J K V S & CO
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Majhaulia Sugar Industries Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

e Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 35.1.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For J K V S & CO.
(Formerly Jitendra K Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 308186E

JKVS & CO
Chartered Accountants
Kolkata

Abhishek Mohta
(Partner)
Membership No. 066653

Place: Kolkata
Date: May 27, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Majhaulia Sugar & Industries Private Limited of even date)

i. In respect of Company's Fixed Assets:

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

b) As per the information and explanations given to us, physical verification of property, plant and equipment have been carried out in terms of the phased program of verification of its property, plant and equipment adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business

c) According to the information and explanations given to us by the management, the title deeds of land which had been transferred to Company pursuant to Scheme of arrangement are not held in the name of the Company. The details of the same is as follows:

Number of Cases	Leasehold/ Freehold	Gross Block	Net Block	Remarks
27 Deeds	Freehold Land	Rs. 3,880.02 lakhs	Rs. 3,880.02 lakhs	The transfer of the title deeds in the name of the company has been initiated.

ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management or by a firm of Chartered Accountants on behalf of the Management and no material discrepancies between book stock and physical stock have been found.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3(iii), 3(iii)(a) to 3(iii)(c) of the Said Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments. The Company has not provided any guarantees or securities on behalf of others during the year.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government of India under section 148 (1) of the Companies Act 2013 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examined of the cost records with a view to determine whether they are accurate or complete

vii (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, Goods & Service Tax or cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of provident fund, income tax, Goods & Service tax, cess and other statutory as applicable as on March 31, 2019, which have not deposited on account of dispute.

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viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to any financial institution or banks or Government. The company neither had any outstanding debentures at the beginning of the year nor has it issued any debenture during the year.

ix The company has not raised any money by way of initial public offer or further public offer including debt instruments during the year According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable

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

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For J K V S & CO.
(Formerly Jitendra K Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 308186E

JKVS & CO Chartered Accountants Kolkata

Abhishek Mohta
(Partner)
Membership No. 066653

Place: Kolkata
Date. May 27, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Majhaulia Sugar Industries Private Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAJHAULIA SUGAR INDUSTRIES PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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Chartered Accountants
Kolkata

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of interna control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J K V S &CO.
(Formerly Jitendra K Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 308186E

JKVS & CO
Chartered Accountants
Kolkata

Abhishek Mohta
(Partner)
Membership No. 066653

Place: Kolkata
Date: May 27, 2019

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
BALANCE SHEET as at 31st March, 2019

(₹ in Lakh)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5.1	9,530.87	8,397 25
Capital Work-In-Progress	5.2	8,453.92	382.58
Financial Assets			
Investments	6	453.45	311.63
Other Financial Assets	7	222.00	-
Other Non-Current Assets	8	248.69	-
CURRENT ASSETS			
Inventories	9	18,628.00	17,023.11
Biological Assets other than bearer plants	10	87.59	83.93
Financial Assets			
Trade Receivables	11	518 27	829.63
Cash and Cash Equivalents	12	143.78	461.48
Bank balances other than Note 13	13	45 00	10 00
Loans	14	17.03	13.61
Other Financial Assets	7	1,929.01	2,084.43
Other Current Assets	8	1,492.19	191.16
Total Assets		41,769.80	29,788.81
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	313.50	313 50
Other Equity	16	3,691 36	3,582.28
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	17	506.22	930.10
Other Financial Liabilities	18	116.63	132.45
Provisions	19	8.51	6.41
Deferred Tax Liabilities (Net)	20	-	-
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	21	10,920.03	3,427.83
Trade Payables	22	24,027.68	19,668.82
Other Financial Liabilities	18	1,105.08	1,418.76
Provisions	19	212.27	206.01
Other Current Liabilities	23	868.52	102 65
Current Tax Liabilities (Net)	24	-	-
Total Equity and Liabilities		41,769.80	29,788.81
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 J K V S & CO
(Formerly JITENDRA K AGARWAL & ASSOCIATES)
Chartered Accountants
Firm Registration No.318086E

ABHISHEK MOHTA
Partner
Membership No. 066653
Place: Kolkata
Date: 27th May, 2019

For and on behalf of the Board of Directors

R. K. GANERIWALA
(DIRECTOR)
DIN 00270864

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2019

(₹ in Lakh)

INCOME	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue from Operations	25	17,392.08	17,723.57
Other Income	26	2,059.55	2,250.12
Total Income		**19,451.63**	**19,973.69**
EXPENSES			
Cost of Materials Consumed	27	16,270.19	18,128.78
Changes in Inventories of Finished Goods & Work-in-Progress	28	(1,428.67)	(896.56)
Excise Duty on Sales		-	176.24
Employee Benefits Expense	29	1,176.05	1,079.05
Finance Costs	30	937.84	1,009.61
Depreciation and Amortisation Expense	31	235.45	225.24
Other Expenses	32	2,189.95	985.45
Total Expenses		**19,380.81**	**20,707.81**
Profit/(Loss) before Tax		70.82	(734.12)
Tax Expense:	33		
Current Tax		-	-
Deferred Tax		-	(85.70)
Income Tax for earlier years		-	1.42
Profit/(Loss) for the year		70.82	(649.84)
Other Comprehensive Income	34		
Items that will not be reclassified to profit or loss		38.26	(97.48)
Income tax relating to these items		-	32.54
Other Comprehensive Income for the Year (Net of Tax)		38.26	(64.94)
Total Comprehensive Income for the period		109.08	(714.78)
Earnings Per Share			
Nominal Value of Shares (₹ 10)			
Weighted Average Number of Ordinary Shares outstanding during the year		31,35,000	31,35,000
Basic & Diluted Earnings Per Share		2.26	(20.73)
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 J K V S & CO
(Formerly JITENDRA K AGARWAL & ASSOCIATES)
Chartered Accountants
Firm Registration No.318086E

For and on behalf of the Board of Directors

JKVS & CO Chartered Accountants Kolkata

ABHISHEK MOHTA
Partner
Membership No. 066653
Place: Kolkata
Date: 27th May, 2019

R. K. GANERIWALA
(DIRECTOR)
DIN 00270864

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2019

(₹ in Lakh)

a) Equity Share Capital

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
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2019	313.50

b) Other Equity

Particulars	Securities Premium	Retained Earnings	Total
Balance as at 31st March, 2017	3,468.88	828.18	4,297.06
Profit for the year	-	(649.84)	(649.84)
Received on account of issue of Equity Shares pursuant to the Scheme of Arrangement	-	-	-
Other Comprehensive Income	-	(64.94)	(64.94)
Total Comprehensive Income for the year	-	(714.78)	(714.78)
Balance as at 31st March, 2018	3,468.88	113.40	3,582.28
Profit for the year	-	70.82	70.82
Other Comprehensive Income	-	38.26	38.26
Total Comprehensive Income for the year	-	109.08	109.08
Balance as at 31st March, 2019	3,468.88	222.48	3,691.36

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

ABHISHEK MOHTA
Partner
Membership No. 066653
Place: Kolkata
Date: 27th May, 2019

JKVS & CO Chartered Accountants Kolkata

For and on behalf of the Board of Directors

R. K. GANERIWALA
(DIRECTOR)
DIN 00270864

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PVT. LTD.
CIN: U15122WB2015PTC207281
CASH FLOW STATEMENT for the year ended 31st March, 2019

(₹ in Lakh)

	Particulars			For the year ended 31st March, 2019	For the year ended 31st March, 2018
A.	**Cash flow from operating activities :**				
	Net Profit before tax and extraordinary items			70.82	(734.12)
	Adjustments for -				
	Depreciation Expenses			235.45	225.24
	Finance Costs			937.84	1,009.61
	Interest Income			(39.01)	(207.37)
	(Profit) / Loss on sale of Fixed Assets (net)			(1,043.80)	(1,736.37)
	Excess Liabilities & Unclaimed Balances written back			(0.87)	(1.34)
	Loans, Advances & claims written off (net)			74.72	-
	Claims written off			12.90	-
	Changes in Biological asset			(3.66)	(13.94)
	Fair Value (Gain)/Loss on Restatement of Financial Instruments (Net)			(35.02)	8.37
	Operating profit before working capital changes			**209.37**	**(1,449.92)**
	Adjustments for -				
	Trade Receivables and Loans & Advances			(921.51)	204.82
	Inventories			(1,604.89)	(949.10)
	Trade payables, Other liabilities & Provisions			5,184.60	1189.71
	Cash generated from / (used in) operations			**2,867.57**	**(1,004.49)**
	Direct taxes (paid) / refund ^			-	(252.42)
	Net cash from / (used in) operating activities			**2,867.57**	**(1,256.91)**
B.	**Cash flow from investing activities :**				
	Purchase of/advance for Fixed Assets/Capital Work In Progress			(9,201.46)	(518.18)
	Sale of Fixed Assets			1,081.66	10.00
	(Purchase) / sale of long term investments (net)			(106.80)	(300.00)
	Interest received			32.08	207.37
	Bank deposit with more than 12 months maturity			(222.00)	-
	Term Deposits more than 3 months but less than 12 months			(35.00)	-
	Net cash from / (used in) investing activities			**(8,451.52)**	**(600.81)**
C.	**Cash flow from financing activities :**				
	Proceeds from long term borrowings (net)			(823.88)	(821.00)
	Proceeds from short term borrowings (net)			7,492.20	3,427.83
	Interest paid			(1,402.07)	(910.43)
	Net cash from / (used in) financing activities			**5,266.25**	**1,696.40**
	Net increase / (decrease) in cash and cash equivalent (A+B+C)			**(317.70)**	**(161.32)**
	Cash and cash equivalents as at 01.04.2018			**461.48**	**622.80**
	Cash and cash equivalents as at 31.03.2019			**143.78**	**461.48**

Notes:

1 Cash & Cash Equivalents consists of Cash on hand and balances with banks in Current/Cash Credit accounts per note

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 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

Particulars	As at 31.03.2018	Cash Flows (Net)	Current/ Non-current Classification	As at 31.03.2019
Borrowings - Non-current	930.10	187.17	(611.05)	506.22
Other financial liabilities (Current & Non-current)	1,011.05	(1,011.05)	611.05	611.05
Borrowings - Current	3,427.83	7,492.20	-	10,920.03

4 Previous year's figures have been re-grouped/re-arranged wherever necessary

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

For and on behalf of the Board of Directors

ABHISHEK MOHTA
Partner
Membership No. 066653
Place: Kolkata
Date: 27th May, 2019

JKVS & CO Chartered Accountants Kolkata

R. K. GANERIWALA
(DIRECTOR)
DIN 00270864

RAJESH SARDA
(DIRECTOR)
DIN 06456972

MAJHAULIA SUGAR INDUSTRIES PVT.LTD.
CIN: U15122WB2015PTC207281
Notes to Financial Statements as at and for the year ended 31st March, 2019

1. **CORPORATE AND GENERAL INFORMATION**

M.P. Udyog, Majhaulia, West Champaran, Bihar was 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. Jay Shree 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 dated 8th August 2016 and filing of Court order with the Registrar of Companies, Kolkata on 26th September 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 of the Company for the year ended 31st March 2019 has been approved by the Board of Directors in their meeting held on 27th May, 2019.

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.

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).

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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.

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.

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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. Current Tax

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.

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.

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- 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.

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.

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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

- The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" w.e.f., 1st April, 2018. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April, 2018 on the contracts that are not completed as at that date. There was no impact of the same on the opening balance sheet as at 1st April, 2018 and on the statement of profit & loss for the year ended 31st March, 2019.
- The Company derives revenues primarily from sale of manufactured goods. Revenue from contracts with customers is recognized on satisfaction of performance obligation upon transfer of control of promised goods to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods.
- Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of trade discounts, returns, volume rebates offered by the Company as part of the contract. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

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. Re-measurements 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.

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Re-measurements 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 retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Contributions towards Provident Funds are charged to the Statement of Profit and Loss of the period when the contributions 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.

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.

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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. Financial Assets

➢ **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.

- 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.

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- **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.

- **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.

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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.

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 up to 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 re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

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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.

Standard	Description
Ind AS 19, Employee Benefits	The amendment clarifies the accounting for defined benefit plans on plan amendment, curtailment and settlement.
Ind AS 28, Investment in Associates and Joint Ventures	The amendment clarifies the accounting for the share of losses of an associate or joint venture after the equity interest has been reduced to nil.
Ind AS 109, Financial Instruments	The amendments enable entities to measure certain financial assets with prepayment features that may yield a negative compensation on prepayment.
Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements	Additional guidance was provided on acquisition accounting, where an entity obtained control of a joint operation(Ind AS 103), or where a participant in a joint control, obtained joint control over the same (Ind AS 111)
Ind AS 23, Borrowing Costs	The amendment clarifies the borrowing costs to be considered for finalisation.
Ind AS 12, Income Taxes – Annual Improvements	The amendment clarifies the accounting for income tax consequences on distribution of profits
Inserted Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments	The appendix provides clarification on the accounting for income taxes, when there is uncertainty over income tax treatments.
Ind AS 116, Leases	The Standard sets out the principles for the recognition, de recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. This standard shall come into force on 01st day of April, 2019. The management has assessed no material impact of the introduction of the standard on the financial statements.

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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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5.1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount
	As at 31st March 2018	Additions	Disposals	Other Adjustments	As at 31st March 2019	As at 31st March 2018	Depreciation during the year	Deductions	Other Adjustments	As at 31st March 2019	
Freehold Land	3,917.88	-	37.86	-	3,880.02	-	-	-	-		3,880.02
Buildings, Bridges,etc	1,260.20	593.72	-	-	1,853.92	49.63	30.60	-	-	80.23	1,773.69
Plant and Machinery	3,541.89	807.40	-	-	4,349.29	352.93	192.93	-	-	545.86	3,803.43
Furniture and Fittings	11.39	1.24	-	-	12.63	0.67	1.12	-	-	1.79	10.84
Vehicles	70.74	-	-	-	70.74	26.91	9.57	-	-	36.48	34.26
Office Equipments	18.17	4.57	-	-	22.74	4.51	0.77	-	-	5.28	17.46
Mill Roller	12.34	-	-	-	12.34	0.71	0.47	-	-	1.18	11.17
Total	8,832.61	1,406.94	37.86	-	10,201.69	435.36	235.45	-	-	670.81	9,530.87

Particulars	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount
	As at 31st March 2017	Additions	Disposals	Other Adjustments	As at 31st March 2018	As at 31st March 2017	Depreciation during the year	Deductions	Other Adjustments	As at 31st March 2018	
Freehold Land	3,981.60	-	63.72	-	3,917.88	-	-	-	-	-	3,917.88
Buildings, Bridges,etc	871.64	388.56	-	-	1,260.20	23.72	25.91	-	-	49.63	1,210.57
Plant and Machinery	3,222.38	319.51	-	-	3,541.89	172.06	180.87	-	-	352.93	3,188.96
Furniture and Fittings	2.38	9.01	-	-	11.39	0.06	0.61	-	-	0.67	10.72
Vehicles	70.74	-	-	-	70.74	13.31	13.60	-	-	26.91	43.83
Office Equipments	5.90	12.27	-	-	18.17	0.74	3.77	-	-	4.51	13.66
Live Stock	0.19	-	0.19	-	-	-	-			-	
Mill Roller	12.34	-	-	-	12.34	0.24	0.47	-	-	0.71	11.63
Total	8,167.17	729.35	63.91	-	8,832.61	210.13	225.23	-	-	435.36	8,397.25

Notes:

a. The Company is holding 1,070.57 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

b. The company has sold 2.79 acres of land during the year (Previous Year 15.93 acres). Further Company has entered into an understanding of selling another 13 acres of land for which an advnace of ₹ 1,455 lacs have been received. Necessary accounting for the same shall be made on signing of the definitive agreement for the same.

c. Depreciation during the year includes of ₹ 34,032/- towards assets of farm.

d. The company has availed loans from various banks against security of the aforesaid assets (Refer Note No 13 for details)

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5.2 CAPITAL WORK IN PROGRESS

Particulars	Gross Carrying Amount				
	As at 31st March 2018	Additions	Disposals	Capitalized	As at 31st March 2019
Building	363.15	-	-	256.13	107.02
Other / Distillery	19.43	7,902.79	-	-	7,922.22
Pre operative Expenses	-	424.68	-	-	424.68
	382.58	8,327.47	-	256.13	8,453.92

Particulars	Gross Carrying Amount				
	As at 31st March 2017	Additions	Disposals	Capitalized	As at 31st March 2018
Building	584.28	70.53	291.66	-	363.15
Other / Distillery	9.47	9.96	-	-	19.43
	593.75	80.49	291.66	-	382.58

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		Face Value	As at 31st March, 2019 No. of units	As at 31st March, 2019 Amount	As at 31st March, 2018 No. of units	As at 31st March, 2018 Amount
6	**NON-CURRENT INVESTMENTS**					
	Investments at Fair Value through Profit or Loss					
	Real Estate Yield Funds - Unquoted					
	Indiabulls High Yield Fund	*	*	206.65	*	201.79
	Avendus Structured Credit Fund	5,00,000	18	101.87	12	58.58
	Altera Capital India Fund	100	1,36,800	144.93	60,000	51.26
				453.45		311.63
6.1	**Aggregate amount of unquoted investments**			453.45		311.63

* Not Available

		Refer Note No.	Non-Current As at 31st March 2019	Non-Current As at 31st March 2018	Current As at 31st March 2019	Current As at 31st March 2018
7	OTHER FINANCIAL ASSETS					
	Bank deposit with more than 12 months maturity	7.1	222.00	-	-	-
	Rent Receivable		-	-	1.41	0.36
	Interest Accrued on Fixed Deposit		-	-	6.93	-
	Incentives & Subsidies Receivables		-	-	1,920.67	293.88
	Other Receivables		-	-	-	1,790.19
			222.00	-	1,929.01	2,084.43

7.1 * Held as security deposit against Bank Guarantee to obtain the tender for supply of Ethanol to Oil Companies.

		Refer Note No.	Non-Current As at 31st March 2019	Non-Current As at 31st March 2018	Current As at 31st March 2019	Current As at 31st March 2018
8	OTHER ASSETS					
	Capital Advance		245.54	-	-	-
	Advance against supply of Goods and Services		-	-	72.20	123.24
	Prepaid Expenses		3.15	-	18.73	17.08
	Balances with Government & Statutory Authorities		-	-	1,401.26	50.84
			248.69	-	1,492.19	191.16

		Refer Note No.	As at 31st March 2019	As at 31st March 2018
9	INVENTORIES			
	(As valued and certified by the Management)	3.1		
	Finished Goods		17,808.83	16,632.10
	Work in Progress		264.88	14.51
	Stores & Spares		554.29	376.50
			18,628.00	17,023.11

		Finished Goods As at 31st March 2019	Finished Goods As at 31st March 2018	Work In Progress As at 31st March 2019	Work In Progress As at 31st March 2018
9.1	Details of Inventories				
	Sugar	16,896.16	15,887.43	255.84	14.51
	Molasses	866.77	743.09	9.04	-
	Grain Stock	-	1.57	-	-
	Stock of Baggase	45.90	-	-	-
		17,808.83	16,632.10	264.88	14.51

		Refer Note No.	As at 31st March 2019	As at 31st March 2018
10	Biological assets other than bearer plants			
	Fair Value of Biological Assets Other than Bearer Plants		87.59	83.93
			87.59	83.93

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		Refer Note No.	As at 31st March 2019	As at 31st March 2018
11	**TRADE RECEIVABLES**			
	Unsecured, considered good		518.27	829.63
	Credit Impaired		74.72	-
			592.99	829.63
	Less: Provision for Doubtful Debts		74.72	-
	Total Trade Receivables		**518.27**	**829.63**

11.1 Trade Receivables are non - interest bearing and are generally on terms of 4 to 7 days.

11.2 No trade receivables are due from directors or other officers of the Company either severally or jointly with any other persons. Nor trade receivables are due from firms or private Companies respectively in which any directors is a partner, a director or a member.

12	**CASH AND CASH EQUIVALENTS**		
	Balances With Banks :		
	In Current Accounts	138.63	456.01
	Cash in Hand	5.15	5.47
		143.78	**461.48**
13	**BANK BALANCES (OTHER THAN NOTE: 13)**		
	Term Deposits more than 3 months but less than 12 months	45.00	10.00
	(Held as security deposit against Bank Guarantee)	**45.00**	**10.00**
14	**LOANS**		
	Advance to Employees		
	Unsecured, considered good	4.55	1.13
		4.55	**1.13**
	Security Deposits		
	Unsecured, considered good	12.48	12.48
		12.48	**12.48**
		17.03	**13.61**

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		Refer Note No.	As at 31st March 2019		As at 31st March 2018	
			No. of Shares	Amount	No. of Shares	Amount
15	EQUITY SHARE CAPITAL					
15.1	Authorised Share Capital					
	Equity Shares of ₹ 10/- each		32,50,000	325.00	32,50,000	325.00
			32,50,000	**325.00**	**32,50,000**	**325.00**
15.2	Issued Share Capital, Subscribed and Paid-up Share Capital					
	Equity Shares of ₹ 10/- each		31,35,000	313.50	31,35,000	313.50
			31,35,000	**313.50**	**31,35,000**	**313.50**

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

	As at 31st March 2019	As at 31st March 2018
Shares outstanding at the beginning of the year	31,35,000	31,35,000
Shares issued during the year	-	
Shares outstanding at the end of the year	**31,35,000**	**31,35,000**

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 ₹ 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 Jay Shree Tea & Industries Ltd

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

	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Shares of ₹ 10/- each fully paid				
Jay Shree Tea & Industries Ltd.	31,35,000	100.00%	31,35,000	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 The Company has issued 3,125,000 Equity shares of ₹ 10/- each fully paid up have been issued pursuant to scheme of arrangement for consideration other than cash in the financial year 2016-17.

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.

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		Refer Note No.	As at 31st March 2019	As at 31st March 2018
16	**OTHER EQUITY**			
	Securities Premium	16.1	3,468.88	3,468.88
	Retained Earnings		222.48	113.40
			3,691.36	3,582.28

Nature and Purpose of Other Reserves:

16.1 Securities Premium:

Received in the Scheme of Arrangement in the year 2016-17.

		Refer Note No.	Non-Current Portion As at 31st March 2019	Non-Current Portion As at 31st March 2018	Current Maturities As at 31st March 2019	Current Maturities As at 31st March 2018
17	**BORROWINGS**					
17.1	**Term Loans**					
	From Banks:					
	Sugar Term Loan	17.4 (a) & (b)	334.11	671.94	525.00	925.00
			334.11	671.94	525.00	925.00
17.2	**Others**					
	Sugar Development Fund Loan	17.4 (c)	172.11	258.16	86.05	86.05
			172.11	258.16	86.05	86.05
17.3	**Break Up of Security Details**					
	Secured		506.22	930.10	611.05	1,011.05
	Unsecured		-	-	-	-
			506.22	930.10	611.05	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 parri-pasu with other working capital consortium bank.

b. Term Loan from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015) carry interest rate of 12% p.a. and repayable in 20 equal quarterly installments by 31st March, 2022. The Company is entitled to interest subvention from the Government of Bihar upto 12% for first year and 10% thereafter as per terms of the Scheme and the same will be reimbursed directly to banks by the State Government of Bihar. The above loan is secured by first charge by hypothecation of stock, book debts/ receivable and other current assets of company ranking parri-pasu with other working capital consortium bank.

c. Term loans from the Sugar Development Fund, carry interest @ 7% p.a. and are secured / to be secured by way of by a second charge on equitable mortgage of all the immovable and movable assets, present and future of the Company.

		Refer Note No.	Long-term As at 31st March 2019	Long-term As at 31st March 2018	Short-term As at 31st March 2019	Short-term As at 31st March 2018
18	**OTHER FINANCIAL LIABILITIES**					
	Current Maturities of Long Term Borrowings	17	-	-	611.05	1,011.05
	Trade & Security Deposits (Unsecured)		55.00	55.00	-	-
	Liabilities for Capital Goods		-	-	111.24	-
	Interest accrued but not due on Borrowings		61.63	77.45	286.45	323.75
	Employees related Liabilities		-	-	96.34	83.96
			116.63	132.45	1,105.08	1,418.76

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Notes to Financial Statements as at and for the year ended 31st March, 2019

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		Refer Note No.	Long-term		Short-term	
			As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
19	**PROVISIONS**					
19.1	**Provision for Employee Benefits**					
	Leave		8.51	6.41	3.62	3.18
	Gratuity	38.1	-	-	161.18	157.93
	Bonus		-	-	25.56	25.55
			8.51	**6.41**	**190.36**	**186.66**
19.2	**Other Provisions**					
	Provisions for Contingencies	19.2.(a)	-	-	22.11	19.35
			-	-	**22.11**	**19.35**
			8.51	**6.41**	**212.47**	**206.01**

		2018-19	2017-18
19.2.(a)	**Movement of Provisions for Contingencies**		
	Opening Provision	19.35	15.97
	Provision during the year	2.76	3.38
	Closing Provision	**22.11**	**19.35**

		As at 31st March 2019	As at 31st March 2018
20	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred Tax Liabilities		
	Arising on account of		
	Depreciation on Property, Plant & Equipments	418.90	243.27
		418.90	**243.27**
	Less: Deferred Tax Assets		
	Arising on account of		
	Section 43B of Income-tax Act	150.18	164.20
	Unabsorbed Depreciation	268.72	79.07
		418.90	**243.27**
	Deferred Tax Liabilities (Net)	-	-

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, 2018 and 31st March, 2019**

Particulars	As at 31st March, 2018	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31st March, 2019
Deferred Income Tax Liabilities				
Property, Plant & Equipments	243.27	175.63	-	418.90
	243.27	**175.63**	-	**418.90**
Deferred Income Tax Assets				
Items u/s 43B of the Income Tax Act, 1961	164.20	(14.02)	-	150.18
Unabsorbed Depreciation	79.07	189.65	-	268.72
	243.27	**175.63**	-	**418.90**
Net Deferred Tax (Assets)/Liabilities	-	-	-	-

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
	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**
Net Deferred Tax (Assets)/Liabilities	**118.24**	**(85.70)**	**(32.54)**	-

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

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		Refer Note No.	As at 31st March 2019	As at 31st March 2018
21	**SHORT TERM BORROWINGS**			
	Loan Repayable on Demand			
	Working Capital Loan from Banks	21.2	3,012.43	-
	From Others- Related Parties	21.3	7,907.60	3,427.83
			10,920.03	**3,427.83**
21.1	**Security details of borrowings**			
	Secured		7,907.60	-
	Unsecured		3,012.43	3,427.83
			10,920.03	**3,427.83**

21.2 (a) Loan includes Cash Credit facility from DCB Bank @12% of interest per annum. The same is secured by hypothecation of buffer stock of sugar.
(b) Loan includes Cash Credit facility from Punjab National Bank @10.90% (1 year MCLR+2.65) of interest per annum. The same is secured by hypothecation of the stock of finished goods (other than buffer stock).

21.3 Represents working capital loan provided by the Holding Company @9% of interest per annum calculated on the daily outstanding balance. The facility is unsecured.

		Refer Note No.	As at 31st March 2019	As at 31st March 2018
22	**TRADE PAYABLES**			
	Trade Payables for goods and services			
	-Total outstanding dues of Micro Enterprises and Small Enterprises	37	-	-
	-Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		24,027.68	19,668.82
			24,027.68	**19,668.82**
23	**OTHER LIABILITIES**			
	Advance received from Customers		13.58	10.24
	Advance received agt Sale of Land		705.00	-
	Statutory Dues		113.09	69.89
	Others		36.95	22.52
			868.62	**102.65**
24	**CURRENT TAX LIABILITIES (NET)**			
	Opening Balance		-	251.00
	Add: Current Tax payable for the year		-	1.42
	Less: Taxes Paid		-	(252.42)
	Closing Balance		-	-

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		Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
25	**REVENUE FROM OPERATIONS**			
25.1	**Sale of Products**			
	Finished Goods	25.1.a	16,943.47	16,906.30
	By- Products	25.1.b	395.10	810.59
			17,338.57	**17,716.89**
25.2	**Other Operating Revenues**			
	Income from Farm Products	25.3	53.51	2.00
	Penalty from Sugar Agents/ Customers		-	4.68
			53.51	**6.68**
			17,392.08	**17,723.57**
	Details of Sale of Products			
25.1.a	**Finished Goods**			
	Sugar		16,943.47	16,906.30
			16,943.47	**16,906.30**
25.1.b	**By- Products**			
	Molasses		243.94	661.84
	Bagasse		136.68	148.75
	Pressmud		14.48	-
			395.10	**810.59**
			17,338.57	**17,716.89**
25.3	**Income from Farm Products**			
	Sales of Agricultural Produce		133.10	79.74
	Subsidy on Sugar Cane		69.06	61.74
	Lease Rent		7.60	8.70
	Grain Stock		-	1.57
			209.76	**151.75**
	Less:			
	Agricultural Farming Expenses (towards cultivation & other expenses)		155.98	149.25
	Other Repairs		0.17	0.21
	Rent, Rates & Taxes		0.10	0.10
	Dead Bullock		-	0.19
			156.25	**149.75**
			53.51	**2.00**
26	**OTHER INCOME**			
	Interest Income on			
	Bank Deposits		-	0.93
	Loans & Other Deposits,etc		8.25	189.04
	On Non Current Investments		30.76	17.40
			39.01	**207.37**
	Gain/(Loss) on remeasurement of financial instruments measured at FVTPL (Net)		35.02	(8.37)
	Management Consultancy Fee		899.35	-
	Profit on Sale of Land		1,043.80	1,736.37
	Other Non Operating Income			
	Forein Exchange Gain		10.90	-
	Change in fair valuation of biological assets		3.66	13.94
	Rent		4.12	3.60
	Excess Liabilities and Unclaimed Balances written back		0.87	1.34
	Miscellaneous Income		22.82	40.72
	Insurance and Other Claims (Net)		-	255.15
			42.37	**314.75**
			2,059.55	**2,250.12**

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MAJHAULIA SUGAR INDUSTRIES PVT LTD.
CIN: U15122WB2015PTC207281
Notes to Financial Statements as at and for the year ended 31st March, 2019

(₹ in Lakh)

		Refer Note No.		For the year ended 31st March 2019	For the year ended 31st March 2018
27	**COST OF MATERIALS CONSUMED**				
	Raw Material Consumed			16,270.19	18,128.78
				16,270.19	**18,128.78**
27.1	**Details of Raw Material Consumed**				
	Sugarcane			16,270.19	18,128.78
28	**(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS**				
	Inventories at the beginning of the year				
	Finished Goods			16,630.53	15,733.06
	Work In Progress			14.51	15.42
				16,645.04	**15,748.48**
	Inventories at the end of the year				
	Finished Goods			17,808.83	16,630.53
	Work In Progress			264.88	14.51
				18,073.71	16,645.04
	Total changes in inventories of work-in-progress, stock-in-trade and finished goods			**(1,428.67)**	**(896.56)**
29	**EMPLOYEE BENEFITS EXPENSE**				
	Salaries & Wages			1,014.16	918.49
	Contribution to Provident and Other Funds			127.02	126.38
	Staff Welfare Expenses			40.53	34.18
				1,181.71	1,079.05
	Less Transferred to CWIP			5.66	
				1,176.05	**1,079.05**
30	**FINANCE COST**				
	Interest Expenses				
	Banks on Term Loans, etc			937.84	1,009.61
	On Others			411.11	
				1,348.95	1,009.61
	Less Transferred to CWIP			411.11	
				937.84	**1,009.61**
31	**DEPRECIATION AND AMORTIZATION EXPENSES**				
	On Tangible Assets			235.45	225.24
				235.45	**225.24**
32	**OTHER EXPENSES**				
	Stores, Spare Parts & Packing Materials Consumed			697.25	660.08
	Power & Fuel		219.08		
	Less Capitalised		80.83	138.25	143.31
	Repairs to Buildings			122.57	66.04
	Repairs to Machinery			673.66	592.55
	Repairs to Other Assets			22.44	56.35
	Increase/(Decrease) in Excise Duty & Cess on Finished Goods			-	(898.49)
	ETP Expenses			18.95	
	Brokerage & Commission on Sales			53.52	44.82
	Loading Charges on despatch			27.14	34.58
	Rent			0.98	
	Rates & Taxes			17.51	10.02
	Insurance			28.70	30.97
	Charity & Donation			-	3.00
	Auditors' Remuneration	32.1		6.32	5.04
	Advances written off			12.90	-
	Provision for Doubtful Debts			74.72	-
	Safety Security Expenses		97.02		
	Less Capitalised		7.91	89.11	78.25
	Storage Expenses			50.90	38.41
	Vehicle Running Expenses			80.98	60.38
	Other Expenses			114.30	75.57
				2,189.95	**965.45**

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(₹ in Lakh)

		Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
32.1	Auditors' Remuneration			
	Statutory Auditors			
	Audit Fees		4.50	3.00
	Tax Audit Fees		1.50	1.00
	Other Services			0.75
	Reimbursement of Expenses		0.32	0.29
			6.32	5.04
33	TAX EXPENSE			
	Current Tax for the year	33.1	-	-
	Deferred Tax		-	(85.70)
			-	(85.70)
	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

	31st March 2019	31st March 2018
Profit from before income tax expense	70.82	(734.12)
Indian Statutory Income Tax rate*	26.00%	33.06%
Estimated Income Tax Expense	18.41	(242.72)
Effect on tax allowance not recognized	-	(62.12)
Section 43B Items	-	(131.66)
Others	18.41	36.76
	18.41	(157.02)
Income tax expense in Statement of Profit & Loss	-	(85.70)

* Applicable Indian Statutory Income Tax rate for Fiscal Year 2019 & 2018 is 26% & 33.384% respectively. 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	38.26	(97.48)
	Less: Tax expense on the above	-	(32.54)
		38.26	(64.94)
		38.26	(64.94)

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(₹ in Lakh except as otherwise stated)

35 Contingent Liabilities and Contingent Assets

35.1 Claims/Disputes/Demands not acknowledged as debts -

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
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 35.1 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 There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company believes that it does not have any significant impact on a prospective basis from the date of the SC order. The company will revisit its position, on receiving further clarity on the subject.

35.3 In respect of the matters in note no. 35.1, 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 2019	As at 31st March 2018
Current			
Financial assets		2,447.28	2,620.18
Trade Receivables	11	518.27	829.63
Other Receivables	7	1,929.01	1,790.55
Non-financial assets		20,120.19	17,508.51
Inventories	9	18,628.00	17,023.11
Other Current Assets	8	1,492.19	485.40
Total current assets pledged as security		22,567.47	20,128.69
Non-Current			
Financial assets			
Other Receivables	7	222.00	-
Non-financial assets			
Other Non-current Assets	8	248.69	-
Property, Plant & Equipment	5.1	9,530.87	8,397.25
Capital Work in Progress	5.1	8,453.92	382.58
Total non-currents assets pledged as security		18,233.48	8,779.83
Total assets pledged as security		40,800.95	28,908.52

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 2019	As at 31st March 2018
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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(₹ in Lakh except as 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 2019**

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

Particulars	2018-19	2017-18
Balance at the beginning of the year	411.28	276.00
Current Service Cost	30.92	29.44
Interest Cost on Defined Benefit Obligation	29.09	20.00
Actuarial Gain and Losses arising from		
Changes in financial assumptions	8.46	(49.94)
Experience Adjustment	(19.34)	168.12
Benefits Paid from the Plan Assets	(25.60)	(32.34)
Balance at the end of the year	434.81	411.28

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	2018-19	2017-18
Balance at the beginning of the year	253.35	216.02
Interest Income on Plan Assets	18.49	16.63
Return on plan assets other than interest income	27.38	20.70
Employer Contributions to the Plan	-	32.34
Benefits Paid from the Plan Assets	(25.60)	(32.34)
Balance at the end of the year	273.62	253.35

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

Particulars	2018-19	2017-18
Defined Benefit Obligation	434.80	411.28
Fair Value of Plan Asset	273.62	253.35
Funded Status {Surplus/ (Deficit)}	(161.18)	(157.93)
Amount recognized in Balance Sheet	(161.18)	(157.93)

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

Particulars	2018-19	2017-18
Current Service Cost	30.92	29.44
Interest Cost	10.59	3.37
Expenses recogfnized in Statement of Profit & Loss	41.51	32.81

e **Remeasuremets recognzied in Other Comprehensive Income**

Particulars	2018-19	2017-18
Actuarial (gain)/ Loss due to:		
-change in financial assumptions	8.46	(49.94)
-experience variance (i.e. Actual experience vs assumptions)	(19.34)	168.12
Actuarial (gain)/ Loss arising during the year	(10.88)	118.18
Return on Plan Assets, excluding interest	27.38	20.70
Components of defined benefit costs recognised in OCI	(38.26)	97.48

f **Actuarial Assumptions**

Particulars	2018-19	2017-18
Net Discount Rate	7.30%	7.70%
Rate of compensation increase (Salary	4%	4%
Average Expected Future Service (Remaining working life)	8 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.

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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	116.93
Between 2 and 5 years	206.53
Between 5 and 10 years	207.37
Beyond 10 years	220.00

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 occurring 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	2018-19	2017-18
Effect on DBO due to 0.5%'s increase in Discount Rate	392.09	401.43
Effect on DBO due to 0.5%'s decrease in Discount Rate	432.66	421.67
Effect on DBO due to 0.5%'s increase in Salary Escalation Rate	433.11	421.94
Effect on DBO due to 0.5%'s decrease in Salary Escalation Rate	391.38	401.10
Effect on DBO due to 0.5%'s increase in Attrition Rate	415.51	411.56
Effect on DBO due to 0.5%'s decrease in Attrition Rate	408.46	411.00
Effect on DBO due to 10%'s increase in Mortality Rate	436.49	412.90
Effect on DBO due to 10%'s decrease in Mortality Rate	433.11	409.67

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 **Earning per share (EPS)**

Particulars			2018-19	2017-18
Profit / (Loss) after tax			70.82	(649.84)
(for calculation of Basic and Diluted EPS)				
Weighted average number of equity shares in calculating basic & diluted EPS			31,35,000	31,35,000
(Nominal value of share Rs. 10)				
Basic & Diluted			2.26	(20.73)

41 **Related Party Disclosures**

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

Name of the Related Party	Relationship
M/s Jay Shree Tea & Industries Limited	Holding Company
Mr. Somit Mazumdar	Director - (Key Management Personnel) w.e.f 15th Nov, 2018
Mr. D P Maheshwari	Director - (Key Management Personnel) w.e.f 15th Nov, 2018
Mr. R. K. Ganeriwala	Director - (Key Management Personnel) w.e.f 15th Nov, 2018
Mr. Rajesh Sinda	Director - (Key Management Personnel)
Mr. Chinta Lal Shukla	Director - (Key Management Personnel)
M/S Jayantika Investment & Finance Ltd	Fellow Subsidiary

41.2 Transactions during the year

Particulars	2018-19		2017-18	
	Holding Company	Key Management Personnel	Holding Company	Key Management Personnel
Short Term Borrowings (Paid)/ Received (net) - Jay Shree Tea & Industries Limited	7,496.49	-	5,627.85	-
Interest Paid - Jay Shree Tea & Industries Limited	411.11	-	-	-
Purchase of Fixed Assets - Mr. Rajesh Sinda	-	-	-	9.85
Remuneration to Directors - Mr. Chinta Lal Shukla	-	19.00	-	16.39
Sale of Agricultural Land - Jayantika Investment & Finance Ltd	-	331.66	-	-

(₹ in Lakh except as otherwise stated)

41.3 Balance Outstanding as at the balance sheet date:

Particulars	2018-19		2017-18	
	Holding Company	Key Management Personnel	Holding Company	Key Management Personnel
Short Term Borrowings - Jay Shree Tea & Industries Ltd	7,907.60	-	3,427.83	-
Employee Related Liabilities - Chote Lal Shukla	-	-	-	0.94

42 Fair value of Financial Assets and Financial Liabilities

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019		31st March 2018	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial Assets				
Investment				
- Mutual Funds	453.45		311.63	
Trade Receivables		518.27		829.63
Loans Given		4.55		1.13
Cash and Cash Equivalents		143.78		461.48
Other Financial Assets		2,196.01		1,790.55
Security Deposits		12.48		12.48
Total Financial Assets	453.45	2,875.09	311.63	3,095.27
Financial Liabilities				
Borrowings		12,037.30		1,941.15
Trade Payables		24027.68		19,668.82
Interest accrued but not due on borrowings		348.08		401.20
Employee related liabilities		96.34		83.96
Trade & Security Deposits		55.00		55.00
Other Financial Liabilities		111.24		1,080.94
Total Financial Liabilities	-	36,675.64	-	23,231.07

42.1 The Company has not classified any of its financial assets or financial liabilities under the head "Fair Value Through Other Comprehensive Income" (FVTOCI)

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 amortised cost:

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments				
Mutual Funds	453.45	453.45	311.63	311.63
Trade Receivables	518.27	518.27	829.63	829.63
Cash and cash equivalents	143.78	143.78	461.48	461.48
Other financial assets	2,196.01	2,196.01	1,790.55	1,790.55
Loans				
Loan to Employees	4.55	4.55	1.13	1.13
Security Deposits	12.48	12.48	12.48	12.48
Total Financial Assets	**3,328.54**	**3,328.54**	**3,406.90**	**3,406.90**
Financial Liabilities				
Borrowings	12,037.30	12,037.30	1,941.15	1,941.15
Trade Payables	24027.68	24,027.68	19,668.82	19,668.82
Interest accrued but not due on borrowings	348.08	348.08	401.20	401.20
Employee related liabilities	96.34	96.34	83.96	83.96
Other Financial Liabilities	111.24	111.24	1,080.94	1,080.94
Trade & Security Deposits	55.00	55.00	55.00	55.00
Total Financial Liabilities	**36,675.64**	**36,675.64**	**23,231.07**	**23,231.07**

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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.

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 2019 and 31st March 2018

Particulars	31st March 2019	31st March 2018
	Level 1	Level 1
Financial Assets		
Financial Investment at FVTPL		
Mutual Funds	453.45	311.63
Total Financial Assets	453.45	311.63
Financial Liabilities		
Derivatives not designated as hedges		
Total Financial Liabilities	-	-

Note. None of the financial assets or liabilities measured at fair value has been been measured in terms of level 2 & 3 of the fair value measurement system

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

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019	31st March 2018
	Level 3	Level 3
Financial Assets		
Trade Receivables	518.27	829.63
Cash and cash equivalents	143.78	461.48
Other financial assets	2,196.01	1,790.55
Loan to Employees	4.55	1.13
Security Deposits	12.48	12.48
Total Financial Assets	2,875.09	3,095.27
Financial Liabilities		
Borrowings	12,037.30	1,941.15
Trade Payables	24027.68	19,668.82
Interest accrued but not due on borrowings	348.08	401.20
Employee related liabilities	96.34	83.96
Other Financial Liabilities	111.24	1,080.94
Trade & Security Deposits	55.00	55.00
Total Financial Liabilities	36,675.64	23,231.07

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44.3 During the year ended March 31, 2019 and March 31, 2018, 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 Operating Segments

The Company operates mainly in one business segment viz., Sugar Manufacturing, being primary segment and all other activities revolve around the main activity. The Company operates mainly in single geographical segment i.e., India.

46 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-

46.1 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 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.

46.1.1 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	90.02	84.66	-	-	343.59
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	90.02	84.66	-	-	343.59

46.2 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.

46.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

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	24,027.68					24,027.68
Borrowings						
Rupee Term Loan		398.02	213.03	506.22		1,117.27
Short Term Borrowings	10,920.03					10,920.03
Interest accrued but not due on borrowings		89.20	197.25	61.63		348.08
Employee related liabilities		96.34				96.34
Trade & Security Deposits					55.00	55.00
Other financial liabilities		111.24				111.24
Total	**34,947.71**	**694.80**	**410.28**	**567.85**	**55.00**	**36,675.64**

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

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**

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46.3 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.

46.3.1 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 2019	31st March 2018
Fixed Rate Instruments		
Financial Liabilities	8,165.76	3,427.83
	8,165.76	3,427.83
Variable Rate Instruments		
Financial Liabilities	3,871.54	1,941.15
	3,871.54	1,941.15

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 2019			31st March 2018		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit after tax	Other Equity		Loss	Other Equity
Interest Rate Increase by	50 basis points	(14.32)	(14.32)	50 basis points	9.71	9.71
Interest Rate Decrease by	50 basis points	14.32	14.32	50 basis points	(9.71)	(9.71)

46.3.2 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 2019	31st March 2018
Investment in Mutual Funds	453.45	311.63
	453.45	311.63

b Sensitivity Analysis

The table below summarises 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 2019			31st March 2018		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit after tax	Other Equity		Loss	Other Equity
NAV increase by	Increase by 1%	4.53	4.53	Increase by 1%	(3.12)	(3.12)
NAV decrease by	Decrease by 1%	(4.53)	(4.53)	Decrease by 1%	3.12	3.12

JKVS & CO
Chartered Accountants
Kolkata

(₹ in Lakh except as otherwise stated)

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 J K V S & CO
(Formerly JITENDRA K AGARWAL & ASSOCIATES)
Chartered Accountants
Firm Registration No.318086E

ABHISHEK MOHTA
Partner
Membership No. 066653
Place: Kolkata
Date: 27th May, 2019

JKVS & CO Chartered Accountants Kolkata

For and on behalf of the Board of Directors

R. K. GANERIWALA
(DIRECTOR)
DIN 00270864

RAJESH SARDA
(DIRECTOR)
DIN 06456972