No. 066653

Place: Kolkata

Dated, the 5<sup>th</sup> day of May, 2017



## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date in respect to statutory audit of Majhulia Sugar Industries Private Limited for the year ended 31<sup>st</sup> March, 2017, we report that:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management and no material discrepancies between the book records and the physical inventory was noticed. In our opinion, the frequency of such verification is reasonable.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the company, the company is in the process of transferring the title deeds of immovable properties as shown in note no. 2.26 J of the financial statements in the name of the Company.
- II. According to the information and explanation given to us, the inventory has been physically verified by the management/ third parties during the year and discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.
- III. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraph (iii) (a) to (b) 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 loans, investments and guarantees made.
- V. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- VI. The Central Government has prescribed maintenance of cost records under section 148 (1) of the Companies Act. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts & records have been made and maintained but no detailed examination of such records and accounts have been carried out by us.
- VII. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues during the year by the Company with the appropriate authorities and no such dues were in arrears, as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31<sup>st</sup> March, 2017 which have not been deposited on account of dispute.
- VIII. Based on our audit procedures and on the basis of information and explanations given by the management, the company has not defaulted in repayment to dues to financial institutions and banks during the year.
- IX. Based on information and explanations given to us and records of the Company examined by us, in our opinion, the term loans have been applied for the purpose for which they were obtained.
- X. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



# Jitendra K Agarwal & Associates

Chartered Accountants

.....contd.

- XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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 the 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 financial statements as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not make 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 Jitendra K Agarwal & Associates  
Chartered Accountants  
Firm's Registration No. 318086E



(Abhishek Mohta)  
Partner

Membership No. 066653

Place: Kolkata

Dated, the 5<sup>th</sup> day of May, 2017



## ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **Majhulla Sugar Industries Pvt Ltd** for the year ended 31<sup>st</sup> March, 2017, we report that:

We have audited the internal financial controls over financial reporting of **Majhulla Sugar Industries Pvt Ltd** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the 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 Act.

### AUDITOR'S RESPONSIBILITY

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

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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



## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, 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 ICAI.

For Jitendra K Agarwal & Associates  
Chartered Accountants  
Firm's Registration No. 318086E



(Abhishek Mohta)  
Partner

Membership No. 066653

Place: Kolkata

Dated, the 5<sup>th</sup> day of May, 2017



**MAJHAULIA SUGAR INDUSTRIES PVT.LTD.**  
**BALANCE SHEET as at 31<sup>st</sup> March 2017**

	Note No.	As at 31 <sup>st</sup> March 2017		Amount (in Rs.) As at 31 <sup>st</sup> March 2016	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	2.1	31,350,000.00		100,000.00	
Reserves and Surplus	2.2	421,697,947.72		(11,630.75)	
			453,047,947.72		88,369.25
<b>NON-CURRENT LIABILITIES</b>					
Long-Term Borrowings	2.3	176,121,600.00		-	
Deferred Tax Liabilities (Net)	2.4	11,824,159.00		-	
Other Long-Term Liabilities	2.5	17,758,631.00		-	
Long-Term Provisions	2.6	640,637.00		-	
			206,345,027.00		
<b>CURRENT LIABILITIES</b>					
Short-Term Borrowings	2.7	-		100,066.00	
Trade Payables					
Total outstanding dues of Micro Enterprises & Small Enterprises	2.8	-		-	
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	2.8	1,719,718,617.97		11,450.00	
Other Current Liabilities	2.9	266,362,376.52		-	
Short-Term Provisions	2.6	35,630,293.00		-	
			2,021,711,287.49		111,516.00
<b>TOTAL</b>			<b>2,681,104,262.21</b>		<b>199,885.25</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Fixed Assets					
Tangible Assets	2.10	795,704,002.38		-	
Capital Work-In-Progress	2.10	59,374,845.17		-	
			855,078,847.55		
Non-Current Investments	2.11		2,000,000.00		
<b>CURRENT ASSETS</b>					
Inventories	2.14	1,607,400,835.72		-	
Trade Receivables	2.15	30,238,499.51		-	
Cash and Bank Balances	2.16	63,279,623.38		199,885.25	
Short-Term Loans and Advances	2.12	18,120,861.22		-	
Other Current Assets	2.13	104,985,594.83		-	
			1,824,025,414.66		199,885.25
<b>TOTAL</b>			<b>2,681,104,262.21</b>		<b>199,885.25</b>

Significant Accounting Policies

I

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date annexed

For JITENDRA K. AGARWAL & ASSOCIATES

Chartered Accountants

(Firm Registration No 318086E)

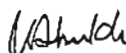
For and on behalf of the Board of Directors



Abhishek Mohta  
Partner

(Membership No.066653)





CHINNILAL SHUKLA  
(DIRECTOR)

DIN 07233256



RAJESH SARMA  
(DIRECTOR)

DIN 06456972

Place Kolkata

Dated: the 5<sup>th</sup> day of May, 2017

**MAJHAULIA SUGAR INDUSTRIES PVT.LTD.**  
**STATEMENT OF PROFIT & LOSS for the year ended 31<sup>st</sup> March 2017**

		Amount (in Rs.)	
	Note No.	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>INCOME</b>			
Revenue from Operations (Gross)	2.17	1,689,333,976.03	-
Less: Excise duty		96,721,770.00	-
Revenue from Operations (Net)		1,592,612,206.03	-
Other Income	2.18	6,962,321.69	-
Total Revenue		1,599,574,527.72	-
<b>EXPENSES</b>			
Cost of Materials Consumed	2.19	1,436,889,090.78	-
(Increase)/ Decrease in Inventories of Finished Goods, & Work-in-Progress	2.20	(347,795,498.18)	-
Employee Benefits Expense	2.21	118,520,908.55	-
Finance Costs	2.22	74,327,086.20	65.75
Depreciation Expenses	2.24	21,013,070.72	-
Other Expenses	2.23	184,874,507.18	11,565.00
		1,487,829,165.25	11,630.75
<b>Profit before Tax</b>		111,745,362.47	-
<b>Tax Expense:</b>			
Current Tax	2.25	25,100,000.00	-
Deferred Tax		11,824,159.00	-
<b>Profit for the year</b>		74,821,203.47	-
Basic & Diluted Earnings Per Share (nominal value Rs.10/-) ( Refer note 2.26 I)		23.87	(1.16)

Significant Accounting Policies |  
The accompanying Notes are an integral part of the Financial Statements

As per our report of even date annexed

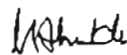
For JITENDRA K.AGARWAL & ASSOCIATES  
Chartered Accountants  
(Firm Registration No.318086E)

For and on behalf of the Board of Directors



Abhishek Mohta  
Partner  
(Membership No.066653)



  
CHINNI LAL SHUKLA  
(DIRECTOR)  
DIN 07233256

  
RAJESH SARMA  
(DIRECTOR)  
DIN 06456972

Place: Kolkata

Dated: the 5<sup>th</sup> day of May, 2017



**MAJHAULIA SUGAR INDUSTRIES PVT. LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

(Amount in Rs)

Particulars	Year Ended 31st March 2017		Year Ended 31st March 2016	
<b>A. Cash flow from operating activities :</b>				
Net Profit before tax and extraordinary items	111,745,362.47		(11,631.00)	
<b>Adjustments for -</b>				
Depreciation Expenses	21,013,070.72		-	
Finance Costs	74,327,086.20		-	
Interest Income	(1,471,509.26)		-	
(Profit) Loss on sale of Fixed Assets (net)	39,553.38		-	
Excess Liabilities & Unclaimed Balances written back	(191,893.06)		-	
Excess / Short Provisions related to earlier year (net)	(2,447,855.00)		-	
Loans, Advances & claims written off (net)	4,682,967.13		-	
<b>Operating profit before working capital changes</b>	<b>207,696,782.58</b>		<b>(11,631.00)</b>	
<b>Adjustments for -</b>				
Trade Receivables and Loans & Advances	3,563,576.43		-	
Inventories	(346,479,865.72)		-	
Trade payables, Other liabilities & Provisions	490,107,791.93		11,450.00	
<b>Cash generated from / (used in) operations</b>	<b>354,888,285.22</b>		<b>(181.00)</b>	
Direct taxes (paid) - refund "	-		-	
<b>Net cash from / (used in) operating activities</b>	<b>354,888,285.22</b>	<b>354,888,285.22</b>	<b>(181.00)</b>	<b>(181.00)</b>
<b>B. Cash flow from investing activities :</b>				
Purchase of/advance for Fixed Assets/Capital Work In Progress	(72,687,396.66)		-	
Sale of Fixed Assets/ Investment Property	903,360.00		-	
(Purchase) / sale of long term investments (net)	(2,000,000.00)		-	
Investments in Bank Deposits having original maturity of more than 3 months	(1,000,000.00)		-	
Interest received	1,471,509.26		-	
<b>Net cash from / (used in) investing activities</b>	<b>(73,312,527.40)</b>	<b>(73,312,527.40)</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from financing activities :</b>				
Proceeds from long term borrowings (net)	(194,605,400.00)		-	
Proceeds from short term borrowings (net)	(100,066.00)		100,066.00	
Interest paid	(82,120,244.20)		-	
<b>Net cash from / (used in) financing activities</b>	<b>(276,825,710.20)</b>	<b>(276,825,710.20)</b>	<b>100,066.00</b>	<b>100,066.00</b>
<b>Net increase / (decrease) in cash and cash equivalent (A+B+C)</b>		<b>4,750,047.62</b>		<b>99,885.00</b>
Cash and cash equivalents as at 01.04.2016		199,885.00		-
Cash and cash equivalents as at 31.07.2015		-		100,000.00
Cash and cash equivalents transferred on Denverger on 01.04.2016		57,329,690.76		-
Cash and cash equivalents as at 31.03.2017		<b>62,279,623.38</b>		<b>199,885.00</b>

**Notes:**

1. Cash & Cash Equivalents consists of Cash on hand and balances with banks in Current/Cash Credit accounts per note 2.16
2. The above Cash Flow Statement has been prepared as per AS-3 (indirect method)
3. Previous year's figures have been re-grouped/re-arranged wherever necessary.
4. Cash & Cash Equivalents consists of :


	As at 31.03.2017	As at 31.03.2016
Cash on hand	826,783.17	100,000.00
Bank Balance	61,452,840.21	99,885.00
Total	<b>62,279,623.38</b>	<b>199,885.00</b>

As per our report of even date annexed  
 For JITENDRA K AGARWAL & ASSOCIATES  
 Chartered Accountants  
 (Firm Registration No.318086E)

For and on behalf of the Board of Directors

  
**Abhishek Mohita**  
 Partner  
 (Membership No.066653)



  
**CHINTAL SHUKLA**  
 (Director)  
 DIN 07233256

  
**RAJESH SARDA**  
 (Director)  
 DIN 06456972

Place Kolkata  
 Dated the 5<sup>th</sup> day of May 2017

# MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March 2017

### 1. STATEMENT OF ACCOUNTING POLICIES

#### i Convention

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all materials respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. A summary of important accounting policies which have been applied consistently is set out below:

#### ii Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### iii Basis of Accounting

The financial statements have been prepared in accordance with historical cost convention. All income and expenses, unless specifically stated otherwise, have been accounted for on accrual basis.

#### iv Recognition of Revenue & Expenses

- a. All revenue and expenses are accounted for on accrual basis except as otherwise state.
- b. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods. The Company collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these not being economic benefits flowing to the Company. Hence, they are excluded from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.
- c. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.



# MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March 2017

- d. Interest on loans and advances to cane growers and Compensation receivable in respect of land surrendered to / acquired by the Government due to uncertainty in realization, are accounted for on acceptance basis.

### v Government Grants and Subsidies

- a. Government grants available to the company are considered for inclusion in accounts where there is reasonable assurance that the company will comply with the conditions attached to them and where such benefits have been earned by the company and it is reasonably certain that the ultimate collection will be made.
- b. Government Grants related to specific assets are adjusted with value of fixed assets.
- c. Government Grants in the nature of Promotor's Contribution towards fixed assets are credited to Capital Reserve.
- d. Government Grants related to revenue items are adjusted with the related expenditure/taken in income.

### vi Fixed Assets and Depreciation/Amortisation

#### A. Tangible Fixed Assets

- a. Fixed Assets are stated at cost less accumulated depreciation and accumulated impairment losses determined, if any.
- b. Depreciation on tangible fixed assets other than Land is provided on the Straight Line Method at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.
- c. Machinery spares which can be used only in connection with an item of tangible fixed asset and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

#### B. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

#### C. Capital Work in Progress

Capital Work in Progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.



# MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March 2017

### D. Intangible assets under development

Intangible assets under development is stated at cost which includes expenses incurred during development period and all other expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

### vii Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### viii Leases

For assets acquired under operating lease, rental payable are recognized as an expense in the statement of profit and loss. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment. Lease income from operating lease is recognized in the statement of profit and loss over the period of lease.

### ix Investments

- a. Investment, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investment.
- b. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fee and duties.
- c. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- d. Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

### x Inventories

- a. Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on weighted average / FIFO basis.



# MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March 2017

- b. Goods under process, finished goods and traded goods are valued at lower of cost and net realizable value. Finished goods, goods under process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity.
- c. By products, whose cost is not identifiable, are valued at estimated net realizable value.
- d. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- e. Inventories do not include spare parts, servicing equipments and stand by equipments which meet the definition of Property, Plant & Equipment as per AS-10. Such items are accounted for in accordance with Accounting Standard (AS-10), Property, Plant & Equipment.

### xi Retirement and other Employee Benefits

#### A. Short term Employees Benefits

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee render the service. This benefit includes salary, wages, short term compensatory absences and bonus.

#### B. Long term Employees Benefits

- a. **Defined contribution scheme:** This benefit includes contribution to Superannuation scheme, ESIC (Employees State Insurance Corporation) and Provident Fund Scheme. The contribution is recognised during the period in which employee renders service.
- b. **Defined Benefit Scheme:** For defined benefit scheme, the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognised in the balance sheet represent value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognised in full during the period in which they occur.
- c. **Other Long Term Benefits:** Long term compensated absence is provided for on the basis of an actuarial valuation, using the Projected unit Credit Method as at the date of Balance Sheet.

### xii Borrowing Costs



# MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March 2017

- a. Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings as an adjustment to the interest cost.
- b. Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### xiii. Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the statement of profit and loss.

Exchange difference arising on reporting/settlement of long term foreign currency monetary items (other than related to acquisition of depreciable Fixed Assets) at rates different from those at which they were initially recorded during the period or reported in previous financial statement which were until now being recognized in the statement of Profit & Loss are now being accumulated in "Foreign Currency Monetary Items Translation Difference Account" and amortized in the statement of Profit & Loss over the remaining life of the long term foreign currency monetary items.

### xiii Taxes on Income

Current tax is determined on the basis of the amount of tax payable for year under Income Tax Act, 1961. Deferred tax is calculated at the applicable tax rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence are recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax Credit for Minimum Alternate Tax (MAT) is recognised when there is a convincing evidence of its realisability against future tax liability.

### xiv. Proposed Dividend

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date. Such Dividend is disclosed in the Notes.



# MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31st March 2017

### xv Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in respect of present obligation arising out of past events where there are reliable estimates of the probable outflow of resources. Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for but are disclosed by way of Notes on Accounts. Contingent Assets are not provided for or disclosed.

### xvi Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of stocks as on the reporting date.



	(Amount in Rs.)	
	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Authorized:</b>		
32,50,000 Equity Shares of Rs 10/- each	32,500,000.00	100,000.00
	32,500,000.00	100,000.00
<b>Issued subscribed and fully paid-up</b>		
31,35,000 Equity Shares of Rs 10/-each	31,350,000.00	100,000.00

a) Reconciliation of Shares outstanding at the beginning and at the end of year

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	10,000	-
Shares issued during the year	3,125,000	10,000
Shares outstanding at the end of the year	3,135,000	10,000

b) Terms/Rights attached to Equity Shares -The Company has only one class of issued shares i.e. Equity Shares having par value of Rs 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) The Company is 100% subsidiary of M/S Jayshree Tea & Industries Ltd

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

	As at		As at	
	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
<u>Ordinary Equity Shares of Rs. 10 each fully paid</u>	No. of Shares	%	No. of Shares	%
jayshree Tea & Industries Ltd	3,135,000.00	100.00	10,000	100.00

e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

f) The Company has neither issued any bonus shares nor has bought back any shares since its incorporation (i.e. from the year 2015-16)

g) During the current financial year 31,25,000 Equity shares of Rs.10/-each fully paid up have been issued pursuant to scheme of arrangement for consideration other than cash. (Refer note 2.26 J)

h) No securities convertible into Equity/Preference shares have been issued by the Company during the year

i) No calls are unpaid by any director or officer of the Company during the year.





		(Amount in Rs.)	
		As at	As at
		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>2.2: RESERVES AND SURPLUS</b>			
<u>Securities Premium Account</u>			
As per the last Financial Statements		-	-
Add, Received pursuant to scheme of arrangement (Refer note 2.26 J)		346,888,375.00	-
Closing Balance		346,888,375.00	-
<u>Surplus in statement of Profit &amp; Loss :</u>			
<u>As per the last Financial Statements</u>		(11,630.75)	-
Add:	Surplus transferred from statement of Profit & Loss	74,821,203.47	(11,630.75)
Closing Balance		74,809,572.72	(11,630.75)
Total Reserve & Surplus		421,697,947.72	(11,630.75)

**2.3: LONG-TERM BORROWINGS**

	Non-current portion		Current Maturities	
	As at	As at	As at	As at
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<u>Secured</u>				
Sugar Term Loan	141,700,000.00	-	92,500,000.00	-
Sugar Development Fund Loan	34,421,600.00	-	8,605,400.00	-
<b>Total Secured Borrowings</b>	<b>176,121,600.00</b>	<b>-</b>	<b>101,105,400.00</b>	<b>-</b>
Amount disclosed under the head "Other Current Liabilities" (Note 2.9)	-	-	101,105,400.00	-
	<b>176,121,600.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

- a) Term Loans from State Bank of India (SBI) under Financial Assistance Scheme (SEFASU) 2014) carry interest of 12% and is repayable in quarterly installments ending on March 2019. The Company is entitled to interest subvention from Government of India upto 12% as per the terms of schedule.
- The above loan is secured by first charge by hypothecation of stock, book debts/ receivable and other current assets of company ranking pari-pasu with other working capital consortium bank
- b) Term Loan from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015) carry interest rate of 12% p.a. and repayable in 20 equal quarterly installments by 31st March, 2022. The Company is entitled to interest subvention from the Government of Bihar upto 12% for first year and 10% thereafter as per terms of the Scheme and the same will be reimbursed directly to banks by the State Government of Bihar.
- The above loan is secured by first charge by hypothecation of stock, book debts/ receivable and other current assets of company ranking pari-pasu with other working capital consortium bank.
- c) Term loans from the Sugar Development Fund, carry interest @ 7% p.a. and are secured / to be secured by way of by a second charge on equitable mortgage of all the immovable and movable assets, present and future of the Company.



## d) Maturity Profile and Repayment Schedule

(Amount in Rs.)

## Secured

S.N	Nature of Loans	Loan Amount	Repayment Term	2017-18	2018-19	2019-20	2020-2021	2021-2022
(a)	Sugar Development Fund	43,027,000.00	payable in ten half yearly installments	8,605,400.00	8,605,400.00	8,605,400.00	8,605,400.00	8,605,400.00
(b)	Interest Accrued on Sugar Development Fund	13,772,171.00	payable in ten half yearly installments	3,013,540.00	3,013,540.00	3,013,540.00	3,013,540.00	1,718,011.00
(c)	Sugar Term Loan	90,000,000.00	payable in eleven equal quarterly installments	50,000,000.00	40,000,000.00	-	-	-
(d)	Sugar Solt Loan	144,200,000.00	Payable in twenty equal quarterly installments	42,500,000.00	34,000,000.00	34,000,000.00	33,700,000.00	-
		290,999,171.00		104,118,940.00	85,618,940.00	45,618,940.00	45,318,940.00	10,323,411.00

The Rate of Interest on the above Term Loans are in the range of 7% to 12%



**2.4 : DEFERRED TAX LIABILITIES (NET)**

	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
Deferred Tax Liabilities				
Arising on account of:				
Depreciation	11,824,159.00	11,824,159.00	-	-
Less: Deferred Tax Assets				
Arising on account of:				
Section 43 B of Income tax Act	-	-	-	-
		11,824,159.00		-

**2.5 : OTHER LONG TERM LIABILITIES**

	As at		As at	
	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
Trade and Security Deposits		7,000,000.00		-
Interest accrued but not due		10,758,631.00		-
		17,758,631.00		-

**2.6 : PROVISIONS**

	Long Term		Short Term	
	As at	As at	As at	As at
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Provision for Employee Benefits</b>				
Leave	640,637.00	-	351,884.00	-
Gratuity	-	-	5,998,286.00	-
Bonus	-	-	2,583,178.00	-
<b>Other Provisions</b>				
Provisions for Contingencies	-	-	1,596,945.00	-
Provisions for Taxation	-	-	25,100,000.00	-
	640,637.00	-	35,630,293.00	-



(Amount in Rs.)

**2.7: SHORT TERM BORROWINGS**Other Loans & Advances

From Holding Co.

-	100,066
-	<b>100,066.00</b>

**2.8: TRADE PAYABLES**

For Goods and Services

Dues of Micro Enterprises &amp; Small Enterprises (Note 2.26(C))

Others

As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
-	-
1,719,718,617.97	11,450.00
<b>1,719,718,617.97</b>	<b>11,450.00</b>

**2.9: OTHER CURRENT LIABILITIES**

Current maturities of Long Term Debt ( Note 2.3)

Interest accrued but not due on Borrowings

Employees Related Liabilities

Statutory Dues

Advance received from Customers

Others

101,105,400.00	-
22,456,654.00	-
14,169,270.00	-
98,219,031.74	-
540,894.48	-
29,871,126.30	-
<b>266,362,376.52</b>	<b>-</b>



## Note No-2.10 : Fixed Assets

(Amount in Rs.)

	Gross Block				Accumulated Depreciation & Amortisation					Net Block	
	Value as on 31.03.2016	Addition pursuant to the scheme (Refer note 2.26 )	Additions/ Adjustments	Sales/ Adjustments	Value as on 31.03.2017	Upto 31.03.2016	For the year	Sales/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	-	398,160,000.00	-	-	398,160,000.00	-	-	-	0.00	398,160,000.00	-
Buildings & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tubewell, Fencing, Road, Bridge etc	-	71,510,365.62	17,108,752.00	-	88,619,117.62	-	2,372,093.79	-	2,372,093.79	86,247,023.83	-
Plant & Machinery, X-ray units, Electric Installation, Air Conditioning units, Refrigerators, Road Rollers, Gas Pipe Line, Roapways etc.	-	299,818,617.00	224,8805.99	1,454,913.87	320,782,509.12	-	17205826.93	-	17205826.93	303,576,682.19	-
Furniture and Fixtures, Tools & Implements etc.	-	-	238,295.08	-	238,295.08	-	6,463.82	-	6,463.82	231,831.26	-
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc	-	6,089,114.69	985,000.00	-	7,074,114.69	-	1,330,801.48	-	1,330,801.48	5,743,313.21	-
Office equipment	-	-	590,482.09	-	590,482.09	-	74,383.92	-	74,383.92	516,098.17	-
- Livestock	-	19,051.00	-	-	19,051.00	-	-	-	-	19,051.00	-
- Arms & Ammunitions	-	-	-	-	0.00	-	-	-	-	-	-
- Mill Roller	-	-	1,233,503.50	-	1,233,503.50	-	23,500.78	-	23,500.78	1,210,002.72	-
	-	-	-	-	-	-	-	-	-	-	-
Total	-	775,597,148.30	42,574,838.66	1,454,913.87	816,717,073.10	-	21,013,070.72	-	21,013,070.72	795,704,002.38	-
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-
- Buildings	-	29,262,287.17	29,165,617.00	-	58,427,904.17	-	-	-	-	58,427,904.17	-
- Others (Distillery Project)	-	-	946,941.00	-	946,941.00	-	-	-	-	946,941.00	-
TOTAL	-	29,262,287.17	30,112,558.00	-	59,374,845.17	-	-	-	-	59,374,845.17	-
GRAND TOTAL	-	804,859,435.47	72,687,396.66	1,454,913.87	876,091,918.27	-	21,013,070.72	-	21,013,070.72	895,074,847.55	-
PREVIOUS YEAR	-	NIL	NIL	NIL	NIL	NIL	NIL	-	NIL	NIL	NIL

## Notes to Fixed Assets

i) The Company is holding 1070.57 acre of land which is in dispute under "Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) Act, 1961 & Rules 1963. Vide order dated 29/12/2012, the Additional Collector, Bettiah had declared 970.57 acre of land as surplus and ordered for surrender of such land. The company has filed an appeal against the order of the collector and matter is subjudice. Further compensation of 146.92 acres of land which was surrendered under the above Act in earlier years is yet to be determined and shall be accounted for in the year of receipt.

ii) Depreciation during the year includes of Rs. 33,953/- towards assets of farm.

iii) Borrowing cost capitalized in accordance with accounting Standard (AS)-16 is Rs. NIL



(Amount in Rs.)

2.11: Non Current InvestmentsInvestments in real estate yield funds - unquoted  
Indiabulls High Yield FundAs at  
31.03.2017As at  
31.03.2016

2,000,000.00

-

2,000,000.00

-

NAV

2,000,000.00

-

2.12: LOANS & ADVANCES

Unsecured, considered good

Long-term

Short-term

As at

As at

As at

As at

31<sup>st</sup> March 201731<sup>st</sup> March 201631<sup>st</sup> March 201731<sup>st</sup> March 2016Other Loans and Advances (Unsecured, Considered  
good unless otherwise mention)

Security Deposits

-

1,248,474.00

-

Advance against supply of Goods and Services

-

7,537,022.52

-

Prepaid Expenses

-

1,835,607.00

-

Loan / Advance to Employees

-

304,071.00

-

Balances with Government &amp; Statutory

-

7,195,686.70

-

-

18,120,861.22

-

-

18,120,861.22

-

Non-Current

Current

As at

As at

As at

As at

31<sup>st</sup> March 201731<sup>st</sup> March 201631<sup>st</sup> March 201731<sup>st</sup> March 20162.13: OTHER ASSETS

Interest Recoverable on Sugar Term

-

98,977,745.84

-

Loan, Incentive, Subsidy and Other Claims

-

6,007,848.99

-

Other Receivable \*

-

104,985,594.83

-

-

-

-

Includes Rs. 6,007,848.99 receivable from holding Company (Demerged Company) on account of post-demerger transactions.



Notes to Financial Statements for the year ended 31<sup>st</sup> March 2017

(Amount in Rs.)

**2.14 : INVENTORIES**

(As valued and certified by the management)

	As at		As at	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Work in Progress	1,542,440.96	-	-	-
Finished Goods	1,573,305,723.58	-	-	-
Stores and Spares	32,552,671.18	-	-	-
	<u>1,607,400,835.72</u>	<u>-</u>	<u>-</u>	<u>-</u>

Details of Inventories :

	Finished Goods		Work-in-Progress	
	As at	As at	As at	As at
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Sugar	1,518,558,780.46	-	1,542,440.96	-
Molasses	54,746,943.13	-	-	-
	<u>1,573,305,723.59</u>	<u>-</u>	<u>1,542,440.96</u>	<u>-</u>

**2.15 : TRADE RECEIVABLES**

	As at		As at	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Outstanding for a period exceeding six months				
Unsecured, considered good	12,414,500.01	-	-	-
Doubtful	-	-	-	-
	<u>12,414,500.01</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Receivables				
Unsecured, considered good	17,823,999.50	-	-	-
Doubtful	-	-	-	-
	<u>17,823,999.50</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>30,238,499.51</u>	<u>-</u>	<u>-</u>	<u>-</u>

**2.16 : CASH AND BANK BALANCES****Cash and Cash Equivalents**

Balances With Banks :

In Current / Cash Credit Account	61,452,840.21	199,885.25
Cash on hand	826,783.17	-
	<u>62,279,623.38</u>	<u>199,885.25</u>

**Other Bank Balances**

Deposit with original maturity of more than 3 months and not more than 12 months (Pledged as margin money)

	1,000,000.00	-
	<u>1,000,000.00</u>	<u>-</u>
	<u>63,279,623.38</u>	<u>199,885.25</u>



(Amount in Rs.)

**2.17 : REVENUE FROM OPERATIONS**

	For the Year ended	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Sale of Product</b>		
(a) Finished Goods	1,556,719,321.06	-
(b) By- Products	<u>98,760,079.50</u>	-
	1,655,479,400.56	-
<b>Other Operating Revenues</b>		
Incentives & Subsidies	27,150,435.00	-
Income from Farm Product ( details as below)	6,189,868.47	-
Penalty from Sugar Agents/ Customers	<u>514272.00</u>	-
	33,854,575.47	-
<b>Revenues from operation (gross)</b>	<u>1,689,333,976.03</u>	-
Less: Excise Duty	<u>96,721,770.00</u>	-
<b>Revenues from operation (net)</b>	<u>1,592,612,206.03</u>	-
<b>Details of Products Sold</b>		
2.17(a) <b>Finished goods</b>		
Sugar	<u>1,556,719,321.06</u>	-
	1,556,719,321.06	-
2.17(b) <b>By- Products</b>		
Molasses	78,252,077.61	-
Bagasse	20,508,001.89	-
	<u>98,760,079.50</u>	-
<b>Income from Farm Products :</b>		
Sales of Agricultural Produce	19,406,595.00	-
Subsidy on Sugar Cane	1,037,848.00	-
Lease Rent	<u>240,500.00</u>	-
	20,684,943.00	-
Less: Opening Stock	0.00	-
Agricultural Farming Expenses (towards cultivation & other expenses)	14,479,170.58	-
Other Repairs	5,880.00	-
Rent, Rates & Taxes	<u>10,023.95</u>	-
	14,495,074.53	-
	<u>6,189,868.47</u>	-
<b>2.18 : OTHER INCOME</b>		
Interest Income on		
Bank Deposits	143,425.00	-
Loans & Other Deposits,etc	1,328,084.26	-
Rent	172,591.75	-
Excess Liabilities and Unclaimed Balances	2,639,748.06	-
Insurance and Other Claims (Net)	1,570,000.00	-
Miscellaneous receipts	<u>1,108,472.62</u>	-
	6,962,321.69	-





Notes to Financial Statements for the year ended 31<sup>st</sup> March 2017

	(Amount in Rs.)	
	For the Year ended	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>2.19: <u>COST OF MATERIALS CONSUMED</u></b>		
Raw Material Consumed		
Opening Inventories	-	-
Add: Purchase & procurement expenses	1,436,889,090.78	-
	<u>1,436,889,090.78</u>	<u>-</u>
Less: Closing Inventories	-	-
	<u>1,436,889,090.78</u>	<u>-</u>
Details of Raw Material Consumed		
Sugarcane	1,436,889,090.78	-
	<u>1,436,889,090.78</u>	<u>-</u>
<b>2.20: <u>(INCREASE)/ DECREASE IN INVENTORIES</u></b>		
Inventories at the beginning of the year		
Finished Goods	1,225,756,791.20	-
Work-in-Progress	1,295,875.16	-
	<u>1,227,052,666.36</u>	<u>-</u>
Inventories at the end of the year		
Finished Goods	1,573,305,723.58	-
Work-in-Progress	1,542,440.96	-
	<u>1,574,848,164.54</u>	<u>-</u>
	<u>(347,795,498.18)</u>	<u>-</u>
<b>2.21: <u>EMPLOYEE BENEFIT EXPENSE</u></b>		
Salaries, Wages, bonus etc.	103,415,821.81	-
Contribution to Provident Funds and Other funds (Refer note 2.26 D)	11,609,909.00	-
Employees' welfare expenses	3,495,177.74	-
	<u>118,520,908.55</u>	<u>-</u>



	(Amount in Rs.)	
	For the Year ended	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>2.22 : FINANCE COST</b>		
Interest Expenses		
To Bank	66,393,112.55	65.75
Others	7,933,973.65	-
	<u>74,327,086.20</u>	<u>65.75</u>
<b>2.23 : OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores, Spare Parts & Packing Materials Consumed	55,560,267.50	-
Power & Fuel	16,776,698.55	-
Repairs to Buildings	8,397,889.10	-
Repairs to Machinery	54,068,113.00	-
Repairs to Other Assets	2,627,690.25	-
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	9,308,085.00	-
	<u>146,758,743.40</u>	<u>-</u>
<b>SELLING AND ADMINISTRATION</b>		
Brokerage & Commission	5,033,854.00	-
Loading Charges on despatch	2,060,851.50	-
Rent	19,325.00	-
Rates & Taxes	725,082.00	-
Insurance	3,992,749.00	-
Charity & Donation	150,000.00	-
Auditors' Remuneration -		
Statutory Auditors -		
Auditor	300,000.00	-
Tax Audit Fees	100,000.00	-
Other Services	75,000.00	-
Reimbursement of Expenses	21,899.00	-
Loss on sale/impairment of Fixed Assets (Net)	39,553.88	-
Bad debts W/off	4,600,000.00	-
Other Miscellaneous Expenses	20,997,449.40	11,565.00
	<u>38,115,763.78</u>	<u>11,565.00</u>
	<u>184,874,507.18</u>	<u>11,565.00</u>
<b>2.24 : DEPRECIATION AND AMORTIZATION EXPENSES</b>		
On Tangible Assets	21,013,070.72	-
	<u>21,013,070.72</u>	<u>-</u>
<b>2.25 : TAX EXPENSE</b>		
Current Tax for the year	25,100,000.00	-
Add/Less Adjustment of Tax related to earlier years		
Current Tax	25,100,000.00	-
Deferred Tax	11,824,159.00	-
	<u>36,924,159.00</u>	<u>-</u>



**Majhulia Sugar Industries Private Limited**  
**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017**

**(Amount in Rs)**

**2.26: Notes:**

**A.**

Contingent Liabilities not provided for in respect of:-		As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(i)	Electricity duty demanded by Government of Bihar appealed in Hon'ble Supreme Court related to year 2003-04 to 2007-08	10,310,291.00	-

**B. Provisions, Contingent Liabilities & Contingents Assets**

Particulars	As at 31-03-2017			As at 31-03-2016		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	-	-	-	-	-	-
Addition pursuant to scheme to arrangement	1,596,945.00	-	1,596,945.00	-	-	-
Utilization	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Closing Balance	1,596,945.00	-	1,596,945.00	-	-	-

The provisions for disputed statutory & obligatory liability are on account of cases pending with courts/concerned authorities based on estimated made by the company considering the facts & circumstances.

C. The Company has not received any memorandum (as required to be filled by the suppliers with the notified Authority under the Micro, small and Medium Enterprises Development Act, 2006) from the suppliers claiming their status as micro or small enterprises. Consequently, required disclosures are Nil.

**D. Employee Benefits (Accounting Standard 15)**

In accordance with the revised Accounting Standard-15 i.e. Employee Benefits, the requisite disclosure are as follows:

- (a) The amount recognized as an expenses for the Defined Contribution Plans as under :
- (i) Provident Fund as per the provisions of Employees Provident Funds and Miscellaneous Acts,

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Provident Fund	1,06,93,072	-

(b) In respect of Defined Benefit Plans, necessary disclosures are as under-

Benefits are of the following types:

i. Gratuity:

Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of the Payment for Gratuity Act, 1972. The present value of obligation is determination based on actuarial valuation using Project Unit Credit Method.

ii. Other Long Term Employee Benefits

2016-2017	2015-2016
Gratuity Plan	Gratuity Plan

**a. Expenses recognized in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2017**

i	Current Service Cost	16,99,492.00	-
ii	Interest Cost	22,03,600.00	-
iii	Expected return on Plan Assets	16,04,521.00	-
iv	Settlement Cost	-	-



**Majhulia Sugar Industries Private Limited**  
**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017**

**(Amount in Rs)**

v	Actuarial (Gain)/Losses	-78,52,958.00	-
vi	Expenses recognized in the statement of Profit & Loss	-24,47,855.00	-
<b>b. Net (Assets)/Liabilities recognized in Balance Sheet as at 31<sup>st</sup> March 2017</b>			
I	Present Value of the Defined Benefit Obligation	2,75,99,812.00	-
II	Fair Value of Plan Assets	2,16,01,526.00	-
iii	Net (Assets)/Liabilities recognized in Balance Sheet	59,98,286.00	-
<b>c. Changes in the Present Value of Defined Benefit Obligation during the year ended 31<sup>st</sup> March 2017</b>			
I	Present Value of Defined Benefit Obligation as at 1st April 2016	-	-
ii	Acquisition Adjustment	29,83,9751.00	-
iii	Current Service Cost	16,99,492.00	-
iv	Interest Cost	22,03,600.00	-
v	Settlement Cost	-	-
vi	Actuarial (Gain)/Losses	-83,32,726.00	-
vii	Benefits Paid	9,16,837.00	-
viii	Present Value of obligation as at 31st March 2017	2,75,99,812.00	-
<b>d. Changes in fair value of Plan assets during the year ended 31<sup>st</sup> March 2017</b>			
I	Fair Value of Plan Assets as at 1st April 2016	-	-
ii	Expected return on Plan Assets	1,60,4521.00	-
iii	Actuarial Gain/(Losses)	-4,79,768.00	-
iv	Benefits paid	9,16,837.00	-
v	Contributions	-	-
vi	Settlement/ Amalgamation	-2,13,93,610.00	-
vii	Fair Value of Plan Assets as at 31st March 2017	2,16,01,526.00	-
viii	Actual return on Plan Assets	11,24,753.00	-
<b>e. Principle Actuarial Assumptions used</b>			
I	Discount rates as at 31st March 2017	7.50%	-
ii	Expected Return on Plan Assets	7.50%	-
iii	Expected Salary increase rates	6.00%	-
		(2006 - 08)	-
iv	Mortality Rates	7.50%	-
f.	<b><u>Major categories of Plan Assets as a percentage of Fair Value of Plan Assets</u></b>	Qualified Insurance Policy	-

**Notes:**

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments alongwith the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximize the return within acceptable risk parameters.
- The Company expects to contribute Rs. 50, 00,000.00 to its gratuity fund in 2017-18.
- Amount for the current annual period and pervious four annual periods are as follows :-

Particulars	2016-17	2015-16
Present value of defined obligation	2,75,99,812.00	-
Fair Value of Plan Assets	2,16,01,526.00	-
Excess of obligation over Plan Assets	59,98,286.00	-



Majhulia Sugar Industries Private Limited  
Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

(Amount in Rs)

E. Disclosure as per Accounting Standard-18 on "Related Party Transactions."

S.N.	Name of the Related Party	Relationship	Fixed Assets		Short term Borrowing		Amount	
			Paid	Received	Paid	Received	Receivable	Payable
1	Jay Shree Tea & Industries Ltd.	Holding Company	-	-	1,00,066.00	-	60,07,848.99	
			(-)	(-)	(-)	(1,00,066.00)	(-)	(-)
2	Mr. Rajesh Sarda	Director	9,85,000.00	-	-	-	-	
			(-)	(-)	(-)	(-)	(-)	(-)

**Note:**

- All the above transactions were done at arm's length.
- These parties are related parties in the broader sense of the term and are included for making the financial statements more transparent.
- Figures in bracket indicate for previous year.

- F. As the company is engaged in the business of manufacture and sale of sugar only, disclosures as required by Accounting Standard -17 (Segment Reporting) are not applicable.
- G. As per the requirements of Accounting Standard- 28 "Impairment of Assets", the company has assessed the carrying amount of the assets vis-à-vis their recoverable values and no impairment is envisaged at the Balance Sheet date.
- H. There are no amounts of outstanding and payable to Investor Education & Protection Fund as on 31.03.2017.

I. Earnings per Share

Particulars	2016-17	2015-16
Profit after taxation as per statement of Profit & Loss (Rs. in Lacs)	74,821,203.47	(11,631.00)
Weighted average number of equity shares outstanding at the year end	31,35,000	10,000
Basic and diluted earnings per Share (Rs) ( Face Value Rs. 10/- per share)	23.87	(1.16)

J. Scheme of Arrangement

Pursuant to the Scheme of Arrangement (the 'Scheme') between "the Company (Resulting Company) (MSIPL) and JayShree Tea & Industries Ltd. (Demerged Company (JSITL) and their respective shareholders, the Sugar Unit at Majhulia alongwith its related assets and liabilities has been transferred to the Company upon the sanction of the Scheme by the Honorable High Court of Judicature at Calcutta vide order dated 8th August 2016. The Scheme became effective on 26<sup>th</sup> September 2016 on filing of the order of the Honorable Calcutta High Court with Registrar of Companies on that date.

- a) 31,25,000 equity share of Rs. 10/- each have been issued to Jay Shree Tea & Industries Ltd. (JSITL) at a Premium of Rs. 111.00 each
- b) Majhulia Sugar Industries Pvt. Ltd. (MSIPL) is in process of transferring all the above assets and liabilities in the name of the Company and charges created in favour of secure lender are in process, modification for the assets transferred.



Majhulia Sugar Industries Private Limited  
Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

(Amount in Rs)

K. Detail of Specified Bank Notes (SBN) held & Transacted during the period 08.11.2016 to 30.12.2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	82,000,000.00	768,186.66	82,768,186.66
(+) Permitted receipts	-	50,073,888.00	50,073,888.00
(-) Permitted payments	-	8,756,883.00	8,756,883.00
(-) Amount deposited in Banks	82,000,000.00	39,334,000.00	121,334,000.00
Closing cash in hand as on 30.12.2016	-	2,751,191.66	2,751,191.66

L. Value of Raw materials and Spares Consumed

Particulars	Raw Materials Consumed				Spares - Parts Consumed			
	2016-17		2015-16		2016-17		2015-16	
	Value	%	Value	%	Value	%	Value	%
Imported								
Indigenous	1,436,889,090.78	100	-	-	18,714,054.44	100	-	-
<b>Total</b>	<b>1,436,889,090.78</b>				<b>18,714,054.44</b>			

M. In the opinion of the management and Board of Directors, current assets and loans and advances have the value at which these are stated in the Balance Sheet, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

N. Previous year figures have been regrouped / reclassified where necessary, to confirm to the year's classification. The financial statements for the year ended March 31, 2017 incorporate the impact of the scheme of arrangement mentioned in note from the appointed date 1st April 2016. Hence, the figure of financial year ended March 31, 2017 are not comparable with those of the previous financial year ended March 31, 2016.

As per our report of even date annexed

For and on behalf of Board of Directors

For JITENDRA K. AGARWAL & ASSOCIATES

Chartered Accountants

(Firm Registration No. 318086E)

Abhishek Mohta

Partner

(Membership No. 066653)



*Chinni Lal Shukla*  
CHINNI LAL SHUKLA  
(DIRECTOR)  
DIN 07233256

*Rajesh Sarma*  
RAJESH SARMA  
(DIRECTOR)  
DIN 06456972

Place: Kolkata

Dated: The 5<sup>th</sup> day of May, 2017