

Jitendra K Agarwal & Associates

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED** (the **Company**), which comprise the Balance Sheet as at 31 March 2016, 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.

AUDITOR'S 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 March 2016 and its loss 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 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 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 which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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


(Abhishek Mohta)

Partner

Membership No. 066653

Place: KOLKATA

Dated: 30th day of April, 2016



ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of M/s Majhulia Sugar Industries Private Limited for the year ended 31 March 2016, we report that:

- i. Matters specified in clauses (i), (ii), (iii), (iv), (v), (vi), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv) and (xvi) of paragraph 3 of the CARO 2016 do not apply to the company.
- ii. **Clause (vii) of Paragraph 3 of the Order**
 - (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, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise and there are no undisputed dues which is outstanding for more than six months from the balance sheet date.
 - (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- iii. **Clause (x) of Paragraph 3 of the Order**

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:

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



(Abhishek Mohta)
Partner

Membership No. 066653

Place: Kolkata

Dated: 30th day of April, 2016

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S 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 M/s Majhaulia Sugar Industries Private Limited for the year ended 31 March 2016, we report that:

We have audited the internal financial controls over financial reporting of M/s Majhaulia Sugar Industries Private Limited ("the Company") as of 31st March 2016 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 March 2016, 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: 30th Day of April, 2016

MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED**CIN - U15122WB2015PTC207281****BALANCE SHEET AS AT 31st MARCH 2016**

I. EQUITY AND LIABILITIES	Notes	As At 31.03.2016
(1) Shareholder's Funds:		
(a) Share Capital	2	100,000
(b) Reserves and Surplus	3	(11,631)
		<u>88,369</u>
(2) Current Liabilities:		
(a) Short-Term Borrowings	4	100,066
(b) Trade Payables	5	11,450
		<u>111,516</u>
Total		<u>199,885</u>

II. ASSETS	Notes	As At 31.03.2016
(1) Current Assets:		
(a) Cash and Cash Equivalents	6	199,885
		<u>199,885</u>
Total		<u>199,885</u>

Significant Accounting Policies & Other Notes to Accounts 1 & 9

The accompanying notes form an integral part of the Financial Statements

As per our report of even date annexed

For **JITENDRA K. AGARWAL & ASSOCIATES**

Chartered Accountants

Firm Reg. No.: 318086E

For and on behalf of the Board of Directors



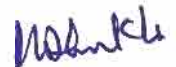
Abhishek Mohta

Partner

Membership No. : 066653



RAJESH SARDA



CHINNI LAL SHUKLA

Place : Kolkata

Dated, the 30TH day of April, 2016

MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

CIN - U15122WB2015PTC207281

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 31.07.2015 TO 31.03.2016

Particulars	Notes	For the Year Ended 31.03.2016
I. Revenue from operations		-
II. Other Income		-
III. Total Revenue (I +II)		-
IV. Expenses:		
Finance Cost	7	66
Other expenses	8	11,565
Total Expenses		11,631
V. Profit / (Loss) before tax (III - IV)		(11,631)
VI. Tax expense:		-
VII. Profit/(Loss) for the period (V-VI)		(11,631)
VIII. Earnings per equity share:		
(1) Basic		(1.16)
(2) Diluted		(1.16)

Significant Accounting Policies & Other Notes to Accounts 1 & 9

The accompanying notes form an integral part of the Financial Statements

As per our report of even date annexed

For **JITENDRA K. AGARWAL & ASSOCIATES**

Chartered Accountants

Firm Reg. No.: 318086E

For and on behalf of the Board of Directors



Abhishek Mohta

Partner

Membership No. : 066653




RAJESH SARMA



CHINNI LAL SHUKLA

Place : Kolkata

Dated, the 30TH day of April, 2016

MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED**CIN - U15122WB2015PTC207281****CASH FLOW STATEMENT FOR THE PERIOD 31.07.2015 TO 31.03.2016**

PARTICULARS	For the Year Ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/(Loss) before tax	(11,631)
Adjustment for:	
Depreciation	-
Depreciation written back	-
Dividend Received	-
Interest Expense	-
Operating Profit before Working Capital Changes	(11,631)
Movements In Working Capital :	
Increase/(Decrease) in Trade Payables	11,450
Cash generated from / (used in) Operations	(181)
Direct Taxes	-
Net Cash from Operating Activities (A)	(181)
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of Investments	-
Dividend Received	-
Net Cash from Investing Activities (B)	-
C. CASH FLOW FROM FINANCING ACTIVITIES :	
Short Term borrowing from Holding Company	100,066
Interest paid	-
Net Cash from Financing Activities (C)	100,066
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	99,885
Cash and Cash Equivalents as at 31.07.2015	100,000
Cash and Cash Equivalents as at 31.03.2016	199,885

The above Cash Flow Statement has been prepared as per AS-3 (Indirect method)

As per our report of even date annexed

For **JITENDRA K. AGARWAL & ASSOCIATES**

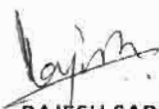
Chartered Accountants

Firm Reg. No.: 318086E

For and on behalf of the Board of Directors


Abhishek Mehta
Partner
Membership No. : 066653




RAJESH SARDA


CHINNI LAL SHUKLA

Place : Kolkata

Dated, the 30th day of April, 2016

1 SIGNIFICANT ACCOUNTING POLICIES**1.1 System of Accounting:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the company.

The financial statements are prepared to comply with applicable Accounting Standards in India and in accordance with the relevant provisions of the Companies Act, 2013.

1.2 Use of Estimates :

The preparation of the financial statements in conformity with the generally accepted accounting principle requires estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expense during the year. Difference between the actuals and estimates are recognised in the year in which they are crystallised.

1.3 Revenue Recognition:

All revenue and expenses are accounted for on accrual basis except as otherwise stated.

1.4 Fixed Assets and Depreciation/Amortisation:

No Fixed Assets are being held by the company.

1.5 Employee Benefits :

The payment of Gratuity Act, 1972 is not applicable to the Company as the number of employees in the Company is below ten, similarly no other retirement benefits are paid.

1.6 Investments :

There is no investments held by the Company.

1.7 Taxes on Income :**a) Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961**

Provision for Current Tax is being made based on the liabilities computed in accordance with the relevant tax laws. Provision for Deferred Tax is being made for the timing difference arising between taxable income and accounting income computed at the rates of tax enacted or substantively enacted as on Balance Sheet date. Deferred Tax Assets are recognised only if there is a virtual certainty that they will be realised and are reviewed for

b) appropriateness of their respective carrying values at each Balance Sheet date.**1.8 Borrowing Cost :**

Borrowing cost attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are recognised as an expense in the statement of profit and loss.

1.9 Provisions, Contingent Liabilities & Contingent Assets :

Provisions involving substantial degree of estimations in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Additional Notes to Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.10 Earnings per Share(EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity a) shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects

b) of all dilutive potential equity shares.**1.11 Foreign Currency Transactions :**

Earning and expenditure in Foreign Currency- Nil



2 SHARE CAPITAL

As At
31.03.2016

AUTHORISED SHARES

<i>Equity shares</i>	1,000,000
1,00,000 shares of Rs 10/- each	
Total	1,000,000

ISSUED, SUBSCRIBED & FULLY PAID

<i>Equity shares</i>	100,000
10,000 shares of Rs 10/- each	
Total	100,000

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	No. of shares
<i>Equity Shares</i>	
At the beginning of the year	-
Issued during the year	10,000
Outstanding at the end of the year	10,000

b. Rights, preferences and restrictions attached to shares.

Equity Shares: The company has one class of issued shares i.e., Equity Shares having a par value of Rs.10/- per share. Each equity shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

c. Details Of Shareholders holding more than 5% Shares in the Company

	No. of shares	%
<i>Equity Shares</i>		
Jay Shree Tea & Industries Ltd.-(and its nominees) (Holding Company)	10,000	100.00

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

e. No Shares have been bought back by the Company during the period of 5 years preceeding the date at which the Balance Sheet is prepared.



MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

CIN - U15122WB2015PTC207281

NOTES TO THE FINANCIAL STATEMENTS

3 RESERVE & SURPLUS	As At 31.03.2016
<i>Capital Reserve</i>	-
<i>Surplus/(Deficit) in Statement of Profit & Loss</i>	
Opening Balance	-
Add: Profit/(Loss) For The Year	<u>(11,631)</u>
Closing Balance	<u>(11,631)</u>
Total	<u>(11,631)</u>
4 SHORT TERM BORROWINGS	As At 31.03.2016
<i>Unsecured</i>	
Loan from Related Parties (Repayable on Demand) - Jay Shree Tea & Industries Ltd. (Holding Company)	<u>100,066</u>
Total	<u>100,066</u>
5 TRADE PAYABLES	
Sundry Creditors for Goods & Services	<u>11,450</u>
Total	<u>11,450</u>
6 CASH AND CASH EQUIVALENTS	
Balances with banks - in Current Account	99,885
Cash on Hand	<u>100,000</u>
Total	<u>199,885</u>
7 FINANCE COST	
Interest to Holding Company	<u>66</u>
Total	<u>66</u>
8 OTHER EXPENSES	
Auditors' Remuneration - As Auditors	11,450
Bank Charges	<u>115</u>
Total	<u>11,565</u>



MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED**CIN - U15122WB2015PTC207281****NOTES TO THE FINANCIAL STATEMENTS****9 NOTES**

- i. Contingent liabilities not provided for in the accounts- Nil
- ii Liability in respect of Gratuity in accordance with Accounting Standard 15 (Revised 2005) -Not applicable
- iii The Company has not received any memorandum (as required to be filed by the suppliers with the notified Authority under the Micro, Small and Medium Enterprises Development Act, 2006) from suppliers claiming their status as micro or small enterprises. Consequently, required disclosures are NIL.
- iv 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.
- v As a matter of prudence and in view of uncertainty of profits in future years, deferred tax assets in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India has not been created.
- vii There is no amount outstanding & payable to Investor Education & Protection Fund as on 31.03.2016.

31.03.2016**viii Related Party Disclosure**

(In accordance with Accounting Standard 18):

Nature of Transaction


- a) Holding Company - Jay Shree Tea & Industries Ltd.

Short Term Borrowings

i) Opening Balance (Cr.)	-
ii) Amount received	100,000
iii) Interest paid	66
iv) Amount paid	-
v) Closing Balance (Cr.)	100,066

For **JITENDRA K. AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Reg. No.: 318086E

For and on behalf of the Board of Directors


Abhishek Mohta
Partner
Membership No. : 066653




RAJESH SARDA


CHINNI LAL SHUKLA

Place : Kolkata
Dated, the 30TH day of April, 2016