

KANORIA SUGAR & GENERAL MANUFACTURING COMPANY LIMITED

Consolidated Balance Sheet as at 31st March 2018

Rs/ lakhs

Balance Sheet as at 31st March 2018

	Notes	As At 31st Mar 2018	As At 31st Mar 2017
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	1	608.30	608.30
Reserves & surplus	2	(11,463.70)	(8,745.49)
		(10,855.40)	(8,137.19)
Non-Current Liabilities			
Long Term Borrowings	3	4,104.83	7,722.82
Other Long Term Liabilities	4	19.67	20.76
Long Term Provisions	5	342.41	333.01
		4,466.91	8,076.59
Current Liabilities			
Short Term Borrowings	6	2,426.79	2,964.23
Trade Payables	7	11,492.00	7,164.40
Other Current Liabilities	8	6,478.03	1,545.14
Short Term Provisions	9	59.98	45.55
		20,456.80	11,719.32
Total		14,068.31	11,658.72
ASSETS			
Non-Current Assets			
Property Plant & Equipment			
Tangible Assets	10	2,206.32	2,259.23
Intangible Assets	11		
Capital Work in Process		-	-
Non-Current Investments	11	10.51	10.51
Deferred Tax Assets (Net)	12	993.57	993.57
Long Term Loans and Advances	13	-	-
Other Non current Assets	14	-	97.11
		3,210.40	3,360.42
Current Assets			
Inventories	15	8,901.85	6,944.45
Trade Receivables	16	141.50	208.38
Cash and Bank Balance	17	783.82	105.95
Short Term Loans and Advances	18	879.84	892.20
Other Current Assets	19	150.90	147.32
		10,857.91	8,298.30
Total		14,068.31	11,658.72
Accounting Policies & Notes	29		

Notes referred to above form an integral part of the Balance Sheet

for M.L.Garg & Co.
Chartered Accountants
Firm Reg no 001604N

(Manish K.Garg)
Partner M.No. 96238
Address:- K-60, 2nd Floor,
Cannaught Place, New Delhi 110001
Dated:- 21st August, 2018

Narendra Wali
Director
DIN- 07419331

S.K.Kanoria
Chairman & Managing Director
DIN -00067203



Dated:- 21st August, 2018

KANORIA SUGAR & GENERAL MANUFACTURING COMPANY LIMITED

Consolidated Statement of Profit & Loss for the year ended 31st March 2018

			For the year ended 31.03.18	For the year ended 31.03.17
	SCHEDULE			
INCOME				
Revenue from Operations	20		16038.12	14,631.97
Other Income	21		94.18	38.55
Total Revenue			16132.30	14,670.52
EXPENDITURE				
Cost of Material Consumed	22		17258.82	11565.94
Purchase of Stock in Trade	23		-	33.78
Changes in Inventories of Finished Goods	24		-1912.14	949.99
Stock in Process and Stock in Trade				
Employee Benefit Expenses	25		882.14	729.82
Finance Cost	26		1248.31	910.05
Depreciation and Amortisation Expenses	27		171.31	162.38
Other Expenses	28		1202.07	940.63
Total Expenses			18850.51	15292.59
Profit / (Loss) Before Tax			(2,718.21)	(622.07)
Exceptional Items (Net)				1,266.58
Add:- Liability No Longer required W/back			-	-
Profit/ (Loss) after exceptional items			(2,718.21)	(1,888.65)
Tax Expenses				
Current Tax			-	-
Deferred Tax			-	-
Profit/ (Loss) after Tax			(2,718.21)	(1,888.65)
Transfer to Molasses storage and maintenance reserve			4.45	2.93
Profit/ (Loss) for the year			(2,722.66)	(1,891.58)
Earning per equity share of face value of Rs 10 each				
Basic and Diluted (Rs)			(44.76)	(31.10)
Accounting Policies & Notes	29			

Notes referred to above form an integral part of the Statement of Profit & Loss

for M.L.Garg & Co.
Chartered Accountants
Firm Reg no 001604N

(Manish K.Garg)
Partner M.No. 96238
Address:- K-60, 2nd Floor,
Cannaught Place, New Delhi 110001

Narendra Wali
Director
DIN- 07419331

S.K.Kanoria
Chairman & Managing Director
DIN -00067203



Consolidated Cash Flow Statement for the year ended 31.03.2018			
A)	Cash Flow from Operating activities	31st March 2018	31st March 2017
		Rs/ lacs	Rs/ lacs
	Profit / Loss for the year	(2,718.21)	(622.07)
	before tax and extraordinary / exceptional item		
	Adjustment for:		
	Depreciation	171.31	162.38
	Amortised Cane Development	97.11	97.10
	Interest Paid	1,248.31	910.05
	Interest Received	(5.79)	(4.25)
	(Profit)/Loss on sale of F.A. (Net)	-	-
	Operating Profit before working capital changes and extra ordinary items:	(1,207.27)	543.21
	Adjustment for:		
	Trade & Other Receivables	83.61	(162.91)
	Inventories	(1,957.40)	1,017.20
	Proceed from long term Advances		5.03
	Trade Payable	9,283.23	1,670.72
	Cash Generated from operating activities before working capital changes and exceptional item	6,202.17	3,073.25
	Extra Ordinary items	-	(1,266.58)
	Non Current Investment		(0.06)
	Add:-Liability No Longer required to be W/back	-	-
	Direct Tax Paid/ Received	(4.37)	-
	Cash Flow from operating activities	6,197.80	1,806.61
B)	Cash Flow from Investing activities:		
	Purchase of Fixed Assets	(118.40)	(60.18)
	Sale of Fixed Assets	-	-
	Deferred Revenue Expenditure		-
	Interest Received	2.21	1.07
	Fixed Deposit with Banks	6.48	7.90
		(109.71)	(51.21)
C)	Cash Flow from Financing Activities:		
	Receipt/Payment of Long Term Borrowings	(3,617.99)	(840.38)
	Receipt/Payment of short Term Borrowings	(537.44)	(32.13)
	Interest paid	(1,248.31)	(910.05)
	Net Cash used in Financing activities	(5,403.74)	(1,782.56)
	Net Increase in Cash & Cash equivalent	684.35	(27.16)
	Cash & Cash equivalent as at (Opening Balance)	59.54	89.70
	Cash & Cash equivalent as at (Closing Balance)	743.89	59.54
Note-			
1	The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in the Accounting Standard -3 "Cash Flow Statement" as notified in the Companies (Accounting Standard) Rules, 2006.		
2	Previous year's figures are regrouped / rearranged wherever necessary. In Terms of our Report of even date attached herewith		
for M.L.Garg & Co.			
Chartered Accountants			
Firm Reg no 001604N			
(Manish K.Garg) Partner M.No. 96238 Address:- K-60, 2nd Floor, Cannaught Place, New Delhi 110001 Dated:- 21st August, 2018		Narendra Wali Director DIN- 07419331	S.K.Kanoria Chairman & Managing Director DIN -00067203

Dated:- 21st August, 2018

Consolidated Notes on Financial Statement for the year ended 31st March 2018

		As at 31st Mar 2018	As at 31st Mar 2017
1 SHARE CAPITAL			
Authorised :			
1,50,00,000 Equity Shares of Rs. 10/- each		1,500.00	1,500.00
Issued, Subscribed & Paidup :			
60,83,031 Equity Shares of Rs. 10/- each fully paid-up.		608.30	608.30
		608.30	608.30
a.	There has been no change / movements in number of shares outstanding at the beginning and at the end of the reporting period.		
b.	The Company has only one class of issued shares ie equity shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share and equal right of dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after payment of all preferential amount, in proportion to their shareholding.		
c.	The Details of Shareholders holding more than 5% Shares		
		As at 31st March 2018	As at 31st March 2017
	Name of the Share Holders	Nos of Shares	% held
	Alok Fintrade P Ltd	1365499	22.45%
	B.S.Traders P. Ltd	1465992	24.10%
	Ganga Projects P. Ltd	1469757	24.16%
	Land Mark Dealers P. Ltd	1300000	21.37%
		Nos of Shares	% held
		1365499	22.45%
		1465992	24.10%
		1469757	24.16%
		1300000	21.37%
d.	No shares has been allotted or has been bought back by the company during the period of 5 years preceeding the date as at which balance sheet is prepared.		
e.	No equity shares have been reserved for issue under options and contracts / commitments for the sale of shares/ disinvestment as at the Balance Sheet date.		
	No equity shares issued during the year		
	No calls are unpaid by any Director or Officer of the Company during the year.		
2 RESERVE AND SURPLUS			
Share Premium Account			
As per last Financial Statement		192.23	192.23
Capital Reserve			
As per last Financial Statement		34.15	34.15
Molasses Storage & Maintenance Reserve			
As per last Financial Statement	34.52	31.59	
Add: Transfer from statement of Profit & Loss.	4.45	2.93	34.52
Surplus / (Deficit)			
As per last Financial Statement		(9,006.39)	(7,114.81)
Add: Profit/ (Loss) for the year		(2,722.66)	(1,891.58)
TOTAL		(11,463.70)	(8,745.49)
3 LONG TERM BORROWINGS		As at 31st March 2018	As at 31st March 2017
Term Loan from Banks & Financials Institution (Secured)		Non Current	Non Current
Banks		1,517.69	3,377.90
SDF		-	1,875.77
Others		-	1.33
From Others (Unsecured) Group Companies		2,587.14	2,467.82
Total		4,104.83	7,722.82
Notes:--			

(I)	Term Loans from Banks are secured by way of First Pari-Passu Charge on entire assets (Present & Future) including land, Plant & Machinery of the borrower company situated at Captainganj, District Kushinagar (U.P.)					
(II)	Secured Loan - Others is secured by way of absolute charge on specific assets purchased under the scheme					
(III)	Term Loan from SDF is secured by second charge on all the movable and immovable assets of the company in favour of the Central Govt..					
(IV)	The Working Capital Term Loan and Excise Duty Term Loan account of Consortium member banks (Punjab National Bank and Canara Bank) have been classified as NPA due to irregularity in repayment of interest and Principal amount and Loans from Banks and SDF has been treated as short term in view that the Banks/ SDF have recalled all the loans.					
(V)	Rate of interest on Bank Term Loans is 13.75% p.a					
4	Other Long Term Liabilities					
	Trade Deposits			19.67		20.76
				19.67		20.76
5	Long Term Provisions					
				Long -Term		Short -Term
				As at 31.03.18	As at 31.03.17	As at 31.03.18
						As at 31.03.17
	Provision for Employee Benefits					
	Gratuity			295.17	289.58	48.67
	Leave			47.24	43.43	11.31
				342.41	333.01	59.98
6	SHORT TERM BORROWINGS				31.03.18	31.03.17
	Secured					
	Working Capital Loans from Banks				2426.79	2964.23
					2426.79	2964.23
(I)	Cash Credit is secured against pledge and/or hypothecation of stocks, consumable stores & machinery spare parts and further secured by way of residual charge on the immovable assets of the Company					
(II)	The Cash Credit account of Punjab National Bank have been classified as NPA due to irregularity in repayment of interest and Principal amount as per schedule.					
(III)	Rate of interest on Bank Cash Credit is 13.75% p.a					
7	TRADE PAYABLES					
	For Goods & Services				11492.00	7164.40
	The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at year end together with interest paid / payable under this Act have not been given.					
8	OTHER CURRENT LIABILITIES					
	Overdraft with Schedules Bank in Current Account				41.06	-
	Term Loans payables pursuant to recall (Refer note 3 (iv))				6,377.66	1,531.36
	Advances from Customers				59.31	13.78
					6478.03	1545.14
9	SHORT TERM PROVISIONS					
	Provisions for Gratuity				48.67	34.65
	Provisions for Leave Encashment				11.31	10.90
					59.98	45.55

10 FIXED ASSETS											
Description	Gross Block				Depreciation				Net Block		
	As on	Addn.	Dedn.	As at	As on	During the	Dedn. on	Total	As at	As at	
Tangible Assets	01-04-2017			31-03-2018	01-04-2017	period	Sales/Adj.	31-03-2018	31-03-2018	31-03-2017	
Land	5.93	-	-	5.93	-	-	-	-	5.93	5.93	
Building	144.93	-	-	144.93	84.54	3.50	-	88.04	56.89	60.39	
Plant & Machinery	9,004.38	78.03	-	9,082.41	6,850.59	160.47	-	7,011.06	2,071.35	2,153.79	
Vehicles	83.50	-	-	83.50	64.27	3.66	-	67.93	15.57	19.23	
Furnitures & Fixures	80.53	8.14	-	88.67	69.46	2.01	-	71.47	17.20	11.07	
Office Equipment	26.19	0.48	-	26.67	23.97	0.80	-	24.77	1.90	2.22	
Computers	95.46	1.03	-	96.49	88.86	0.87	-	89.73	6.76	6.60	
TOTAL	9,440.92	87.68	-	9,528.60	7,181.69	171.31	-	7,353.00	2,175.60	2,259.23	
Capital Work in Progress	-	30.72	-	30.72	-	-	-	-	30.72	-	
GRAND TOTAL	9,440.92	118.40	-	9,559.32	7,181.69	171.31	-	7,353.00	2,206.32	2,259.23	
Previous year	9,380.74	60.18	-	9,440.92	7,019.31	162.38	-	7,181.69	2,259.23	2,361.43	

11 NON CURRENT INVESTMENT						
					As at	As at
					31st Mar 2018	31st Mar 2017
	Unquoted (At cost)					
	2,000	Shares of Kanoria Properties Pvt. Ltd. @ 10/- each			0.20	0.20
	(2,000)					
	2,000	Shares of Dhoop Chaun Construction & Finance Pvt. Ltd. @ 10/- each			0.20	0.20
	(2,000)					
	2,000	Shares of Chirag Stock & Securities Pvt. Ltd. @ 10/- each			0.20	0.20
	(2,000)					
	5	Shares of Uttar Pradesh (Poorva) Ganna Beej Vikas				
	(5)	Nigam Ltd. of Rs. 100/- each fully paid up			0.01	0.01
	50,000	Shares of Alok Fintrade Pvt Ltd. @ Rs 10 each			5.00	5.00
	(50,000)					
	1,000	Shares of Tarouni Construcution & Finance Pvt Ltd.@ Rs 10 each			0.10	0.10
	(1,000)					
	50	Shares of Tarouni Construcution & Finance Pvt Ltd.@ Rs 100 each			0.05	0.05
	(50)					
	1,000	Shares of Samman Construcution & Finance Pvt Ltd.@ Rs 10 each			0.10	0.10
	(1,000)					
	750	Shares of Chiraj Stock & Securities Pvt Ltd.@ Rs 100 each			0.75	0.75
	(750)					
	36,500	Shares of Anchal Fintrade Pvt Ltd.@ Rs 10 each			3.65	3.65
	(36,500)					
	1,500	Shares of Dhoop Chawn Const. & Fin, Pvt Ltd.@ Rs 10 each			0.15	0.15
	(1,500)					
	100	Shares of Santur Const. & Fin, Pvt Ltd.@ Rs 10 each			0.10	0.10
	(100)					
					10.51	10.51
12	Deferred Tax Assets (Net)					
	Deferred Tax Liabilities					
	Arising on account of Depreciation -(a)				489.44	489.44
	Deferred Tax Assets					
	Carry forward Business loss and Depreciation- (b)				1,483.01	1,483.01
	Net Deferred tax Assets (b-a)				993.57	993.57
	Deferred tax Assets and Liability has been reviewed at the year end deferred tax assets is adjusted to the extent of deferred tax liability arises up to 31.03.2017					
13	Long Term Loans and Advances				-	-
14	Other Non Current assets					
	Cane Development Expenditure-Un-amortised				-	97.11
15	INVENTORIES					
	Raw Materials (at cost or net realisable value)				0.11	0.11
	Work in process (at cost or net realisable value)				193.37	116.91
	Finished Goods (at cost or net realisable value)				8,313.63	6,047.70
	By Product Molasses				13.90	444.15
	Stores & Spare parts etc. (at cost or net realisable value)				380.79	335.53
	Bagasse (at net realisable value)				-	0.00
	400 Debentures of Jindal Vijay Nagar				0.05	0.05
	As per inventory taken, valued & certified by the Management				8,901.85	6,944.45

	Details of Inventories	Finished Goods		Work in Process	
		As At 31.03.18	As At 31.03.17	As At 31.03.18	As At 31.03.17
	Sugar	7,667.68	5,348.43	193.37	116.91
	Pipes & Couplings	645.95	699.27	-	-
		8,313.63	6,047.70	193.37	116.91
16	TRADE RECEIVABLES				
	(A) Debt outstanding for a period exceeding six month				
	--Considered Good		25.46		32.33
	--Considered Doubtful		-		-
			25.46		32.33
	Less : Provision for Doubtfuldebts		-		-
			25.46		32.33
	(B) Other Debts (Considered good)		116.04		176.05
	Date of invoice is considered as due date for classification of debts outstanding		141.50		208.38
17	CASH AND BANK BALANCES				
	Cash and Cash equivalents				
	Cash in hand (As certified by the management)		36.99		28.40
	Balance with Postal Savings Account		0.17		0.16
	Balance with Scheduled Banks				
	In Current Accounts (inclusive Rs 645.42 lacs Escrow Account) *		706.54		30.79
	Balances with Non Schedule Bank in Current Account		0.19		0.19
	"Zila Sahakari Bank" Maximum Balance outstanding during the year Rs 2.07 lacs(Previous year Rs 2.18 lacs)				
	Other Bank Balances				
	Fixed Deposit with Banks with maturity period of more than 12 months		39.93		46.41
	* For payment to Cane growers		783.82		105.95
18	SHORT -TERM LOANS AND ADVANCES (UNSECURED - CONSIDERED GOOD)				
	Advance recoverable in cash or in kind or for value to be received		482.05		728.73
	Income Tax Deducted at source		40.95		36.58
	Employees Accounts (against salary)		12.29		17.76
	Deposits		28.92		28.12
	Balance with Govt Deptt.		315.63		81.01
			879.84		892.20
19	OTHER CURRENT ASSETS				
	Interest Recoverable		53.79		50.21
	Cane Development Expenses -Unamortised		97.11		97.11
			150.90		147.32

20	REVENUE FROM OPERATIONS				For the year ended 31.03.18	For the year ended 31.03.17
	Sale of Products				15,749.07	15,216.10
	Sale of Trading				716.61	270.20
	Total				16,465.68	15,486.30
	Less Excise Duty/ GST				532.13	854.33
					15,933.55	14,631.97
	Commission on sales				104.57	-
					16,038.12	14,631.97
	Detail of Sale of Product					
	Sugar				15,196.76	14,441.04
	Pipes & Coupling				28.81	75.20
	Molasses				419.57	639.69
	Bagasse				103.93	60.17
					15,749.07	15,216.10
	Sale of Trading					
	Raw Material				0.74	82.97
	Pipes				715.87	187.23
	High Sea Sale- Fibers				-	-
					716.61	270.20
21	OTHER INCOME					
	Interest Income					
	On Bank Deposites				5.79	4.25
	Insurance Claim Received				-	7.21
	Other Non Operating Income					
	Rent Received				0.72	0.72
	Profit on sale of Fixed Assets				-	-
	Sundry Balance Appropriated				2.39	-
	Excess Liabilities W/Back				10.10	-
	Liability no Longer required back				60.87	-
	Liquidated Damage				8.33	5.54
	Carring Charges				3.32	20.78
	Miscellaneous Income				0.30	0.05
	Miscellaneous Sales				2.36	-
	TOTAL				94.18	38.55
22	COST OF RAW MATERIAL CONSUMED					
	Raw Material Consumed					
	Opening Inventories				0.11	33.89
	Add: Purchases				17,258.82	11,532.16
	Total				17,258.93	11,566.05
	Less: Closing Stock				0.11	0.11
	Raw Material Consumed				17,258.82	11,565.94
	Details of Raw Material Consumed					
	Cane Price				16,131.87	10,815.20
	Society Commission				91.24	159.10
	Cane Transportation Charges				190.64	132.46
	Cane Development Exp.				7.61	12.80
	Freight on Cane				-	48.42
	Cane Charges				15.42	26.89
	Cane Supervision Exp - Gate				6.90	8.90
	Cane Supervision Exp - Centre				2.16	9.25
	Cane Development Exp.-Amortised				97.11	97.10
	Cane Purchase Tax				-	70.71
	SEMI FINISH PIPE CONSUME				715.87	185.11
	Service Tax Expenses				-	-
					17,258.82	11,565.94
23	PURCHASE OF TRADED GOODS					
	Asbestos				-	33.78
					-	33.78

24	(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS AND STOCK IN TRADE		For the period ended 31.03.18	For the year ended 31.03.17
	Inventories at the beginning of the year			
	Finished Goods	6,047.70		7,060.23
	Work-in-Process	116.91		127.75
	By-Products :			
	-Molasses	444.15		365.81
	-Bagasse	-		4.96
			6,608.76	7,558.75
	Inventories at the end of the year			
	Finished Goods	8,313.63		6,047.70
	Work-in-Process	193.37		116.91
	By-Products :			
	-Molasses	13.90		444.15
	-Bagasse	-		-
			8,520.90	6,608.76
			(1,912.14)	949.99
25	EMPLOYEES BENEFITS EXPENSES			
	Salaries and Wages		788.75	636.52
	Contribution to Provident and other Funds		62.08	52.84
	Staff welfare expenses		31.31	40.46
			882.14	729.82
26	FINANCE COST			
	Interest Expenses		1,178.76	897.10
	Other Borrowing Cost		69.55	12.95
	Total		1,248.31	910.05
27	DEPRECIATION AND AMORTISATION EXPENSES			
	Depreciation		171.31	162.38
28	OTHER EXPENSES			
	Manufacturing Expenses			
	Stores, Spares Parts		287.42	215.02
	Packing material Consumed.		174.57	110.67
	Licence Fee		20.05	20.20
	Electric Power, Fuel and Water		86.34	135.17
	Repair to Building		33.14	16.74
	Repair to Machinery		280.34	161.77
	Excise Duty (Net)*		(6.67)	(55.54)
	Loading and Other charges		22.35	21.97
	Commission and Brokerage		37.99	33.91
	General Expenses		233.42	257.83
	Rent		2.02	2.15
	Insurance		8.12	9.08
	Rates & Taxes		7.08	3.17
	Other Repairs		11.51	3.17
	Payment to Auditors		2.80	3.10
	Cost Auditor fee		0.20	0.20
	Directors Sitting Fees		0.38	0.30
	Testing Fees		-	0.03
	Charity & Donations		1.01	1.69
	Total		1,202.07	940.63
	* Represents differential excise duty on Opening & Closing Stock of finished goods/by Product.			

					For the period ended 31.03.18		For the period ended 31.03.17
PAYMENT TO AUDITOR AS							
Statutory Audit Fees					2.00		2.00
Tax Audit Fees					0.66		0.66
Certifications Fees					-		0.18
Out of pocket expenses					0.14		0.26
					2.80		3.10
EARNING PER SHARE (EPS)							
Net Profit after tax as per Statement os Profit and Loss attributable to Equity Shareholders (Rs/lacs)					(2,722.66)		(1,891.58)
Nos of Shares					60,83,031		60,83,031
Basic and Diluted Earning per shares (Rs)					(44.76)		(31.10)
Face value per equity shares					10.00		10.00

Statement containing salient features of the financial statement of subsidiary

Part "A": Subsidiaries

SL NO	Name of Subsidiary Company	Rs in lakhs	
		Reliance Steel Ltd.	Nandit Investment Co. Ltd.
		As at 31.03.2018	As at 31.03.2018
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A
3	Share Capital	124.00	132.35
4	Reserves & Surplus	(-) 6.43	(-)14.04
5	Total Assets (Including investments)	118.04	118.80
6	Total Liabilities	0.47	0.49
7	Investments	13.50	-
8	Turnover	Nil	Nil
9	Profit before Taxation	(-)0.46	(-)0.46
10	Provision for Taxation	Nil	Nil
11	Profit after Taxation	(-)0.46	(-)0.46
12	Proposed Dividend	Nil	Nil
13	% of shareholding	100%	*100%

*Considering the Shares held by Reliance Steels Ltd. (a wholly owned subsidiary)

Place: New Delhi
Date: 21st August, 2018

On behalf of the Board

Directors



Part "B": Associates and Joint Ventures

Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture - N.A

Name of Associates/ Joint Ventures	
1. Latest audited Balance Sheet Date	
2. Shares of Associate/ Joint Ventures held by the company on the year end	
Numbers	
Amount of Investment in Associates	
Extent of Holding (in %)	
3. Description of how there is significant influence	N.A
4. Reason why the associate is not consolidated	
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in Consolidation	
i. Not Considered in Consolidation	

1. Names of associates or joint veniures which are yet to commence operations.

N.A

2. Names of associates or joint veniures which have been liquidated or sold during the year

N.A



Additional information pursuant to the Schedule III of the Companies Act 2013 in Consolidated Financial Statements:

Net Assets

Name of the entity in the	(Total Assets minus total liabilities)		Share in profit or(loss)	
	As % of consolidated net assets	Amount (Rs in Lakhs)	As % of consolidated Profit or loss	Amount (Rs in Lakhs)
1	2	3	4	5
Parent- Kanoria Sugar & General Mfg Co. Ltd	102.22	(10,867.09)	99.96	(2,721.74)
Subsidiaries including chain subsidiaries				
Indian				
1 Reliance Steel Ltd	-1.11	117.51	0.02	(0.46)
2. Nandit Investment Co Ltd.	-1.11	118.31	0.02	(0.46)
Minority Interests in all subsidiaries				
TOTAL	100	(10,631.27)	100	(2,722.66)

Place: New Delhi

Date: 21st August, 2018

On behalf of the Board

Directors



29. Accounting Policies & Notes

A) Significant Accounting Policies:

(i) Method of Accounting

The Share Capital of the company has been fully eroded. However, the financial statement are prepared as a going concern basis under historical cost convention on an accrual basis and in accordance with notified accounting standards by companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 2013.

(ii) Fixed Assets and Depreciation

- a) **Fixed Assets:** Tangible Fixed assets are stated at cost of acquisition inclusive of duties (net of cenvat), taxes, incidental expenses and erection/commissioning expenses etc. up to the date of put to use.
- b) **Depreciation:** Depreciation of tangible fixed assets has been provided on Straight Line Method at the rates prescribed in Schedule II of the Companies Act 2013. For the purpose of determining appropriate depreciation rates, plant and machinery falling in the category of continuous process plants have been identified on the basis of technical assessment. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(iii) Investments

Non-current investments are stated at cost. Provision for diminution in the value of Non-current investments is made only if such a decline is other than temporary in the opinion of the management.

(iv) Inventories

- a) Finished goods and work-in-progress are stated at lower of cost or net realizable value.
- b) Raw materials, Stores & Spares are valued at lower of cost or net realizable value
- c) By-products are valued at net realizable value.

(v) Sales

Sales are recognized when the risk and reward is transferred to the buyer which generally coincide at the time of dispatch of goods. All sales are shown inclusive of excise duty, wherever applicable less Sales tax / VAT./ GST

(vi) Accounting for CENVAT Credit / Input Credit

Cenvat / Input credit available under provision of Cenvat Credit Rule 2002 have been reduced from cost of inputs/capital goods and utilized against Excise duty / GST payable on sale of excisable goods.

(vii) Excise Duty / GST

Excise Duty on finished goods and certain by-products lying in factory/bonded premises at the end of year is accounted for and accordingly included in the valuation of closing stock. No GST is provided for the stock lying at the end of the year.

(viii) Claims

Insurance and other claims are accounted for when admitted by the concerned department.



(ix) Retirement Benefits

Gratuity and Leave liability is accounted for on actuarial valuation as per AS-15 revised. Contribution to provident fund and pension fund is provided on accrual basis.

- (x) Taxation** Provision for income tax comprises of current tax and deferred tax charged or realized. Deferred tax is recognized, subject to consideration of prudence on timing differences, being the differences between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is virtual certainty with supporting evidence that sufficient future taxable income will be available, against which such deferred tax assets will be realized.

(xi) Foreign Currency Transaction

Transactions in foreign currencies other than those covered by forward contracts are recorded at the rates prevailing on the date of transactions.

In case of foreign currency transactions covered by forward contracts, the difference between contract rate and exchange rate prevailing on the date of transactions charged to the Statement of Profit & Loss , proportionately over the contract period.

Foreign Currency monetary assets and liabilities other than those covered by forward contracts as on the Balance Sheet date is converted at the year-end exchange rates and loss or gain arising thereon is charged to Statement of Profit & Loss .

(xii) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of any impairment based on external/ internal factors. An impairment loss is recognized wherever the carrying amount of an Asset exceeds its recoverable amount which represents the greater of the selling price and "value in use" of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

(xiii) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

(xiv) Use of estimates

The preparation of financial statement in conformity with the generally accepted accounting principles required estimates and assumptions to be made that affect the reported amount of assets and liability on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the result are known/ materialized.

(xv) Government grants

- a) Government grants related to specific fixed assets are adjusted with the value of the fixed assets. If not related to specific fixed assets, it is credited to Capital Reserve.
- b) Government grants related to revenue items are adjusted with the related expenditure. If not related to specific expenditure, it is taken as income.



(xvi) Borrowing cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such asset till such time the assets is ready for its intended use. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

(xvii) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earning per shares and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

(xviii) Cash Flow statement

Cash flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(xix) Cane Development Expenses

Cane Development expenditure are considering the future benefits, amortized over a period of 5 years from 2014-15 onwards.

B) Notes & Accounts

1. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for Rs nil Lacs (Previous year nil).
2. Contingent liability not provided for :-
 - a) In respect of Entry Tax demand under appeal Rs.1.19 Lacs (Previous year Rs. 1.19 Lacs).
 - b) In respect of Bank Guarantees amounting to Rs. 38.50 Lacs (Previous year Rs. 54.25 Lacs) furnished on behalf of the Company.
 - c) In respect of Cenvat credit on capital goods & inputs and other Excise dispute amounting to Rs. 168.74 lacs (Previous year Rs. 159.75 Lacs), the matter is pending for adjudication with Excise Authorities / Commissioner of Central Excise.
 - e) In respect of the Appeals pending with Sales Tax Department. Rs 68.33 Lacs (Previous year Rs 68.33 Lacs)
 - f) In respect of input for service tax Rs 62.00 lacs (Previous year Rs 43.50 lacs)

3. Basis of classification of Current and Non-Current Assets & Liabilities:-

- a) An assets has been classified as current if it has been held primarily for the purpose of trading or expected to be realised in or intended to be sold or consumed in normal operating cycle and expected to be realised within 12 month after the reporting period or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 month after the reporting period.

All other Assets are classified as Non-Current .

- b) A Liability has been classified as current if it has been held primarily for the purpose of trading or expected to be settled in normal operating cycle and to be settled within 12 month after the reporting period or there is no unconditional right to defer the settlement of the liability for atleast 12 month after the reporting period.

All other Liabilities are classified as Non-Current.

- c) Deferred tax Assets and Liability are classified as Non-Current.

4. The Company has provided the gratuity and leave liability in the books of account as per actuarial valuation as per AS 15 revised. Disclosures for gratuity and leave liability as per actuarial report as on 31.03.18 are as follows:-

	Unfunded	
	Gratuity	Leave
	31.03.18 (Rs. in lacs)	31.03.18 (Rs. in lacs)
D) Reconciliation of opening and closing balance of Deferred Benefit Obligation:		
Deferred Benefit obligation as at the beginning of the year	324.23 (353.86)	54.33 (51.48)
Acquisition adjustment	-- (--)	-- (--)
Interest cost	23.53 (26.40)	3.94 (3.99)
Past Service Cost	-- (--)	-- (--)
Current Service Cost	20.72 (19.92)	7.25 (3.68)
Curtailment Cost/(Credit)	-- (--)	-- (--)
Settlement Cost/(Credit)	-- (--)	-- (--)
Benefits paid	(12.37) (-52.76)	(0.86) (-12.23)
Actuarial (gain)/loss on obligation	(12.28) (-23.19)	(6.11) (7.41)
Deferred Benefit obligation as at the end of the year	343.83 (324.23)	58.55 (54.33)
II) Reconciliation of opening and closing		



balance of fair value of plan assets:		
Fair value of plan assets at the beginning of the period	--	--
	(--)	(--)
Acquisition adjustment	--	--
	(--)	(--)
Expected return on plan assets	--	--
	(--)	(--)
Contributions	--	--
	(--)	(--)
Benefits paid	--	--
	(--)	(--)
Actuarial gain/(loss) on plan assets	--	--
	(--)	(--)
Fair value of plan assets at the end of the period	--	--
	(--)	(--)
III) Reconciliation of Fair Value of plan assets and obligation:		
Fair value of plan assets at the beginning of the period	--	--
	(--)	(--)
Acquisition adjustment	--	--
	(--)	(--)
Actual return on plan assets	--	--
	(--)	(--)
Contributions	--	--
	(--)	(--)
Benefits paid	--	--
	(--)	(--)
Fair value of plan assets at the end of the period	--	--
Funded status	(--)	(--)
Excess of actual over estimated return on plan assets	--	--
	(--)	(--)
IV) Actuarial gain/loss recognised:		
Actuarial gain/(loss) for the period – obligation	(23.50)	(6.11)
	(23.19)	(7.41)
Actuarial gain/(loss) for the period – plan assets	--	--
	(--)	(--)
Total gain/(loss) for the period	(23.50)	(6.11)
	(23.19)	(7.41)
Actuarial gain/(Loss) recognised in the period	(23.50)	(6.11)
	(23.19)	(7.41)
Unrecognized actuarial gains (losses) at the end of the year	--	--
	(--)	(--)
	Gratuity (unfunded)	

	31.03.18 (Rs. in lacs)	31.03.18 (Rs. in lacs)
V) The amounts recognized in Balance Sheet:		
Present value of obligation as at the end of the year	343.83 (324.23)	58.55 (54.33)
Fair value of plan assets as at the end of the year	-- (--)	-- (--)
Funded Status	343.83 (324.23)	58.55 (54.33)
Excess of actual over estimated	-- (--)	-- (--)
Unrecognized actuarial(gain)/losses	-- (--)	-- (--)
Net asset/(liability)/recognised in the balance sheet	343.83 (324.23)	58.55 (54.33)
VI) Expenses recognized in the Profit & Loss:		
Current Service Cost	20.72 (19.92)	7.25 (3.68)
Past Service Cost	-- (--)	-- (--)
Interest Cost	23.53 (26.40)	3.94 (3.99)
Expected return on plan assets	-- (--)	-- (--)
Curtailement Cost/(credit)	-- (--)	-- (--)
Settlement Cost/(credit)	-- (--)	-- (--)
Net actuarial (gain)/lost recognized in the year	(12.28) (23.19)	(6.11) (7.41)
Expenses recognised in the Profit & Loss	31.97 (23.13)	5.08 (15.08)
VII) Amount for the Current Period:		
Present value of obligation as at the end of period	343.83 (324.23)	58.55 (54.33)
Fair value of plan assets at the end of the period	-- (--)	-- (--)
Surplus/(Deficit)	343.83 (324.23)	58.55 (54.33)

Experience adjustment on plan liabilities(loss)/gain	-- (--)	-- (--)
Experience adjustment on plan assets (loss)/gain	-- (--)	-- (--)
VIII) Movement in the liability recognized in the balance sheet:		
Opening net liability	324.23 (353.86)	54.33 (51.48)
Expenses as above	31.97 (23.13)	5.08 (15.08)
Benefits paid	(12.37) (52.76)	(0.86) (-12.23)
Closing net liability	343.83 (324.23)	58.55 (54.33)
IX) Actuarial Assumptions:	<u>ACPP Unit</u>	<u>Sugar Division</u>
a) Rate of Interest (per annum)	7.25%	7.25%
b) Salary Growth	7.5%	7.5%
c) Withdrawal Rate	1%	1%
d) Mortality Rates	Indian Assures Lives (2006-08) Ultimate Mortality Rates. 60 Years	Indian Assures Lives (2006-08) Ultimate Mortality Rates. 60 Years
e) Retirement Age		

The estimate of future salary growth rates has taken in to account the inflation, seniority, promotion and other relevant factors on Long term basis.

5. Value of Imported & Indigenous raw materials, Stores & Spares consumed and their percentage of total consumption: There are no consumption of Raw Material and stores.

i)	Raw Materials	2017-18		2016-17	
		(Rs. In lacs)	%	(Rs. In lacs)	%
	Indigenous	17258.82	100.00	11599.72	100.00
ii)	Stores & Spares				
	Indigenous	461.99	100.00	325.69	100.00
	CIF Value of Imports:	Nil		Nil	

6. Expenditure in Foreign currency:- Nil Nil

7. Related Party Disclosure:

a) Name of related Parties:

i)	Subsidiary Company	:	Reliance Steels Ltd. Nandit Investment Ltd.
ii)	Associated Company	:	A Infrastructure Ltd.
iii)	Key Managerial Personnel	:	Shri S.K. Kanoria, Managing Director Shri Narendra Wali, Executive Director Shri F.Biswal, Executive Director Shri R.P.Singhal, Director
iv)	Relatives of Key Management Personnels	:	Smt. P.Kanoria- Wife of Shri S.K.Kanoria
v)	Enterprises owned or Significantly influenced by Key Managerial Personnel and their relatives	:	A Infrastructure Ltd.

b) Transaction and outstanding balances with Related Parties

Relationship	Subsidiary	Associated Company	Key Managerial Personnel	Relative of Key Managerial Personnel
Nature of Transaction				
Purchase of goods & services	- (--)	846.32 (68.26)	- (-)	- (-)
Sale of goods & services	- (-)	31.41 (9.04)	- (-)	- (-)
Remuneration Paid	- (-)	- (-)	7.68 (5.73)	- (-)

8. Segment information as per Accounting standard - 17 is given below:

i) Information about Primary Business Segment.

Particulars	(Rs. in Lacs)		
	Stanalone 2017-18	(Others) 2017-18	Total 2017-18
Revenue :			
External	16664.38 (15178.37)	-- (346.48)	16664.38 (15524.85)
Inter Segment	NIL (NIL)	NIL (NIL)	NIL (NIL)
Total :	16664.38	--	16664.38
	(15178.37)	(346.48)	(15524.85)
Result :			
Segment Result	(-) 2717.29 (-) (1887.77)	(-) 0.92 (-) (0.88)	(-) 2718.21 (-) (1888.65)
Less:- Unallocated expenditure / income	---	---	-
	(-)	---	(-)
Profit / (Loss) before Tax :	(-) 2717.29	(-) 0.92	(-) 2718.21
	(-) (1887.77)	(-) (0.88)	(-) (1888.65)
Tax :	---	---	---
Deferred Tax	(--)	(--)	(--)
Profit / (Loss) after Tax :	(-) 2717.29	(-) 0.92	(-) 2718.21
	(-) (1887.77)	(-) (0.88)	(-) (1888.65)
ii) Other Information			
Segment Assets	14232.22 (11822.83)	(-) 163.91 (-) (164.11)	14068.31 (11658.72)
Segment Liabilities	25099.30 (19972.64)	(-) 175.59 (-) (176.73)	24923.71 (19795.91)
Capital Expenditure	118.40 (60.18)	-- (-)	118.40 (60.18)
Depreciation	171.31 (149.80)	-- (12.58)	171.31 (162.38)
Non-Cash Expenses (other than depreciation)	---	---	---
	---	---	---

9. The Company has not provided penal interest in respect of SDF Loan, as the company's Management is hopeful of waiver of the same.
10. Items pertaining to earlier years have been accounted for under respective accounts head in the profit and loss account. However the amount is not material.
11. The Company has taken this unit under lease arrangement from **RAMCO INDUSTRIES LIMITED** w.e.f 09.07.2001 for a period of 90 months, the lease charges has been revised wef 01.04.2008 and the lease has been renewed further up to 31.03.2015 and further renewed up to 31.03.2022. vide lease agreement dated 23.12.2014.for the minimum lease amounting to Rs 20 lac Per annum.
12. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at year end together with interest paid / payable under this Act have not been given.
13. The Company has incurred Cane development expenses of Rs 485.53 lacs, incurred in 2014-15, the benefit of which will be accrued to the Company in next 5 years i.e 2014-15 to 2018-19 and therefore the expenditure are being amortized equally, accordingly Rs 97.71 lacs has been amortized during the year

14. Earnings per share (EPS)

S.No.	Particulars	31.03.2018	31.03.2017
a)	Weighted average number of Equity shares outstanding during the year (Nos .)	6083031	6083031
b)	Net profit/loss after tax available to the equity share holder (Rs. in lacs)	(2722.66)	(1891.58)
c)	Basic and diluted earnings per share	(44.76)	(31.08)

Signature to Schedule 1 to 29
for **M.L.Garg & CO.**
Chartered Accountants
Firm Reg. no **001604N**

For and on behalf of the Board.

Manish. K.Garg
Partner M.No 96238
K-60 2nd Floor,
Cannaught Place
Dated

Narendra wali
Director
DIN -07419331

S.K.Kanoria
Chairman & Managing Director
DIN -00067203

