MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
BALANCE SHEET as at 31st March 2018

(Rs. in lacs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	5	8,397.25	7,957.04	-
Capital Work-In-Progress	5	382.58	593.75	-
Financial Assets				
Investments	6	311.63	20.00	-
Trade Receivables	7	-	-	-
Loans	8	-	-	-
Other Financial Assets	9	-	-	-
Other Non-Current Assets	10	-	-	-
CURRENT ASSETS				
Inventories	11	17,023.11	16,074.01	-
Biological Assets other than bearer plants	12	83.93	69.99	-
Financial Assets				
Trade Receivables	7	829.63	302.39	-
Cash and Cash Equivalents	13	461.48	622.80	2.00
Bank balances other than Note 13	14	10.00	10.00	-
Loans	8	13.61	75.60	-
Other Financial Assets	9	1,790.55	113.00	-
Other Current Assets	10	485.04	1,042.47	-
Total Assets		29,788.81	26,881.05	2.00
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	15	313.50	313.50	1.00
Other Equity	16	3,582.28	4,297.06	(0.12)
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	17	930.10	1,751.11	-
Other Financial Liabilities	18	132.45	177.59	-
Provisions	19	6.41	6.41	-
Deferred Tax Liabilities (Net)	20	-	118.24	-
Other Non Current Liabilities	21	-	-	-
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	22	3,427.83	-	1.00
Trade Payables	23	19,668.82	17,197.19	0.12
Other Financial Liabilities	18	1,488.65	2,359.50	-
Provisions	19	206.01	105.30	-
Other Current Liabilities	21	32.76	304.15	-
Current Tax Liabilities (Net)	24	-	251.00	-
Total Equity and Liabilities		29,788.81	26,881.05	2.00
Basis of Accounting	2			
Significant Accounting Policies	3	-	-	-
Significant Judgements & Key Estimates	4			

The Notes are the 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)

Jitendra K Agarwal & Associates
Chartered Accountants
Kolkata

Abhishek Mohta
Partner
(Membership No.066653)
Place: Kolkata
Dated: the 24th day of April, 2018

For and on behalf of the Board of Directors

CHINNI LAL SHUKLA
(DIRECTOR)
DIN 07233256

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.

CIN: U15122WB2015PTC207281

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018

(Rs. In lacs)

INCOME	**Note No.**	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
Revenue from Operations	25	17,723.57	16,893.34
Other Income	26	2,250.12	139.61
Total Income		**19,973.69**	**17,032.95**
EXPENSES			
Cost of Materials Consumed	27	18,128.78	14,368.89
	28		
Changes in Inventories of Finished Goods & Work-in-Progress		(896.56)	(3,477.95)
Excise Duty on Sales		176.24	967.22
Employee Benefits Expense	29	1,079.05	1,263.74
Finance Costs	30	1,009.61	733.16
Depreciation and Amortisation Expense	31	225.24	210.13
Other Expenses	32	985.45	1,848.75
Total Expenses		**20,707.81**	**15,913.94**
Profit before Tax		**(734.12)**	**1,119.01**
Tax Expense:	33		
Current Tax		-	234.24
Deferred Tax		(85.70)	118.24
Income Tax for earlier years		1.42	-
Profit for the year		**(649.84)**	**766.53**
Other Comprehensive Income	34		
Items that will not be reclassified to profit or loss		(97.48)	78.53
Income tax relating to these items		32.54	(16.76)
Other Comprehensive Income for the Year (Net of Tax)		(64.94)	61.77
Total Comprehensive Income for the period		**(714.78)**	**828.30**
Earnings Per Share			
Nominal Value of Shares (Rs. 10)			
Weighted Average Number of Ordinary Shares outstanding during the year		3,135,000	3,135,000
Basic & Diluted Earnings Per Share		(20.73)	24.45

Basis of Accounting

Significant Accounting Policies

Significant Judgements & Key Estimates

The Notes are the 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)

Jitendra K Agarwal & Associates
Chartered Accountants
Kolkata

Abhishek Mohta
Partner
(Membership No.066653)
Place: Kolkata
Dated: the 24th day of April, 2018

For and on behalf of the Board of Directors

CLShukla
CHINNI LAL SHUKLA
(DIRECTOR)
DIN 07233256

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.

CIN: U15122WB2015PTC207281

CASH FLOW STATEMENT for the year ended 31st March, 2018

(Rs. in lacs)

	Particulars	Ref. No.	For the year ended 31st March 2018	For the year ended 31st March 2017
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/ (Loss) Before Tax		(734.12)	1,119.01
	Adjustments for :			
	Depreciation and Amortization Expense		225.24	210.13
	Interest Income on Investment		(207.37)	(14.71)
	Loss/(Profit) of Sale of Fixed Asset		(1,736.37)	0.40
	Change in fair value of Biological Asset		(13.94)	(69.99)
	Fair Value (Gain)/Loss on Restatement of Financial Instruments (Net)		8.37	-
	Interest & Other Finance Charges		1,009.61	733.16
	Liabilities no Longer Required written back		(1.34)	(26.40)
	Sundry Balances Written Off		-	46.00
			(715.80)	878.59
	Operating Profit before Working Capital Changes		(1,449.92)	1,997.60
	Adjustments for :			
	Trade Receivables, Loans & Advances and Other Assets		204.82	35.63
	Inventories		(949.10)	(3,464.80)
	Trade Payables, Other Liabilities and Provisions		1,189.71	4,979 61
	Cash Generated from Operations		(1,004.49)	3,548.04
	Income Tax Paid (Net of Refund)		(252.42)	-
	Net Cash from Operating Activities		(1,256.91)	3,548.04
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets		(518.18)	(726.87)
	Sale of Fixed Assets		10.00	9.04
	Purchase of Long Term Investments		(300.00)	(20.00)
	Net Proceeds from Bank Deposits		-	(10.00)
	Interest Received		207.37	14.71
	Net Cash Used in Investing Activities		(600.81)	(733.12)
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from Long-Term Borrowings		190.05	(1,955.33)
	Repayment of Long-Term Borrowings		(1,011.05)	-
	Net Proceeds from Short-Term Borrowings		3,427.83	(1.00)
	Interest & Other Finance Charges Paid		(910.43)	(811.09)
	Net Cash Used in Financing Activities		1,696.40	(2,767.42)
	Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)		(161.32)	47.50
	Cash & Cash Equivalent at the beginning of the Year		622.80	2.00
	Cash & Cash Equivalent transferred on acqusition		-	573.30
	Cash & Cash Equivalent at the end of the Year		461.48	622.80
	Significant Accounting Policies	3		
	Notes :			
1	Cash & Cash Equivalent includes :			
	Cash in hand		5.47	8.27
	Balance with Banks			
	In Current Account		456.01	614.53
	Cash & Cash Equivalent (as per Note 13)		461.48	622.80

Jitendra K Agarwal & Associates
Chartered Accountants
Kolkata

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.

CIN: U15122WB2015PTC207281

CASH FLOW STATEMENT for the year ended 31st March, 2018

2 The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard -7 " Cash Flow Statements" as specified u/s 133 of the Companies Act, 2013 read with relevant rules.

3 Cash & Cash Equivalent at the year end as disclosed above are available for use in the ordinary course of business.

4 Amendment to Ind AS 7

The amendment to Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(Rs. In lacs)

Particulars	As at 31.03.2017	Cash Flows (Net)	Write Backs	Current/ Non-current Classification	As at 31.03.2018
Borrowings - Non-current	1,751.11	190.04	-	(1,011.05)	930.10
Other financial liabilities (Current & Non-current)	2,537.09	(1,204.80)	(722.24)	1,011.05	1,621.10
Borrowings - Current	-	3,427.83	-	-	3,427.83

5 Previous Year's figures have been re-grouped / re-arranged wherever necessary.

6 Figures in brackets represents cash outflow.

The Notes are the 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)

Abhishek Mohta
Partner
(Membership No.066653)
Place: Kolkata
Dated, the 24th day of April, 2018

Jitendra K Agarwal & Associates Chartered Accountants Kolkata

For and on behalf of the Board of Directors

CHINNI LAL SHUKLA
(DIRECTOR)
DIN 07233256

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in lacs)

a) **Equity Share Capital**

Balance as at 1st April 2016	1.00
Add/(Less): Changes in Equity Share Capital during the year	312.50
Balance as at 31st March 2017	313.50
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2018	313.50

b) **Other Equity**

Particulars	Securities Premium	Retained Earnings	Total
Balance as at 1st April, 2016	-	(0.12)	(0.12)
Changes in account policy/prior period errors	-	-	-
Restated balance as at 1st April, 2016	-	**(0.12)**	**(0.12)**
Profit for the year	-	766.53	766.53
Received on account of issue of Equity Shares pursuant to the Scheme of Arrangement	3,468.88	-	3,468.88
Other Comprehensive Income	-	61.77	61.77
Total Comprehensive Income for the year	**3,468.88**	**828.30**	**4,297.18**
		-	-
Appropriation	-	-	-
Balance as at 31st March, 2017	**3,468.88**	**828.18**	**4,297.06**
Changes in account policy/prior period errors	-	-	-
Restated balance as at 31st March, 2017	**3,468.88**	**828.18**	**4,297.06**
Profit for the year	-	(649.84)	(649.84)
Other Comprehensive Income	-	(64.94)	(64.94)
Total Comprehensive Income for the year	-	**(714.78)**	**(714.78)**
	-	-	-
Appropriation	-	-	-
Balance as at 31st March, 2018	**3,468.88**	**113.40**	**3,582.28**

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

Jitendra K Agarwal & Associates
Chartered Accountants
Kolkata

Abhishek Mohta
Partner
(Membership No.066653)
Place: Kolkata
Dated: the 24th day of April, 2018

For and on behalf of the Board of Directors

CHINNI LAL SHUKLA
(DIRECTOR)
DIN 07233256

RAJESH SARDA
(DIRECTOR)
DIN 06456972

5 PROPERTY, PLANT AND EQUIPMENT

(Rs. in lacs)

Particulars	Year Ended 31st March 2018											
	Gross Carrying Amount						Accumulated Depreciation					
	As at 31st March 2017	Addition pursuant to the scheme	Additions	Disposals	Other Adjustments	As at 31st March 2018	As at 1st April 2017	Depreciation charged during the year	Deductions	Other Adjustments	As at 31st March 2018	Net Carrying Amount
Freehold Land	3,981.60	-	-	63.72	-	3,917.88	-	-	-	-	-	3,917.8800
Buildings, Bridges,etc	871.64	-	388.56	-	-	1,260.20	23.72	25.91		-	49.63	1,210.5700
Plant and Machinery	3,222.38	-	319.51	-	-	3,541.89	172.06	180.87	-	-	352.93	3,188.9600
Furniture and Fittings	2.38	-	9.01	-	-	11.39	0.06	0.61	-	-	0.67	10.7200
Vehicles	70.74	-	-	-	-	70.74	13.31	13.60	-		26.91	43.8300
Office Equipments	5.90	-	12.27		-	18.17	0.74	3.77	-	-	4.51	13.6600
Live Stock	0.19	-		0.19	-	-	-					
Mill Roller	12.34	-	-	-	-	12.34	0.24	0.47	-	-	0.71	11.6300
Total	8,167.17	-	729.35	63.91	-	8,832.61	210.13	225.23	-	-	435.36	8,397.2500
Capital Work in Progress												
Building	584.28		70.53	291.66	-	363.15	-	-	-	-	-	363.1500
Other Distillery	9.47		9.96	-	-	19.43	-	-	-	-	-	19.4300
	593.75		80.49	291.66	-	382.58					-	382.5800
	8,760.92		809.84	355.57	-	9,215.19	210.13	225.23	-	-	435.38	8,779.8300

Particulars	Year Ended 31st March 2017											
	Gross Carrying Amount						Accumulated Depreciation					
	Deemed Cost as at 1st April 2016	Addition pursuant to the scheme	Additions	Disposals	Other Adjustments	As at 31st March 2017	As at 1st April 2016	Depreciation charged during the year	Deductions	Other Adjustments	As at 31st March 2017	Net Carrying Amount
Freehold Land	-	3,981.60	-	-	-	3,981.60			-	-	-	3,981.60
Buildings, Bridges,etc	-	715.10	171.09	14.55	-	871.64	-	23.72	-	-	23.72	847.92
Plant and Machinery	-	2,998.19	224.19	-	-	3,222.38	-	172.06	-	-	172.06	3,050.32
Furniture and Fittings	-	-	2.38	-	-	2.38	-	0.06	-	-	0.06	2.32
Vehicles	-	60.89	9.85	-	-	70.74	-	13.31	-	-	13.31	57.43
Office Equipments	-	-	5.90	-	-	5.90	-	0.74	-	-	0.74	5.16
Live Stock	-	0.19	-	-	-	0.19	-	-	-		-	0.19
Mill Roller	-	-	12.34	-	-	12.34	-	0.24	-	-	0.24	12.10
Total	-	7,755.87	475.75	14.55	-	8,167.17	-	210.13	-	-	210.13	7,857.04
Capital Work in Progress												
Building	-	292.62	281.66	-	-	584.28	-		-	-	-	584.28
Other Distillery	-	-	9.47	-	-	9.47	-		-	-	-	9.47
	-	292.62	301.13	-	-	593.75					-	593.75
	-	8,048.59	726.88	14.55	-	8,760.92	-	210.13	-	-	210.13	8,550.79

Notes.

5.1 For Propery, Plant and Equipment exisiting as on 1st April 2015, i.e. the date of transition to Ind AS for the company, the company has considered previous GAAP (i.e., IGAAP) carrying value as deemed cost as per the option available under para D7AA of Ind AS 101 "First Time Adoption".

5.2 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.

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

5.4 Refer note no 36 for information on property, plant & equipment pledged as securities by the Company.

Jitendra K Agarwal & Associates
Chartered Accountants
Kolkata

(Rs. in lacs)

		Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
6	**NON-CURRENT INVESTMENTS**				
	Investments at Fair Value through Profit or Loss				
	Real Estate Yield Funds - Unquoted				
	Indiabulls High Yield Fund		201.79	20.00	-
	Avendus Structured Credit Fund		58.58	-	-
	Alteria Capital India Fund		51.26	-	-
	Total		**311.63**	**20.00**	-
	Aggregate amount of unquoted investments		311.63	20.00	-

(Rs. in lacs)

		Refer Note No.	Long Term As at 31st March 2018	Long Term As at 31st March 2017	Long Term As at 1st April 2016	Short Term As at 31st March 2018	Short Term As at 31st March 2017	Short Term As at 1st April 2016
7	**TRADE RECEIVABLES**							
	Unsecured, considered good		-	-	-	829.63	302.39	-
	Total Trade Receivables		-	-	-	**829.63**	**302.39**	-
8	**LOANS**							
	Related Parties							
	Holding Company		-	-	-	-	60.08	-
	Other Loans							
	Advance to Employees					1.13	3.04	-
	Subtotal					**1.13**	**63.12**	-
	Security Deposits							
	Unsecured, considered good		-	-	-	12.48	12.48	-
	Subtotal		-	-	-	**12.48**	**12.48**	-
	Grand Total		-	-	-	**13.61**	**75.60**	-
9	**OTHER FINANCIAL ASSETS**							
	Insurance Claim Receivable		-	-	-	-	113.00	-
	Rent Receivable		-	-	-	0.36	-	-
	Other Receivables		-	-	-	1,790.19	-	-
			-	-	-	**1,790.55**	**113.00**	-
10	**OTHER ASSETS**							
	Advance against supply of Goods and Services		-	-	-	123.24	75.37	-
	Balances with Government & Statutory Authorities		-	-	-	50.84	71.96	-
	Incentives & Subsidies Receivables		-	-	-	293.88	876.78	-
	Prepaid Expenses		-	-	-	17.08	18.36	-
	Total Other Assets		-	-	-	**485.04**	**1,042.47**	-

(Rs. in lacs)

		Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
11	**INVENTORIES**				
	(As valued and certified by the Management)	3.1			
	Finished Goods		16,632.10	15,733.06	-
	Work in Progress		14.51	15.42	-
	Stores & Spares		376.50	325.53	-
			17,023.11	**16,074.01**	-
11.1	Refer note no. 36 for information on inventories pledged as securities by the Company.				
12	**Biological assets other than bearer plants**				
	Fair Value of Biological Assets Other than Bearer Plants		83.93	69.99	-
			83.93	**69.99**	-
13	**CASH AND CASH EQUVALENTS**				
	Balances With Banks :				
	In Current/Cash Credit Account		456.01	614.53	2.00
	Cash in Hand		5.47	8.27	-
			461.48	**622.80**	**2.00**
14	**BANK BALANCES (OTHER THAN NOTE: 13)**				
	Term Deposits more than 3 months but less than 12 months		10.00	10.00	-
			10.00	**10.00**	-

Jitendra K Agarwal & Associates
Chartered Accountants
★ Kolkata ★

MAJHAULIA SUGAR INDUSTRIES PVT LTD.
CIN: U15122WB2015PTC207281
Notes to Financial Statements as on and for the year ended 31st March, 2018

(Rs. in lacs)

	Refer Note No.	As at 31st March 2018 No. of Shares	As at 31st March 2018 Amount	As at 31st March 2017 No. of Shares	As at 31st March 2017 Amount	As at 1st April 2016 No. of Shares	As at 1st April 2016 Amount
15 EQUITY SHARE CAPITAL							
15.1 Authorised Share Capital							
32,50,000 Equity Shares of Rs. 10/- each		3,250,000	325.00	3,250,000	325.00	10,000	1.00
		3,250,000	325.00	3,250,000	325.00	10,000	1.00
15.2 Issued Share Capital, Subscribed and Paid-up Share Capital							
31,35,000 Equity Shares of Rs. 10/- each		3,135,000	313.50	3,135,000	313.50	10,000	1.00
		3,135,000	313.50	3,135,000	313.50	10,000	1.00

15.3 Reconciliation of the number of shares at the beginning and at the end of the year

	For the year ended 31st March 2018	For the year ended 31st March 2017
Shares outstanding at the beginning of the year	3,135,000	10,000
Shares issued during the year	-	3,125,000
Shares outstanding at the end of the year	3,135,000	3,135,000

15.4 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.

15.5 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

15.6 Details of Equity Shareholders holding more than 5% shares in the Company

	As at 31st March 2018 No. of Shares	As at 31st March 2018 % Holding	As at 31st March 2017 No. of Shares	As at 31st March 2017 % Holding	As at 1st April 2016 No. of Shares	As at 1st April 2016 % Holding
Ordinary Shares of Rs. 10/- each fully paid						
Jayshree Tea & Industries Ltd	3,135,000	100.00%	3,135,000	100.00%	10,000	100.00%

15.7 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.

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

15.9 During the previous 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.

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

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

(Rs. in lacs)

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
16 OTHER EQUITY				
Securities Premium		3,468.88	3,468.88	-
Retained Earnings		113.40	828.18	(0.12)
		3,582.28	4,297.06	(0.12)

Nature and Purpose of Other Reserves:

Securities Premium:
31,25,000 equity shares of Rs. 10 each have been issued to Jayshree Tea & Industries Limited at a premium of Rs. 111 each pursuant to a scheme of arrangement sanctioned by the Honorable High Court of Judicature at Calcutta vide order dated 8th August, 2016.

(Rs. in lacs)

17 BORROWINGS	Refer Note No.	Non-Current Portion As at 31st March 2018	Non-Current Portion As at 31st March 2017	Non-Current Portion As at 1st April 2016	Current Maturities As at 31st March 2018	Current Maturities As at 31st March 2017	Current Maturities As at 1st April 2016
17.1 Term Loans							
From Banks:							
Sugar Term Loan	17.4 (a) & (b)	671.94	1,406.89	-	925.00	925.00	-
		671.94	1,406.89	-	925.00	925.00	-
17.2 Others							
Sugar Development Fund Loan	17.4 (c)	258.16	344.22	-	86.05	86.05	-
		258.16	344.22	-	86.05	86.05	-
17.3 Break Up of Security Details							
Secured		930.10	1,751.11	-	1,011.05	1,011.05	-
Unsecured		-	-	-	-	-	-
Total		930.10	1,751.11	-	1,011.05	1,011.05	-

17.4 Details of Security Given for Loan

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-passu with other working capital consortium bank.

b. Term Loan from a bank under Financial Assistance Scheme of the State Government of Bihar (BCFT 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-passu 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.

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(Rs. in lacs)

		Refer Note No.	Long-term As at 31st March 2018	Long-term As at 31st March 2017	Long-term As at 1st April 2016	Short-term As at 31st March 2018	Short-term As at 31st March 2017	Short-term As at 1st April 2016
18	**OTHER FINANCIAL LIABILITIES**							
	Current Maturities of Long Term Debt	17				1,011.05	1,011.05	-
	Trade & Security Deposits (Unsecured)		55.00	70.00	-	-	-	-
	Interest accrued but not due on Borrowings		77.45	107.59	-	323.75	224.57	-
	Employees related Liabilities					83.96	141.69	-
	Statutory Dues					69.89	982.19	-
			132.45	177.59	-	1,488.65	2,359.50	-
19	**PROVISIONS**							
19.1	**Provision for Employee Benefits**							
	Leave		6.41	6.41	-	3.18	3.52	-
	Gratuity		-	-	-	157.93	59.98	-
	Bonus		-	-	-	25.55	25.83	-
	SubTotal		6.41	6.41	-	186.66	89.33	-
19.2	**Other Provisions**							
	Provisions for Contingencies		-	-	-	19.35	15.97	-
	SubTotal		-	-	-	19.35	15.97	-
	Grand Total		6.41	6.41	-	206.01	105.30	-

(Rs. in lacs)

	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
20	DEFERRED TAX LIABILITIES (NET)			
	Deferred Tax Liabilities			
	Arising on account of :			
	Depreciation on Property, Plant & Equipments	243.27	118.24	-
	Sub-total	243.27	118.24	-
	Less: Deferred Tax Assets			
	Arising on account of :			
	Section 43B of Income-tax Act	164.20	-	-
	Unabsorbed Depreciation	79.07	-	-
	Sub-total	243.27	-	-
	Deferred Tax Liabilities (Net)	-	118.24	-

20.1 The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain.

20.2 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2017 and 31st March, 2018

Particulars	As at 1st April, 2016	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31st March, 2017
Deferred Income Tax Liabilities				
Property, Plant & Equipments	-	118.24	-	118.24
Others	-	-	-	-
	-	118.24	-	118.24
Deferred Income Tax Assets				
Items u/s 43B of the Income Tax Act, 1961	-	-	-	-
Unabsorbed Depreciation	-	-	-	-
	-	-	-	-

Particulars	As at 31st March, 2017	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
Deferred Income Tax Liabilities				
Property, Plant & Equipments	118.24	125.03	-	243.27
Others	-	-	-	-
	118.24	125.03	-	243.27
Deferred Income Tax Assets				
Items u/s 43B of the Income Tax Act, 1961	-	131.66	32.54	164.20
Unabsorbed Depreciation	-	79.07	-	79.07
	-	210.73	32.54	243.27

20.3 Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to sell off curren tax assets against current tax liabilities and where the deferred tax assets and deferred tax laibilities relate to income tax levied by the same taxation authority.

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(Rs. In lacs)

		Refer Note No.	Long-term			Short-term		
			As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
21	**OTHER LIABILITIES**							
	Advance received from Customers		-	-	-	10.24	5.41	-
	Others		-	-	-	22.52	298.74	-
			-	-	-	32.76	304.15	-

(Rs. In lacs)

		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
22	**SHORT TERM BORROWINGS**			
	Short Term Loan			
	From Holding Company (UNSECURED)	3,427.83	-	1.00
		3,427.83	-	1.00
23	**TRADE PAYABLES**			
	Trade Payables for goods and services			
	-Total outstanding dues of Micro, Small and Medium Enterprises (Refer Note 41)	-	-	-
	-Others	19,668.82	17,197.19	0.12
		19,668.82	17,197.19	0.12
24	**CURRENT TAX LIABILITIES (NET)**			
	Opening Balance	251.00		
	Add: Current Tax payable for the year	1.42	251.00	-
	Less: Taxes Paid	(252.42)	-	-
	Closing Balance	-	251.00	-

(Rs. In lacs)

		Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
25	**REVENUE FROM OPERATIONS**			
25.1	**Sale of Products**			
	Finished Goods		16,906.30	15,567.19
	By- Products		810.59	987.60
	Sub-Total		17,716.89	16,554.79
25.2	**Other Operating Revenues**			
	Incentives & Subsidies		-	271.50
	Income from Farm Products	25.3	2.00	61.91
	Penalty from Sugar Agents/ Customers		4.68	5.14
	Sub-Total		6.68	338.55
	Grand Total		17,723.57	16,893.34
25.3	**Income from Farm Products**			
	Sales of Agricultural Produce		79.74	194.07
	Subsidy on Sugar Cane		61.74	10.38
	Lease Rent		8.70	2.41
	Closing Stock of Grain		1.57	-
	Sub-Total		151.75	206.86
	Less:			
	Agricultural Farming Expenses (towards cultivation & other expenses)		149.25	144.79
	Other Repairs		0.21	0.06
	Rent, Rates & Taxes		0.10	0.10
	Dead Bullock		0.19	-
	Sub-Total		149.75	144.95
	Grand Total		2.00	61.91
26	**OTHER INCOME**			
	Interest Income on			
	Bank Deposits		0.93	1.43
	Loans & Other Deposits,etc		189.04	13.28
	On Long Term Investments		17.40	-
			207.37	14.71
	Fair Value Gain/(Loss) on Restatement of Financial Instruments (Net)		(8.37)	-
	Other Non Operating Income			
	Excess Liabilities and Unclaimed Balances written back		1.34	26.40
	Rent		3.60	1.73
	Change in fair valuation of biological assets		13.94	69.99
	Insurance and Other Claims (Net)		255.15	15.70
	Profit on Sale of Land		1,736.37	-
	Miscellaneous Income		40.72	11.08
			2,051.12	124.90
			2,250.12	139.61

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MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
Notes to Financial Statements as on and for the year ended 31st March, 2018

(Rs. in lacs)

		Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
27	**COST OF MATERIALS CONSUMED**			
	Raw Material Consumed		18,128.78	14,368.89
			18,128.78	14,368.89
28	**(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS**			
	Inventories at the beginning of the year			
	Finished Goods		15,733.06	12,257.57
	Work in Progress		15.42	12.96
			15,748.48	12,270.53
	Inventories at the end of the year			
	Finished Goods		16,630.53	15,733.06
	Work in Progress		14.51	15.42
			16,645.04	15,748.48
	Total changes in inventories of work-in-progress, stock-in-trade and finished goods		(896.56)	(3,477.95)
29	**EMPLOYEE BENEFITS EXPENSE**			
	Salaries & Wages		918.49	1,034.16
	Contribution to Provident and Other Funds		126.38	194.63
	Staff Welfare Expenses		34.18	34.95
			1,079.05	1,263.74
30	**FINANCE COST**			
	Interest Expenses			
	Banks on Term Loans, etc.		1,009.61	653.82
	On Deposits and Others		-	79.34
			1,009.61	733.16
31	**DEPRECIATION AND AMORTIZATION EXPENSES**			
	On Tangible Assets		225.24	210.13
			225.24	210.13
32	**OTHER EXPENSES**			
	Manufacturing Expenses			
	Stores, Spare Parts & Packing		660.64	555.60
	Materials Consumed			
	Power & Fuel		143.31	167.77
	Repairs to Buildings		66.64	83.98
	Repairs to Machinery		582.55	540.88
	Repairs to Other Assets		36.35	26.28
	Increase/(Decrease) in Excise Duty & Cess on Finished Goods		(898.48)	93.08
	Sub Total		591.01	1,467.59
	Selling and Administration Expenses			
	Brokerage & Commission on Sales		44.82	50.34
	Loading Charges on dispatch		34.58	20.61
	Rent		-	0.19
	Rates & Taxes		10.62	7.25
	Insurance		39.97	39.93
	Charity & Donation		3.00	1.50
	Auditors' Remuneration	32.1	5.04	4.97
	Loss on sale/discard of Fixed Assets (Net)		-	0.40
	Bad debts written off		-	46.00
	Other Expenses		256.41	209.97
	Sub Total		394.44	381.16
	Grand Total		985.45	1,848.75
32.1	**Auditors' Remuneration**			
	Statutory Auditors			
	Audit Fees		3.00	3.00
	Tax Audit Fees		1.00	1.00
	Other Services		0.75	0.75
	Reimbursement of Expenses		0.29	0.22
			5.04	4.97

Jitendra K Agarwal & Associates
Chartered Accountants
* Kolkata *

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
Notes to Financial Statements as on and for the year ended 31st March, 2018

		Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
				(Rs. In lacs)
33	**TAX EXPENSE**			
	Current Tax for the year	33.1	-	234.24
	Deferred Tax		(85.70)	118.24
			(85.70)	352.48
	Income Tax for earlier years		1.42	-
			1.42	-

33.1 Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of Total Comprehensive Income

	31-Mar-18	31-Mar-17
Profit from before income tax expense	(734.12)	1,119.01
Indian Statutory Income Tax rate*	33.06%	33.06%
Estimated Income Tax Expense	(242.72)	369.98
Expenses not allowed under income tax	-	2.66
Exempt Income	-	(20.47)
Effect on tax allowance not recognized	(62.12)	-
Section 43B Items	(131.66)	-
Others	69.30	18.57
	(124.48)	0.76
Income tax expense in Statement of Profit & Loss	**(118.24)**	**369.22**

* Applicable Indian Statutory Income Tax rate for Fiscal Year 2018 & 2017 is 33.384%. However, Company is required to pay tax u/s 115JB of Income Tax Act, 1961.

34	**OTHER COMPREHENSIVE INCOME**		
	Items that will not be reclassified to profit or loss		
	Remeasurement of the defined benefit plans	(97.48)	78.53
	Less: Tax expense on the above	(32.54)	16.76
		(64.94)	61.77
	Total	(64.94)	61.77

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All the amounts are Rs. in lacs unless otherwise stated

35 Contingent Liabilities and Contingent Assets:

35.1 Claims/Disputes/Demands not acknowledged as debts -

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a	Electricity Duty demanded by Government of Bihar appealed in Hon'ble Supreme Court related to year 2003-04 to 2007-08	103.10	103.10	-

The amounts shown in Note 39.1 represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

35.2 In respect of the matters in note no. 39.1, future cash outflows are determinable only on receipt of judgements/ decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the company from any third party.

36 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current				
Financial assets		2,620.18	415.39	-
Trade Receivables		829.63	302.39	-
Receivables		1,790.55	113.00	-
Non-financial assets		17,508.15	17,116.48	-
Inventories		17,023.11	16,074.01	-
Other Current Assets		485.04	1,042.47	
Total current assets pledged as security		20,128.33	17,531.87	-
Non-Current				
Property, Plant & Equipment		8,397.25	7,957.04	-
Capital Work in Progress		382.58	593.75	
Total non-currents assets pledged as security		8,779.83	8,550.79	-
Total assets pledged as security		28,908.16	26,082.66	-

37 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	-	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

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All the amounts are Rs. in lacs unless otherwise stated

38 **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 (As Identified & certified by the Management)**

38.1 **Defined Benefit Plan:**

The following are the types of defined benefit plans

Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Paymet of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

a **Change in Defined Benefit Obligations (DBO) over the year ended 31st March 2018**

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit obligation and its components:

Particulars	2017-18	2016-17
Balance at the beginning of the year	276.00	-
Current Service Cost	29.44	32.53
Interest Cost on Defined Benefit Obligation	20.00	22.04
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(49.94)	8.25
Expereince Adjustment	168.12	(91.58)
Benefits Paid from the Plan Assets	(32.34)	(9.17)
Acquisition Adjustment	-	298.40
Settlement Cost	-	15.53
Balance at the end of the year	411.28	276.00

b **Reconciliation of the Plan Assets**

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	2017-18	2016-17
Balance at the beginning of the year	216.02	-
Interest Income on Plan Assets	16.63	16.05
Acquisition or Business Combination	-	213.94
Return on plan assets other than interest income	20.70	(4.80)
Employer Contributions to the Plan	32.34	
Benefits Paid from the Plan Assets	(32.34)	(9.17)
Balance at the end of the year	253.35	216.02

c **Development of the net balance sheet position**

Particulars	2017-18	2016-17
Defined Benefit Obligation	(411.28)	(276.00)
Fair Value of Plan Asset	253.35	216.02
Funded Status {Surplus/ (Deficit)}	(157.93)	(59.98)
Net Defined Benefit Asset/ (Liability)	(157.93)	(59.98)

d **Expenses recognized in profit or loss during the year**

Particulars	2017-18	2016-17
Current Service Cost	29.44	32.53
Interest Cost	3.37	5.99
Cost on settlement	-	15.53
Expenses recogfnized in Statement of Profit & Loss	32.81	54.05

e **Remeasuremets recognized in Other Comprehensive Income**

Particulars	2017-18	2016-17
Actuarial (gain)/ Loss due to:		
-change in demographic assumption	-	-
-change in financial assumptions	(49.94)	8.25
-experience variance (i.e. Actual experience vs assumptions)	168.12	(91.58)
Actuarial (gain)/ Loss arising during the year	118.18	(83.33)
Return on Plan Assets (greater)/ less than discount rates	20 70	(4.80)
Components of defined benefit costs recognised in Other Comprehensive Income	97.48	(78.53)

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All the amounts are Rs. in lacs unless otherwise stated

f **Actuarial Assumptions**

Particulars	2017-18	2016-17
Net Discount Rate	7.70%	7.50%
Rate of compensation increase (Salary Inflation)	4%	6%
Average Expected Future Service (Remaining working life)	11 years	11 years
Mortality Table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

g The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h The following payments are expected contributions to the defined benefit plan in future years:

Expected contributions	Amount
Within next 12 months (next annual reporting period)	119.37
Between 2 and 5 years	171.94
Between 5 and 10 years	171.78
Beyond 10 years	205 89

i **Sensitivity Analysis**

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	2017-18	2016-17
Effect on DBO due to 0.5% increase in Discount Rate	401.43	268.04
Effect on DBO due to 0.5% decrease in Discount Rate	421.67	284.49
Effect on DBO due to 0.5% increase in Salary Escalation Rate	421.94	284.53
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	401.10	267.93
Effect on DBO due to 0.5% increase in Attrition Rate	411.56	276.20
Effect on DBO due to 0.5% decrease in Attrition Rate	411.00	275.80
Effect on DBO due to 10% increase in Mortality Rate	412.90	277.12
Effect on DBO due to 10% decrease in Mortality Rate	409.67	274.88

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

39 Certain trade receivables , loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

40 **Related Party Disclosures**

40.1 As defined in Indian Accounting Standard - 24, the company has a related party relationship with the followings:

Name of the Related Party	Relationship
M/s Jay Shree Tea & Industries Limited	Holding Company
Mr. Surendra Kumar Tapuriah	Director - Key Management Personnel)
Mr. Rajesh Sarda	Director - Key Management Personnel)
Mr. Chinni Lal Shukla	Director - Key Management Personnel)

40.2 Transactions during the year

Particulars	2017-18		2016-17	
	Holding Company	Key Management Personnel	Holding Company	Key Management Personnel
Short Term Borrowings (Paid)/ Received (Including interest charged) (net)	3,427.83		(1.00)	
Purchase of Fixed Assets - Mr. Rajesh Sarda		9.85		
Remuneration to Key Management Personnel - Mr. Chinni Lal Shukla		16.39		16.39

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All the amounts are Rs. In lacs unless otherwise stated

40.3 Balance Outstanding as at the balance sheet date

Particulars	2017-18		2016-17	
	Holding Company	Key Management Personnel	Holding Company	Key Management Personnel
Loans & Advances			60.08	
Short Term Borrowings	3,427.83			
Employee Related Liabilities		0.94		0.94

41 **Transition to Ind AS**

41.1 **Basis for Preparation**

As the company was incorporated on 31st July 2015, and there was no balance in the financial statement which needed any Ind AS impact and hence no exemption or exception has been availed as on the transition date.

41.2 **Impact of Transition to Ind AS**

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS.

41.2.1 **Reconciliation of equity as at date of transition (31st March 2017)**

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment		7,957.04		7,957.04
Capital Work-In-Progress		593.75		593.75
Biological Assets other than bearer plants		-	69.99	69.99
Financial Assets - Investments		20.00		20.00
Total Non Current Asset		8,570.79	69.99	8,640.78
CURRENT ASSETS				
Inventories		16,074.01		16,074.01
Financial Assets				
Trade Receivables		302.38		302.38
Cash and Cash Equivalents		632.80		632.80
Other Financial Assets		188.61		188.61
Other Current Assets		1,042.46		1,042.46
Total Current Assets		18,240.26	-	18,240 26
Total Assets		26,811.05	69.99	26,881.04
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		313.50		313.50
Other Equity		4,216.98	25.60	4,242.58
Equity attributable to the owners		4,530.48	25.60	4,556.08
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		1,761.22	6.69	1,767.91
Other Financial Liabilities		177.59		177.59
Provisions		6.41		6.41
Deferred Tax Liabilities (Net)		118.24		118.24
Non Current Liability		2,063.46	6 69	2,070.15
CURRENT LIABILITIES				
Financial Liabilities				
Trade Payables		17,197.19		17,197.19
Other Financial Liabilities		1,377.31		1,377.31
Other Current Liabilities		1,286.31		1,286.31
Provisions		105.30		105.30
Current Tax Liabilities (Net)		251.00		251.00
Current Liability		20,217.11	-	20,217.11
Total Equity and Liabilities		26,811.05	32.29	26,843.34

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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All the amounts are Rs. in lacs unless otherwise stated

41.2.2 Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
INCOME				
Revenue from Operations		16,893.34		16,893.34
Other Income		69.62	69.99	139.61
Total Income (A)		16,962.96	69.99	17,032.95
EXPENSES				
Cost of Materials Consumed		14,368.89	-	14,368.89
Changes in inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		(3,477.95)	-	(3,477.95)
Excise Duty on Sales		967.22	-	967.22
Employee Benefits Expense		1,185.21	78.53	1,263.74
Finance Costs		743.27	(10.11)	733.16
Depreciation and Amortisation Expense		210.13	-	210.13
Other Expenses		1,848.75	-	1,848.75
Total Expenses (B)		15,845.52	68.42	15,913.94
Profit before Tax (A-B)		1,117.44	1.57	1,119.01
Tax Expense:				
Current Tax		251.00	(16.76)	234.24
Deferred Tax		118.24		118.24
Profit for the year		748.20	18.33	766.53
Other Comprehensive Income				
Items that will not be reclassified to profit or loss			78.53	78.53
Income tax relating to these items			(16.76)	(16.76)
Other Comprehensive Income for the Year (Net of Tax)		-	61.77	61.77
Total Comprehensive Income for the period		748.20	80.10	828.30

41.2.3 Reconciliation of Other Equity as on 31st March 2017

Particulars	Refer Note no.	As at 31st March, 2017
Equity under Previous GAAP		4,216.96
On account of recognition of Biological Asset		69.99
On account of application of Effective Interest Rate		10.11
Impact of Tax		-
Total Adjustment to Equity		80.10
Total Equity Under Ind AS		4,297.06

41.3 Notes to First Time Adoption

a Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to statement of profit & loss as and when incurred.

b Recognition of Biological Asset

Under the previous GAAP, there was no standard dealing on Biological Assets. Ind AS requires biological assets and agricultural produce within its scope to be measured at fair value less cost to sell at each balance sheet date and to be presented as separate line item on the face of the balance sheet with corresponding gain or loss to be recognized in the statement of profit & loss.

c Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

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42 Fair value of Financial Assets and Financial Liabilities

As at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Mutual Funds	311.63			20.00		
Trade Receivables			829.63			302.39
Loans Given			1.13			8.61
Cash and Cash Equivalents			461.48			622.80
Other Financial Assets			1,790.55			113.00
Security Deposits			12.48			12.48
Total Financial Assets	311.63	-	3,095.27	20.00	-	1,059.28
Financial Liabilities						
Borrowings			1,941.15			2,762.16
Trade Payables			19,668.82			17,197 19
Interest accrued but not due on borrowings			401.20			332.16
Employee related liabilities			83 96			141.69
Trade & Security Deposits			55.00			70.00
Other Financial Liabilities			1,080.94			1,993.24
Total Financial Liabilities	-	-	23,231 07	-	-	22,496.44

43 Fair Values

43.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2018		31st March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments				
Mutual Funds	311.63	311.63	20 00	20.00
Trade Receivables	829.63	829.63	302 39	302.39
Cash and cash equivalents	461.48	461.48	622.80	622.80
Other financial assets	1,790.55	1,790.55	113.00	113.00
Loans				
Loan to related parties			5.57	5.57
Loan to Employees	1 13	1.13	3.04	3.04
Security Deposits	12.48	12.48	12.48	12.48
Total Financial Assets	3,406.90	3,406.90	1,079.28	1,079.28
Financial Liabilities				
Borrowings	1,941.15	1,941.15	2,762.16	2,762.16
Trade Payables	19,668.82	19,668.82	17,197.19	17,197.19
Interest accrued but not due on borrowings	401.20	401 20	332 16	332.16
Employee related liabilities	83.96	83.96	141.69	141.69
Other Financial Liabilities	1,080.94	1,080.94	1,993.24	1,993.24
Trade & Security Deposits	55.00	55.00	70.00	70.00
Total Financial Liabilities	23,231.07	23,231.07	22,496.44	22,496.44

43.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these Instruments.

43.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

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

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44 Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

44.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

As at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Financial Investment at FVTPL						
Mutual Funds	311.63			20.00		
Total Financial Assets	311.63	-	-	20.00	-	-

44.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

As at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Trade Receivables			829.63			302.39
Cash and cash equivalents			461.48			622.80
Other financial assets			1,790.55			113.00
Loan to related parties						5.57
Loan to Employees			1.13			3.04
Security Deposits			12.48			12.48
Total Financial Assets	-	-	3,095.27	-	-	1,059.28
Financial Liabilities						
Non-Current Borrowings						
Rupee Term Loan			1,941.15			2,762.16
Trade Payables			19,668.82			17,197.19
Interest accrued but not due on borrowings			401.20			332.16
Employee related liabilities			83.96			141.69
Other Financial Liabilities			55.00			1,993.24
Trade & Security Deposits			1,080.94			70.00
Total Financial Liabilities	-	-	23,231.07	-	-	22,496.44

44.3 During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

45 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below-

45.1 Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds).

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed according to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored.

Credit risk from balances with banks, term deposits and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company monitors ratings, credit spreads and financial strength of its counterparties.

45.1.1 Trade receivables

Ageing schedule	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due
Gross carrying amount	271.60	116.33	62.59	126.19	252.92
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%
Expected credit losses (Loss allowance provision)	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	271.60	116.33	62.59	126.19	252.92

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45.2 Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

45.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

a

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	19,668.82					19,668.82
Borrowings						
Rupee Term Loan		598.02	413.03	930.10		1,941.15
Short Term Borrowings	3,427.83					3,427.83
Other financial liabilities	83.96	325.09	68.55	77.45	55.00	610.05
Total	23,180.61	923.11	481.58	1,007.55	55.00	25,647.85

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2017

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	17,197.19					17,197.19
Borrowings						
Rupee Term Loan	-	598.02	413.03	1,751.11	-	2,762.16
Other financial liabilities	141.69	1,057.19	149.57	107.59	70.00	1,526.04
Total	17,338.88	1,655.21	562.60	1,858.70	70.00	21,485.39

45.3 Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

45.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. During 31st March 2018, 31st March 2017 and 1st April 2016, the Company's borrowings at variable rate were mainly denominated in INR. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

a Exposure to interest rate risk

Particulars	31st March 2018	31st March 2017	1st April 2016
Fixed Rate Instruments			
Financial Liabilities	3,427.83	-	-
	3,427.83	-	-
Variable Rate Instruments			
Financial Liabilities	1,941.15	2,762.16	-
	1,941.15	2,762.16	-

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit after tax	Other Equity		Profit after tax	Other Equity
Interest Rate Increase by	50 basis points	(9.71)	(9.71)	50 basis points	(13.81)	(13.81)
Interest Rate Decrease by	50 basis points	9.71	9.71	50 basis points	13.81	13.81

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45.3.2 Other Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments. These comprise of mainly mutual funds and alternative investment fund. To manage its price risk arising from investments in mutual funds. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

a Exposure to other market price risk

Particulars	31st March 2018	31st March 2017	1st April 2016
Investment in Equity Instruments			
Investment in Mutual Funds	311.63	20.00	-
Investment In Bonds			
Investment in Government Securities			
	311.63	20.00	-

b Sensitivity Analysis

The table below summarise the impact of increases/ decreases of the index on the group's mutual fund investment and profit for the period. The analysis is based on the assumption that the NAV had increased by 1% or decreased by 1% with all other variables held constant, and that all the company's investments moved in line with the NAV.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit after tax	Other Equity		Profit after tax	Other Equity
NAV increase by	1%	3.12	3.12	Increase by 1%	0.20	0.20
NAV decrease by	1%	- 3.12	- 3.12	Decrease by 1%	(0.20)	(0.20)

46 Pursuant to the Scheme of Arrangement ("The Scheme") between the Company (Resulting Company) (MSIPL) and Jay Shree Tea and Industries Ltd (Demerged Company) (JSITL) and their respective shareholders, the Sugar Unit at Majhaulia along with its related assets and liabilities has been transferred to the company upon the sanction of the scheme by Honorable High Court of Judicature at Calcutta vide order dated 8th August, 2016. The scheme became effective on 26th 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 shares of Rs. 10/- each have been issued to Jay Shree Tea & Industries Ltd (JSTIL) at a premium of Rs. 111 each for a total consideration of Rs. 3,468.75.

b The appointed date of the same is 1st April, 2016.

47 Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The Notes are the 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)

Jitendra K Agarwal & Associates Chartered Accountants Kolkata

Abhishek Mohta
Partner
(Membership No.066653)
Place: Kolkata
Dated: the 24th day of April, 2018

For and on behalf of the Board of Directors

CHINNI LAL SHUKLA
(DIRECTOR)
DIN 07233256

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED
CIN: U15122WB2015PTC207281
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

1. CORPORATE AND GENERAL INFORMATION

M.P. Udyog, Majhaulia, West Champaran, Biharwas incorporated in the year 1932 and was converted into a public company in 1973. The company established its sugar unit at Majhaulia, District of West Champaran, Bihar in the year 1933. Jayshree Tea has acquired 100% stake in M.P. Chini Industries Ltd. having a sugar factory at Majhaulia in Bihar with a capacity of 4600 TCD, which is being enhanced to 5500 TCD. The factory has co-generation facility of 6 MW and its own sugarcane plantation of around 1000 acres. Consequent to the Scheme of Arrangement ('the scheme') sanctioned by the Hon'ble High Court of Judicature at Calcutta vide Order dated8thAugust 2016 and filing of Court order with the Registrar of Companies, Kolkata on 26thSeptember 2016, the business undertakings located at Majhaulia, District West Champaran in the State of Bihar have been demerged to the Company from appointed date i.e. 1st April 2016.

The Company is primarily engaged in manufacture and sale of Sugar and its allied business consist of By-products (Molasses and Bagasse).

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101"First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 41. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April 2016 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March 2018 has been approved by the Board of Directors in their meeting held on 24-04-2018.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities that is measured at Fair value/ Amortised cost;
- Defined benefit plans – plan assets measured at fair value; and
- Biological Assets– At fair value less cost to sell

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

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2.4 Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

2.5 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2.6 Current vs non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or is intended to be sold or consumed in the normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is current if:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7 Measurement of Fair Values

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 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.

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 Ind AS-16.

3.2 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

3.3.1. <u>Current Tax</u>

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

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3.3.2. Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax Is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4 Property, Plant and Equipment

3.4.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit & Loss.

3.4.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the Item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

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3.4.3. Depreciation and Amortization

- Depreciation on other items of PPE is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.5. 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.

3.5 Leases

3.5.1. As a Lessee

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

3.6 Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.6.1. Sale of Goods

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), Value Added Taxes (VAT) and Goods & Services Tax (GST) 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.

3.6.2. Interest Income

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.

3.6.3. Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

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3.6.4. Insurance Claim Receivable

Insurance and other claims, Interest on doubtful 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.

3.6.5. Other Income

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.

3.7 Employee Benefits

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. Other Long Term Employee Benefits

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

- **Defined Benefit Plans**

  The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

  The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

  Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

- **Defined Contribution Plan**

  Payments to defined contribution retirementbenefit plans are recognized as an expense when employees have renderedservice entitling them to the contributions. Contributions towards Provident Fundsare charged to the Statement of Profit and Loss of the period when thecontributions to the Funds are due.

3.7.4. Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit & Loss immediately.

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3.8 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.If not related to a specific expenditure, it is taken as income and presented under "Other Income"

3.9 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.10 Borrowing Cost

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.11.1. <u>Financial Assets</u>

- **Recognition and Initial Measurement:**

  All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement:**

  For purposes of subsequent measurement, financial assets are classified in four categories:
  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt Instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➢ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.11.2.Financial Liabilities

➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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➢ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➢ **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➢ **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.12 Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.13 Provisions, Contingent Liabilities and Contingent Assets

3.13.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.13.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.13.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

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3.14 Biological Assets

Biological assets comprise Standing crops of sugarcane, measured at fair value less estimated costs to sell. Changes in fair value are recognized in the Statement of Profit and Loss.The fair value of these assets excludes the land upon which the crops are planted, or the items of PPE utilised in the upkeep of planted areas.

The biological process starts with preparation of land for planting, seedlings and ends with the harvesting of crops.For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation upto the balance sheet date.When harvested, cane is transferred to inventory at fair value less costs to sell.

3.15 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.16 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. Operating segments of the Company comprises three segments Cement, Jute and Others. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

3.17 Standards Issued but not yet Effective

The standards issued but not yet effective up to the date of issuance of the Company's financial Statements is disclosed below. The company intends to adopt this Standard when it becomes effective.

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

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

3.17.2. In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The amendment is applicable to the Company for the reporting period beginning April 1, 2018. Ind AS 115 replaces existing revenue recognition standards Ind AS 11, Construction Contracts and Ind AS 18, Revenue and revised guidance note of the ICAI on Accounting for Real Estate Transaction for Ind AS entities issued in 2016.

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4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets**: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- **Provisions and Contingencies:**The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:**The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Allowances for Doubtful Debts**: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

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