

## Independent Auditor's Report

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statement of M/s SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 and the statement of Profit & Loss for the period ended and the statement of cash flow and the statement of changes in equity for the year ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for matters stated in Section 134(5) of Companies Act, 2013 with respect to the preparation of these Ind AS financial statement that give a true and fair view of the financial position and financial performance including other comprehensive income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, Including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof.

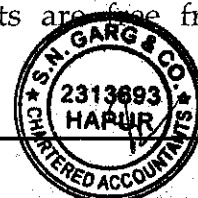
This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statement based on our audit.

In conducting our audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

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



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Ind AS financial statement. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Ind AS financial statement give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet of the case of affairs of the Company as at March 31, 2018.
- b) In the case of Statement of Profit & Loss of the Profit for the period ended on that date, and its cash flow and the changes in equity for the year ended on that date.

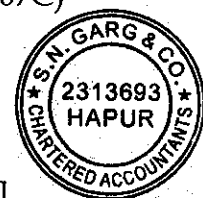
### **Report on other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said orders
- 2) As required by Section 143(3) of the Act, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept the company so far as appears from our examination of those books.
  - iii) The Balance Sheet and Profit & Loss Account and cash flow statements and statement of changes in equity dealt with by this report are in agreement with the books of account.



- iv) In our opinion, the aforesaid Ind AS financial statement comply with Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof;
- v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- vi) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014. In our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. N. Garg & Co.  
Chartered Accountants  
(Firm Regn No. 002207C)



Place : New Delhi  
Date : May 30, 2018

[ CA S. N. GARG ]  
Partner  
M. N. 71343

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

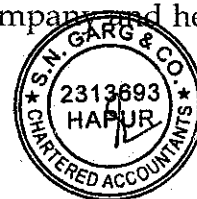
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'  
section of our report of even date)

Annexure to the Auditor's Report Referred to in paragraph 1 of SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED for the period from 01.04.2017 to 31.03.2018.

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) During the year fixed assets have been physically verified by the Management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, no material discrepancies in respect of assets verified were noticed with respect to the book records.  
  
c) According to the information, explanations and representations provided to us and based on the documents produced to us for verification, we report that the title deeds of immovable property are held in the name of the Company. For the aforesaid purpose land deed/lease deed has been taken as the basis for verification of self constructed building thereupon.
2. The company does not have any inventory, accordingly clause (ii)(a)(b) are not applicable.
3. The company has not granted unsecured / secured loans to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, accordingly clause 3 (iii) (a) to (c) are not applicable to the Company and hence not commented thereupon.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



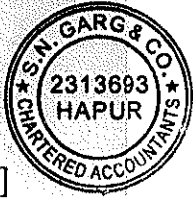
7. a) According to information and explanation given to us and on the basis of our examination of the books of Accounts, and records the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts outstanding at the year end for a period of more than six months from the date they became payable.  
  
b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. No managerial remuneration has been paid or provided during the year. Therefore, the provisions of clause 4 (xi) of the Order are not applicable to the Company.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon

For S. N. Garg & Co.  
Chartered Accountants  
(Firm Regn No. 002207C)

*S.N. Garg*



Place : New Delhi  
Date : May 30, 2018

[ CA S. N. GARG ]  
Partner  
M. N. 71343

**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED**  
**(Formerly known as RESHAM PACKAGING PRIVATE LIMITED)**  
**Balance Sheet as at 31st March 2018**

(In Rs.)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non current assets</b>				
a) Property, Plant & Equipment	2	1,80,250	2,13,922	2,47,594
b) Investment Property	2A	94,77,094	96,08,593	97,40,092
c) Financial Assets				
i) Other financial assets	3	-	-	-
<b>Total non current assets</b>		<b>96,57,344</b>	<b>98,22,515</b>	<b>99,87,686</b>
<b>Current Assets</b>				
a) Financial Assets				
i) Cash and cash equivalents	4	45,929	56,273	39,207
ii) Other financial assets	5	39,12,047	25,81,619	11,81,704
b) Current tax assets		19,210	19,210	19,210
c) Other current assets	6	-	-	2,160
<b>Total current assets</b>		<b>39,77,185</b>	<b>26,57,102</b>	<b>12,42,281</b>
<b>Total assets</b>		<b>136,34,529</b>	<b>124,79,617</b>	<b>112,29,967</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	7	1,90,000	1,90,000	1,90,000
b) Other equity	8			
i) Securities Premium		89,10,000	89,10,000	89,10,000
ii) Profit/ (loss) balance		42,76,763	30,73,056	14,98,112
		<b>133,76,763</b>	<b>121,73,056</b>	<b>105,98,112</b>
<b>Current Liabilities</b>				
a) Financial Liabilities				
i) Trade payables	10	72,326	8,625	1,02,880
b) Other current liabilities	9	38,340	-	5,625
c) Current tax liabilities (net)	11	1,47,100	2,97,936	5,23,350
<b>Total Current liabilities</b>		<b>2,57,766</b>	<b>3,06,561</b>	<b>6,31,855</b>
<b>Total Equity and Liabilities</b>		<b>136,34,529</b>	<b>124,79,617</b>	<b>112,29,967</b>

Additional Information and Significant Accounting Policies

The notes referred to above form an integral part of the Financial Statements

As per our report of even date attached

**For S. N. Garg & Co.**  
**Chartered Accountants**  
**FRN 002207C**

**For and on behalf of the Board**

Partner  
 Membership No. 71343



Harmeet Kaur  
 (Director)  
 DIN: 01737331

Kamal Samtani  
 (Director)  
 DIN: 02818197

Place: New Delhi  
 Date: May 30, 2018

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**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED**  
**(Formerly known as RESHAM PACKAGING PRIVATE LIMITED)**  
**Statement of Profit and Loss for the period ended March 31, 2018**

(In Rs.)

Particulars		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from Operations			
II	Other Income	12	18,33,000	29,75,618
III	<b>Total Income(I+II)</b>		<b>18,33,000</b>	<b>29,75,618</b>
IV	<b>Expenses:</b>			
	Employee benefit expenses			
	Depreciation & Other amortisation expenses	13	1,65,171	1,65,171
	Finance Cost	14	-	-
	Other expenses	15	73,261	5,82,710
	<b>Total Expenses (IV)</b>		<b>2,38,432</b>	<b>7,47,881</b>
V	Profit(loss) before exceptional items, share of net profits of investments accounted for using equity method and tax (III-IV)		15,94,568	22,27,737
VI	Share of net profit of associates and joint ventures accounted for using the equity method		-	-
VII	Profit(loss) before exceptional items and tax (V-VI)		15,94,568	22,27,737
VIII	Exceptional items mentioned earlier in extraordinary items		-	-
IX	Profit (loss) before tax from continuing operations (VII-VIII)		15,94,568	22,27,737
X	<b>Tax expense :</b>			
	(1) Current Tax	16	3,90,861	6,52,793
	(2) Deferred Tax		-	-
XI	Profit (loss) for the period from continuing operations (IX-X)		<b>12,03,707</b>	<b>15,74,944</b>
XII	<b>Discontinued operations</b>			
	Profit (loss) for the period from discontinued operations (after tax)		-	-
	Tax expenses of discontinued operations		-	-
XIII	<b>Profit (loss) for the period (XI + XII)</b>		<b>12,03,707</b>	<b>15,74,944</b>
XIV	Other comprehensive income		-	-
XV	Total comprehensive income for the period		<b>12,03,707</b>	<b>15,74,944</b>

**Additional Information and Significant Accounting Policies**

The notes referred to above form an integral part of the Financial Statements  
As per our report of even date attached

**For S. N. Garg & Co.**  
**Chartered Accountants**  
**FRN 002207C**

*S. N. Garg*

Partner  
Membership No. 71343



Place: New Delhi  
Date: May 30, 2018

**For & on behalf of the Board**

*Harmeet Kaur*  
Harmeet Kaur  
(Director)  
DIN: 01737331

*Kamal Samtani*  
Kamal Samtani  
(Director)  
DIN: 02818197

\*



**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED**  
**( Formerly known as RESHAM PACKAGING PRIVATE LIMITED )**  
**Cash Flow Statement for the year ended March 31, 2018**

		(In Rs.)	
Particulars		For the Year 2017-18	For the Year 2016-17
		Rs.	Rs.
<b>A.</b>	<b>Cash flow from Operating Activities :-</b>		
	Net profit/(loss) before tax and exceptional items	(2,38,432)	(7,42,263)
	Adjustments for :		
	Depreciation and amortisation	1,65,171	1,65,171
	Loss on sale of fixed assets	-	-
	Interest expenses	-	-
	Operating (loss)/profit before working capital changes	(73,261)	(5,77,092)
	Adjustments for (increase)/decrease in operating assets:		
	Trade Receivables	-	-
	Short term loans and advances	(13,30,428)	(13,99,915)
	Other Current Assets	-	2,160
	Inventories	-	-
	Adjustments for increase/(decrease) in operating assets:		
	Trade Payables	63,701	(94,255)
	Other current liabilities	38,340	(5,625)
	Short term provisions	-	-
	<b>Cash (used)/generated from operations</b>	<b>(13,01,648)</b>	<b>(20,74,727)</b>
	Direct taxes (paid)/refund	(5,41,697)	(8,78,207)
	<b>Net</b>	<b>(18,43,345)</b>	<b>(29,52,934)</b>
	Cash flow from exceptional items	-	-
	<b>Net cash (used)/from operating activities</b>	<b>(18,43,345)</b>	<b>(29,52,934)</b>
<b>B.</b>	<b>Cash flow from investing activities :</b>		
	Purchase of fixed assets	-	-
	Sale of fixed assets	-	-
	Rent/Finance lease received	18,33,000	29,70,000
	Change in deposits with Bank	-	-
	Interest received	-	-
	<b>Net Cash (used) /from investing activities</b>	<b>18,33,000</b>	<b>29,70,000</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds/(Repayment) from long term borrowings (Net)	-	-
	Proceeds/(Repayment) from short term borrowings (Net)	-	-
	Finance charges	-	-
	<b>Net cash (used)/ from financing activities</b>	<b>-</b>	<b>-</b>
<b>D.</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(10,345)</b>	<b>17,066</b>
<b>E.</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>56,273</b>	<b>39,207</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>45,928</b>	<b>56,273</b>

a) Cash flow statement has been prepared under the 'Indirect method' as set out in Ind As - 7

b) Schedules referred to above and notes attached there to form an integral part of cash flow statement

As per our report of even date attached

For S. N. Garg & Co.  
Chartered Accountants  
FRN 002207C

( CA S. N. GARG )  
Partner  
Membership No. 71343  
Place: New Delhi  
Date: May 30, 2018



For and on behalf of the Board

*Harmeet Kaur*

Harmeet Kaur  
(Director)  
DIN: 01737331

*Kamal Samtani*

Kamal Samtani  
(Director)  
DIN: 02818197

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**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED.**

**STATEMENT OF STANDALONE CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**

(In Rs.)

Particulars	Equity Share Capital	Other Equity		Total Other Equity	Total Equity
		Reserve and Surplus			
		Securities Premium account	Surplus in Statement of profit and loss		
As at April 1, 2016	1,90,000	89,10,000	14,98,112	104,08,112	105,98,112
Profit/(loss) for the year	-	-	15,74,944	15,74,944	15,74,944
Transfer to/(from) storage fund for molasses	-	-	-	-	-
Remeasurement of defined obligation (net of tax)	-	-	-	-	-
Changes in fair value of Investment in USL (FVOCI)	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>1,90,000</b>	<b>89,10,000</b>	<b>30,73,056</b>	<b>119,83,056</b>	<b>121,73,056</b>
Addition to Equity Share Capital	-	-	-	-	-
Money Received against Share Warrant	-	-	-	-	-
Profit/(loss) for the year	-	-	12,03,707	12,03,707	12,03,707
Transfer to/(from) storage fund for molasses	-	-	-	-	-
Remeasurement of defined obligation (net of tax)	-	-	-	-	-
Changes in fair value of Investment in USL (FVOCI)	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>1,90,000</b>	<b>89,10,000</b>	<b>42,76,763</b>	<b>131,86,763</b>	<b>133,76,763</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For S N Garg & Co.  
Chartered Accountants  
FRN 002207C

*[Signature]*

Partner  
M. No. - 071343

Place : New Delhi  
Date : May 30, 2018



For and on behalf of the Board of Directors

*[Signature]*  
Kamal Samtani  
Director  
DIN: 01737331

*[Signature]*  
Harmeet Kaur  
Director  
DIN: 02818197

*[Signature]*

# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### 1. Background of the Company

Simbhaoli Speciality Sugars Private Limited ("the entity") was incorporated on June 19, 1995 under the Companies Act, 1956. The entity is engaged in manufacturing of Specialty Sugar. It is a 100% subsidiary of 'Simbhaoli Sugars Limited', a company incorporated and listed in India.

### 1A. Significant accounting policies

#### A. Basis of preparation

##### i. Compliance with Ind As

The Financial statements comply in all material aspects with Indian Accounting Standards (Ind As) notified under Section 133 of the Companies Act, 2013 (the act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provision of the act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 8 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### ii. Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale-measured at fair value less cost to sell;
- Defined benefits plans- plan assets measured at fair value;

##### iii. Functional and presentation

These financial statements are presented in Indian rupees (INR), which is company's functional currency.

##### iv. Use of estimates and Judgments

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

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



# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### v. 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.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

### B. Revenue recognition

#### Rental income

Rental income from investment property is recognized as part of Other Income in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

### C. Income tax

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

#### i. Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.



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# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### ii. Deferred tax

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. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is 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 the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### D. Property Plant & Equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.



# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### ii. Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

### iii. Subsequent expenditure

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

### iv. Depreciation

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

The depreciation is provided by applying the following method at the useful lives specified in schedule II to the Companies Act, 2013:

All Depreciable Fixed Assets - Straight line method

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

## E. Financial Instruments

### i. Recognition and measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVOCI – equity investment; or
- FVTPL

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.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

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# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

- terms that limit the Company claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, see Note 3(c)(v) for derivatives designated as hedging instruments.

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at 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 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.

### iii. Derecognition

#### Financial assets

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

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# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

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

### Financial liabilities

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

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

#### iv. Offsetting

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

### F. Impairment

#### i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI- debt investments

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

### Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Group expects to receive).

### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## G. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined as per Companies Act, 2013.

## H. Earnings per share

### i. Basic earnings per share

Basic earnings per share are calculated by dividing:  
- the profit attributable to owners of the Company



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# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### ii. Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED**  
(Formerly known as RESHAM PACKAGING PRIVATE LIMITED)

Notes on Financial Statements

**2. PROPERTY, PLANT AND EQUIPMENT**

		(In Rs.)						
Particulars	D/G Set	Transformer	Slotting Machine	Small Hand Tools	Stitching Machine	Hand Cutter	Total	
<b>Year ended 31 March 2017</b>								
<b>Gross block</b>								
Gross carrying amount								
<b>Gross carrying amount as at April 01, 2016</b>	10,500	2,64,938	20,000	300	18,000	1,200	3,14,938	
Additions during the year	-	-	-	-	-	-	-	
Disposals/Deductions during the year	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	
Other Adjustment	-	-	-	-	-	-	-	
<b>Gross carrying amount as at March 31, 2017</b>	<b>10,500</b>	<b>2,64,938</b>	<b>20,000</b>	<b>300</b>	<b>18,000</b>	<b>1,200</b>	<b>3,14,938</b>	
<b>Depreciation/Amortisation</b>								
Accumulated depreciation/amortisation as at April 01, 2016	1,996	50,338	7,600	114	6,840	456	67,344	
Depreciation/Amortisation for the year	998	25,169	3,800	57	3,420	228	33,672	
Disposals/Deductions during the year	-	-	-	-	-	-	-	
Impairment loss	-	-	-	-	-	-	-	
Accumulated depreciation/amortisation as at March 31, 2017	2,994	75,507	11,400	171	10,260	684	1,01,016	
<b>Net carrying amount as at March 31, 2017</b>	<b>7,506</b>	<b>1,89,431</b>	<b>8,600</b>	<b>129</b>	<b>7,740</b>	<b>516</b>	<b>2,13,922</b>	
<b>Gross block</b>								
Gross carrying amount								
<b>Gross carrying amount as at April 01, 2017</b>	10,500	2,64,938	20,000	300	18,000	1,200	3,14,938	
Additions during the year	-	-	-	-	-	-	-	
Disposals/Deductions during the year	-	-	-	-	-	-	-	
Transfers*	-	-	-	-	-	-	-	
Other Adjustment	-	-	-	-	-	-	-	
<b>Gross carrying amount as at March 31, 2018</b>	<b>10,500</b>	<b>2,64,938</b>	<b>20,000</b>	<b>300</b>	<b>18,000</b>	<b>1,200</b>	<b>3,14,938</b>	
<b>Depreciation/Amortisation</b>								
Accumulated depreciation/amortisation as at April 01, 2017	2,994	75,507	11,400	171	10,260	684	1,01,016	
Depreciation/Amortisation for the year	998	25,169	3,800	57	3,420	228	33,672	
Disposals/Deductions during the year	-	-	-	-	-	-	-	
Impairment loss	-	-	-	-	-	-	-	
Accumulated depreciation/amortisation as at March 31, 2018	3,992	1,00,676	15,200	228	13,680	912	1,34,688	
<b>Net carrying amount as at March 31, 2018</b>	<b>6,508</b>	<b>1,64,262</b>	<b>4,800</b>	<b>72</b>	<b>4,320</b>	<b>288</b>	<b>1,80,250</b>	



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**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED**  
(Formerly known as RESHAM PACKAGING PRIVATE LIMITED)  
Notes on Financial Statements

**2A. INVESTMENT PROPERTY**

Particulars	(In Rs.)		
	Land	Buildings	Total
<b>Year ended 31 March 2017</b>			
<b>Gross block</b>			
Gross carrying amount	16,80,344	83,22,746	100,03,090
<b>Gross carrying amount as at April 01, 2016</b>			
Additions during the year	-	-	-
Disposals/Deductions during the year	-	-	-
Transfers	-	-	-
Other Adjustment	-	-	-
<b>Gross carrying amount as at March 31, 2017</b>	<b>16,80,344</b>	<b>83,22,746</b>	<b>100,03,090</b>
<b>Depreciation/Amortisation</b>			
Accumulated depreciation/amortisation as at April 01, 2016	-	2,62,998	2,62,998
Depreciation/Amortisation for the year	-	1,31,499	1,31,499
Disposals/Deductions during the year	-	-	-
Impairment loss	-	-	-
Accumulated depreciation/amortisation as at March 31, 2017	-	3,94,497	3,94,497
<b>Net carrying amount as at March 31, 2017</b>	<b>16,80,344</b>	<b>79,28,249</b>	<b>96,08,593</b>
<b>Gross block</b>			
Gross carrying amount	16,80,344	83,22,746	100,03,090
<b>Gross carrying amount as at April 01, 2017</b>			
Additions during the year	-	-	-
Disposals/Deductions during the year	-	-	-
Transfers*	-	-	-
Other Adjustment	-	-	-
<b>Gross carrying amount as at March 31, 2018</b>	<b>16,80,344</b>	<b>83,22,746</b>	<b>100,03,090</b>
<b>Depreciation/Amortisation</b>			
Accumulated depreciation/amortisation as at April 01, 2017	-	3,94,497	3,94,497
Depreciation/Amortisation for the year	-	1,31,499	1,31,499
Disposals/Deductions during the year	-	-	-
Impairment loss	-	-	-
Accumulated depreciation/amortisation as at March 31, 2018	-	5,25,996	5,25,996
<b>Net carrying amount as at March 31, 2018</b>	<b>16,80,344</b>	<b>77,96,750</b>	<b>94,77,094</b>



**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED**

(Formerly known as RESHAM PACKAGING PRIVATE LIMITED )

**Notes on Financial Statements for the year ending 31.03.2018**

		(In Rs.)		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>3</b>	<b>Other Financial Assets</b>			
	Lease receivable	-	-	-
	<b>Total</b>	-	-	-
<b>4</b>	<b>Cash &amp; Cash equivalent</b>			
	Cash on Hand	20,884	20,884	18,723
	Balance with Banks	25,045	35,389	20,484
	<b>Total</b>	45,929	56,273	39,207
<b>5</b>	<b>Other Financial Assets</b>			
	Simbhaoli Sugars Limited	38,60,207	25,81,619	11,81,704
	Dholadhar Investment P Ltd.	51,840	-	-
	<b>Total</b>	39,12,047	25,81,619	11,81,704
<b>6</b>	<b>Other Current Assets</b>			
	Other Short term advances			2,160
	<b>Total</b>	-	-	2,160
<b>7</b>	<b>Share Capital</b>			
	Share Capital Account	1,90,000	1,90,000	1,90,000
	<b>Total</b>	1,90,000	1,90,000	1,90,000
<b>8</b>	<b>Current Year Profit</b>			
	Securities Premium Account	89,10,000	89,10,000	89,10,000
	Balance in Statement of Profit and Loss	30,73,056	14,98,112	(2,510)
	Current Year Profit	12,03,707	15,74,944	15,00,622
	Initial recognition adjustment on transition to Ind AS - Recognition of lease income	-	-	-
	<b>Total</b>	131,86,763	119,83,056	104,08,112
<b>9</b>	<b>Other Current Liabilities</b>			
	Service Tax Payable	-	-	5,625
	GST Payable	38,340	-	-
	Provision for Taxation	-	-	-
	Other Expenses Payable	-	-	-
	<b>Total</b>	38,340	-	5,625
<b>10</b>	<b>Trade Payable</b>			
	Audit fees Payable	23,625	8,625	24,012
	Other Expenses Payable	48,701	-	78,868
	<b>Total</b>	72,326	8,625	1,02,880
<b>11</b>	<b>Current tax liability</b>			
	Current tax liability	1,47,100	2,97,936	5,23,350
	<b>Total</b>	1,47,100	2,97,936	5,23,350



**SIMBHAOLI SPECIALITY SUGARS PRIVATE LIMITED**  
 (Formerly known as RESHAM PACKAGING PRIVATE LIMITED )  
**Notes on Financial Statements for the year ending 31.03.2018**

		(In Rs.)	
		For the year 2017 18	For the Year 2016-17
12	<b>Other Income</b>	18,33,000	29,70,000
	Rent	-	-
	Interest Income	-	5,618
	Other Income	-	-
	<b>Total</b>	<b>18,33,000</b>	<b>29,75,618</b>
13	<b>Depreciation and Amortisation Expense</b>		
	Depreciation of Property, Plant & Equipment	1,65,171	1,65,171
	Earlier years depreciation revert back	-	-
	<b>Total</b>	<b>1,65,171</b>	<b>1,65,171</b>
14	<b>Finance Cost</b>		
	Interest on Lease Rent	-	-
	Interest on Service Tax	-	-
	Interest on Tds	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
15	<b>Other Expenses</b>		
	Auditor's remuneration	15,000	8,625
	Bank charges	3,265	3,467
	Conveyance	-	-
	Late Filing Fees of TDS Return	-	-
	ROC Expenses	9,600	1,000
	Professional Fees	45,101	50,752
	Manpower Services	-	-
	Water Charges	-	-
	Interest on Late payment of Tax	293	-
	Interest on Lease Rent	-	-
	Lease Rent	-	4,60,800
	Rent	-	36,000
	Printing & Stationery	-	2,000
	Advertisement & Publicity	-	9,435
	Electricity Expense	-	8,000
	Other Expenses	2	2,631
	<b>Total</b>	<b>73,261</b>	<b>5,82,710</b>
16	<b>Tax Expense</b>		
	Current Tax	3,30,400	6,52,793
	Income Tax Adjustment	60,461	-
	<b>Total</b>	<b>3,90,861</b>	<b>6,52,793</b>



# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### 17. Related Party Disclosure Under Ind AS 18

a. Name of related party & nature of related party relationship

-Holding Company: Simbhaoli Sugars Limited (100% Holding)  
-Dholadhar Investment Private Limited

b. Key Managerial Performance

- i. Harmeet Kaur (Director)
- ii. Kamal Samtani (Director)

### Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March 2018

#### (A) Transactions

S.No.	Particulars	2017-2018	2016-2017
1	<b><u>Rent Received</u></b>		
	Simbhaoli Sugars Limited	1,785,000	2,970,000
	Dholadhar Investment Pvt Ltd.	48,000	-
2	<b><u>Reimbursement of Expense</u></b>		
	Simbhaoli Sugars Limited	-	-

#### (B) Outstanding Balance

S.No.	Particulars	2017-2018	2016-2017	01st April 2016
1	<b><u>Sundry Debtors</u></b>			
	Simbhaoli Sugars Ltd	3,860,207	2,581,619	1,181,704
	Dholadhar Investment Pvt Ltd.	51,840	-	-

### 18. Investment Properties

a. Amount recognized in statement of profit & loss for investment properties

Particulars	2017-18	2016-17
Rental Income	18,33,000	2,970,000
Direct operating expenses from property that generated rental income	-	-
<b>Income from investment properties before depreciation</b>	<b>18,33,000</b>	<b>29,70,000</b>
Depreciation	131,499	131,499
<b>Income from investment properties after depreciation</b>	<b>1,701,501</b>	<b>28,38,501</b>





# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### b. Reconciliation of carrying value of Investment property at the beginning and the end of period

Particulars	Carrying Value as on 1 <sup>st</sup> April 2017	Depreciation	Other	Carrying Value as on 1 <sup>st</sup> April 2018
Land	1,680,344	-	-	1,680,344
Building	7,928,249	131,499	-	7,796,750
<b>Total</b>	<b>9,608,593</b>	<b>131,499</b>	<b>-</b>	<b>9,477,094</b>

Depreciation Method: Straight Line Method

Useful life – Land – NA  
Building – 60 years

Gross Carrying Amount – Land – INR 1,680,344  
- Building – INR 8,322,746

Accumulated Depreciation as on 31<sup>st</sup> March 2017 - INR 394,497  
Accumulated Depreciation as on 31<sup>st</sup> March 2018 - INR 525,996

### 19. Tax Expense

Income Tax Expense	2017-18	2016-17
Current Tax on Profit for the year	330,400	652,793
Adjustment of previous year shortfall	60,461	-
<b>Total Tax Expense</b>	<b>390,861</b>	<b>652,793</b>

### 20. Financial Risk Management Objectives

#### i) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

The analysis below reflects the current ratio of the company at the year-end:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total current assets	3,977,185	2,657,102	1,242,281
Total current liabilities	257,766	306,561	631,855
<b>Current ratio</b>	<b>15.43</b>	<b>8.67</b>	<b>1.97</b>



# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### 21. Financial Instrument by Category

Particulars	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>									
Cash & Bank balance	-	-	45,928	-	-	56,273	-	-	39,207
Other financial assets	-	-	39,12,047	-	-	25,81,619	-	-	11,81,704
<b>Total</b>	-	-	<b>39,57,975</b>	-	-	<b>26,37,892</b>	-	-	<b>12,20,911</b>
<b>Financial Liabilities</b>									
Trade payables	-	-	72,326	-	-	8,625	-	-	1,02,880
<b>Total</b>	-	-	<b>72,326</b>	-	-	<b>8,625</b>	-	-	<b>1,02,880</b>

### 22. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.



# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

### A.1.2 Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

The Company has elected to apply this exemption.

### A.2 Ind AS mandatory exceptions

#### A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

### B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Particulars	Note	For the year ended March 31, 2017
Net profit as reported under previous Indian GAAP		1,574,944
Add/(less) - Effect of Transition to Ind AS		
(i) NA	NA	-
Profit after tax as reported under Ind AS		1,574,944
Add/(less) - Other comprehensive income (net of tax)		
(ii) NA	NA	-
Total Comprehensive income as reported under Ind AS		-



# Simbhaoli Speciality Sugars Private Limited

## Notes forming part of the accounts

The reconciliation of total equity as previously reported under Indian GAAP to Ind AS is summarized as follows:

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Equity as reported under previous GAAP		12,173,056	10,598,112
Effect of Transition to Ind AS			
a) NA	NA	-	-
Equity as reported under Ind AS		12,173,056	10,598,112

In terms of our report attached  
For S N Garg & Co.  
Chartered Accountants  
FRN 002207C



Partner  
M. No. - 071343

Place : New Delhi  
Date : May 30, 2018

For and on behalf of the Board of Directors

Kamal Samtani  
Director  
DIN: 01737331

Harmeet Kaur  
Director  
DIN: 02818197