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Email: info@kumakaindustries.com
Website: www.kumakaindustries.com



KIL/BRD/BSE/2018-19/

Date: 4th October, 2018

To,
The Secretary
BSE Limited
25th Floor ,Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001
Scrip Code: 526923

Subject: Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations']

Dear Sirs,

In accordance with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013 and rules framed there under, please find enclosed herewith Annual Report 2017-18 duly approved and adopted by the members at the 44th Adjourned Annual General Meeting held on Tuesday, 25th September, 2018 at the Registered Office of the Company.

The Annual Report 2017-18 is uploaded on the website of the Company.

This is for your information and further dissemination.

Thanking You,

Yours faithfully

For Kumaka Industries Limited

Managing Director



KUMAKA INDUSTRIES LIMITED

**ANNUAL ACCOUNTS
F Y 2017 - 18**

**AUDITOR
SCA AND ASSOCIATES
CHARTERED ACCOUNTANTS**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUMAKA INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of KUMAKA INDUSTRIES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, 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) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements based on our audit.

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of financial position of the Company as at March 31,2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in this standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by M/s. M. B. Majmudar & Co., for which they expressed an unmodified opinion dated 30th May, 2017 and 30th May, 2016 which has been accepted by us. The adjustments to those financial statements for the differences in the accounting principles adopted by the Company on transition to Ind AS have been audited by us.

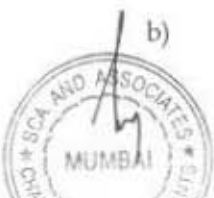
Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

As required by Companies (Auditor's Report) order 2016, issued by the Central Government of India in terms of sub-section (11) of section 143(3) of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the order; to the extent applicable


As required by sec 143 (3) of the Act, we report that:-

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c) the Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us:-
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements note no: 24.
 - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W


Prakash R. Muni
PARTNER
Membership No: 30544



Place: Mumbai
Date: 27th April, 2018

Annexure "A" to the Independent Auditor's Report

Re: Kumaka Industries Limited

The Annexure referred to in our Independent Auditor's Report to the members of the company on the standalone Ind AS financial statements for the year ended 31st March 2018, we report that :-

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Since, the company is not having inventory therefore the para 3(ii) of the order relating to physical verification of inventories is not applicable.
3. The Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. As per the explanation given by the company, because of the stringent financial condition of the former subsidiary and firm. Company has neither charged nor received any interest. In our opinion, the terms and conditions are prejudicial to the interest of the company. Scope of recovery are also remote. There is neither recovery of principal amount nor interest during the year. No steps for recovery of principal amount and interest have been taken by the company during the year.
4. In our opinion and according to the information and explanations given to us, During the year the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans given. During the financial year ended 31st March, 2018, The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act. However, in the past years, the company had given unsecured loan and had acquired equity shares in former subsidiary company in which the key managerial personnel are directors and has given advance in the past years to a partnership firm in which relatives of a director are partners within the meaning of section 185 and 186 of the Companies Act, 2013.
5. The company has not accepted the deposits from public as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.



6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
7. (a) In our opinion and according to explanation given to us the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and the records of the company of the company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, gst, excise duty, custom duty, and cess as at March 31, 2018 which have not been deposited on account of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2018 which has not been deposited on account of dispute is as follows :-

Nature of Dues	Amount (Rs.)	Period to which amount related	Forum where the dispute is pending
Income Tax	36,97,936	AY 1995-96	Mumbai High Court
Income Tax	7,14,567	AY 1996-97	ITAT
Income Tax	30,51,500	AY 2012-13	DY.Commissioner of Income Tax
Excise Matters	90,00,000	1996-97	CESTAT
Income Tax	44,51,160	AY 2014-15	CIT (APPEALS)

8. As per the Information & explanation given to us, the company has not borrowed money from banks/financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.



13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards (IND AS -24) Related Party Transaction.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W



Prakash R. Muni
PARTNER
Membership No: 30544



Place: Mumbai
Date: 27th April, 2018

Annexure "B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of KUMAKA INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of KUMAKA INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W



Prakash R. Muni
PARTNER
Membership No: 30544

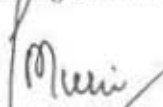


Place: Mumbai
Date: 27th April, 2018

KUMAKA INDUSTRIES LIMITED
CIN - L99999MH1973PLC016315
BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
1) Non-Current Assets				
(a) Property, Plant and Equipment	3	13,76,12,658	12,39,59,579	20,13,83,537
(b) Financial Assets				
(i) Investment	4	82,750	82,750	82,750
(ii) Other Financial Assets	5	1,40,04,228	1,42,13,252	1,42,13,252
(iv) Loans	6	-	-	-
(d) Other Non Current Assets (Taxes)	7	3,67,920	3,26,192	22,405
Total Non Current Assets		15,20,67,556	13,85,81,773	21,57,01,944
Current Assets				
(a) Inventories	8	-	1,02,346	1,99,426
(b) Financial Assets				
(i) Trade Receivables	9	-	25,30,447	25,64,282
(ii) Cash and Cash Equivalents	10A	7,28,213	16,73,564	4,65,699
(iii) Other Bank Balances	10B	31,09,227	96,51,000	-
(c) Other Current Assets	11	7,56,96,000	7,58,28,845	1,48,56,536
Total Current Assets		7,95,33,440	8,97,86,202	1,80,85,942
TOTAL ASSETS		23,16,00,997	22,83,67,975	23,37,87,886
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	12	12,08,56,250	12,08,56,250	12,08,56,250
(b) Other Equity	13	7,22,86,827	6,97,24,895	7,42,76,750
Total Equity		19,31,43,077	19,05,81,145	19,51,33,000
Liabilities				
Non Current Liabilities				
Current Liabilities				
Financial Liabilities				
(a) Borrowings	14	-	-	1,03,71,252
Other Current Liabilities	15	3,84,57,919	3,77,86,830	2,82,83,634
Total Current Liabilities		3,84,57,919	3,77,86,830	3,86,54,886
TOTAL LIABILITIES		23,16,00,997	22,83,67,975	23,37,87,886
Significant accounting policies and notes on financial statements	1 to 36			


As per our Report of even date
For SCA And Associates
Chartered Accountants
Firm Registration No 101174 W

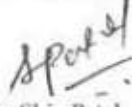

Prakash R. Muni
Partner
Membership No 30544


Place : Mumbai
Date : 27th April, 2018



For and on behalf of the Board


Mr. Pankaj M. Kadakia
Managing Director
DIN- 00166339


Mr. Shiv Patel
Chief Financial Officer


Mr. (Dr.) Niranjan M. Pandya
Director
DIN- 00385689

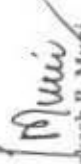
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

	Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from Operations	16	2,04,750	64,250
II	Other Income(net)	17	4,17,843	55,24,576
III	TOTAL INCOME		6,22,593	55,88,826
	Expenses			
(a)	Cost of Materials Consumed	18	1,02,344	-
(b)	Purchase of Traded goods		-	-
(c)	Changes in Inventories of Finished Goods, WIP and Stock-in-Trade	19	-	97,080
(d)	Employee Benefit Expenses	20	14,89,694	14,74,172
(e)	Other Expenses	21	55,72,237	26,55,916
(f)	Finance Costs	22	2,91,655	30,376
(gg)	Depreciation and Amortisation Expense	3	3,91,649	13,94,137
IV	TOTAL EXPENSES		78,47,579	56,51,681
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX(III-IV)		(72,24,986)	(62,855)
VI	Exceptional items	23	1,00,31,623	44,89,000
VII	PROFIT BEFORE TAX(V-VI)		(1,72,56,609)	(45,51,855)
VIII	Tax Expense			
	Current Tax			
	Deferred Tax Liability/(Asset)			
	TOTAL TAX EXPENSE			
IX	PROFIT FOR THE YEAR (VII-VIII)			
X	OTHER COMPREHENSIVE INCOME			
(A)	Items that will be reclassified subsequently to the statement of profit and loss			
(B)	Income tax on items that will be reclassified subsequently to the statement of profit and loss			
(C)	Items that will not be reclassified subsequently to the statement of profit and loss		2,72,50,634	-
(D)	Income tax on items that will not be reclassified subsequently to the statement of profit and loss		-	-
XI	TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		2,72,50,634	-
XII	Earning per equity share:-Basic		99,94,025	(45,51,855)
	Earning per equity share:-Diluted		(1.43)	(0.38)
	Weighted average number of equity shares		-	-
	(Face value of Rs. 10 each)		-	-
XIII	Significant accounting policies and notes on financial statements	1 to 36		

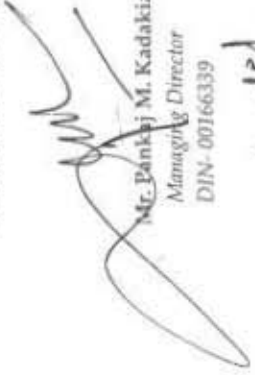
As per our Report of even date

For and on behalf of the Board

For SCA And Associates
Chartered Accountants
Firm Registration No 101174 W


Prakash R. Muni
Partner
Membership No 30544




Mr. Bankaji M. Kadakia
Managing Director
DIN- 00166339


Mr. Shiv Patel
Chief Financial Officer


Dr. Niranjan M. Patrya
Director
DIN- 00385689

KUMAKA INDUSTRIES LIMITED
Cash Flow Statement for the period ended 31st March, 2018
CIN- L99999MH1973PLC016315

(Rs.)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(1,72,56,609)	(45,51,855)
Adjustments for:		
Interest received	(4,17,843)	(7,34,386)
Interest	-	15,996
Provision for Doubtful Debts	25,30,447	-
Provision for Doubtful Advances	2,09,024	-
Depreciation	3,91,649	13,94,137
(Profit)/Loss on Sale of Fixed Assets	49,73,813	(9,81,190)
Operating Profit before Working Capital Changes	(95,69,519)	(48,57,298)
Adjustments for:		
(Increase)/Decrease in Inventory	1,02,346	97,080
(Increase)/Decrease in Debtors	-	33,835
(Increase)/Decrease in Other Current Assets	1,32,845	(6,09,72,309)
Increase/(Decrease) in Current Liabilities	6,71,090	(8,68,056)
Cash generated from / (used in) operations	(86,63,238)	(6,65,66,748)
Direct Taxes paid	(41,728)	(3,03,787)
Cash Flow from Operating Activities	(87,04,966)	(6,68,70,535)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed assets	(2,00,000)	(23,990)
(Increase)/Decrease in Fixed Deposits	65,41,773	(96,51,000)
Interest received	4,17,843	7,34,386
Sale of Fixed assets	10,00,000	7,70,35,000
Increase in Long Term Advances	-	-
Net Cash used in Investing Activities	77,59,616	6,80,94,396
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of long term borrowings	-	-
Interest paid	-	(15,996)
Net Cash Generated from Financing Activities	-	(15,996)
Net Increase in Cash & Cash Equivalents (A+B+C)	(9,45,350)	12,07,865
Cash & Cash Equivalents (Opening)	16,73,564	4,65,699
Cash & Cash Equivalents (Closing)	7,28,213	16,73,564


As per our Report of even date

For SCA And Associates
Chartered Accountants
Firm Registration No 101174 W


Prakash R. Muni
Partner
Membership No 30544



For and on behalf of the Board


Mr. Pankaj M. Kadakia
Managing Director
DIN- 00166339


Mr. Shiv Patel
Chief Financial Officer


Dr. Niranjan M. Pandya
Director
DIN- 00385689

Place: Mumbai
Date : 27th April, 2018

KUMAKA INDUSTRIES LIMITED

CIN - L99999MH1973PLC016315

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Reserves and Surplus				Other Comprehensive Income	Total Equity
		Securities premium	Revaluation Reserve	General Reserve	Retained Earnings		
Balance as at April 1, 2016	12,08,56,250	29,22,03,750	74,32,093.00	4,01,78,015	(40,66,55,232)	14,11,18,124	19,51,33,000
Profit for the year	-	-	-	-	(45,51,855)	-	(45,51,855)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-
Transfer of profits to Capital Redemption Reserve	12,08,56,250	29,22,03,750	74,32,093.00	4,01,78,015	(41,12,07,087)	14,11,18,124	19,05,81,145
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	-	-
Balance as at March 31, 2017	12,08,56,250	29,22,03,750	74,32,093	4,01,78,015	(41,12,07,087)	14,11,18,124	19,05,81,145
Balance as at April 1, 2017	12,08,56,250	29,22,03,750	74,32,093	4,01,78,015	(41,12,07,087)	14,11,18,124	19,05,81,145
Profit for the year	-	-	-	-	(1,72,56,609)	-	(1,72,56,609)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-
Transfer (to)/from Statement of Profit and Loss Account	12,08,56,250	29,22,03,750	74,32,093	4,01,78,015	(42,84,63,696)	16,83,68,758	20,05,75,170
Balance as at March 31, 2018	12,08,56,250	29,22,03,750	(74,32,093)	-	(42,84,63,696)	16,83,68,758	(74,32,093)
							19,31,43,077

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-36

As per our Report attached on the even date

For SCA And Associates
Chartered Accountants

Firm Registration No 101174 W



Prakash R. Muni
Prakash R. Muni
Partner
Membership No 30544

For and on behalf of the Board

Mr. Panaji M. Kadakia
Mr. Panaji M. Kadakia
Managing Director
DIN- 00166339

Mr. Shiv Patel
Mr. Shiv Patel
Chief Financial Officer

Dr. Niranjan M. Pathya
Dr. Niranjan M. Pathya
Director
DIN- 00385689

Place : Mumbai
Date : 27th April, 2018

KUMAKA INDUSTRIES LIMITED

Corporate Information

The Company is promoted by Shri Pankaj M. Kadakia and is in the business of Manufacturing Chemicals.

The Registered Office of the Company is at 404, Sharda Chambers, New Marine Lines, Mumbai -400020.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance/Adoption of Ind AS for first time

In accordance with the notification issued by the ministry of corporate affairs, the company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous period figures have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(ii) (a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

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

- a. certain financial assets and liabilities which are measured at fair values



(b) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note no:(x)

Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

(iii) Revenue Recognition

- a. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, and amount of revenue can be measured reliably.
- b. Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.



- d. Revenue from operation includes sale of goods, services, services tax, excise duty and adjusted for discounts (Net).
- e. Interest income is recognized using the effective interest method.
- f. Dividend income is recognized when the right to receive payment is established.

(iv) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(v) Foreign Currency Loans/Transactions

- a. Transactions in Foreign Currency are recorded at the rate prevailing on the date when the amount is received or remitted.
- b. Foreign currency assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the profit and loss account.
- c. Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

(vi) Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Long Term Employee Benefits

The liability towards gratuity and leave encashment is not funded.

(vii) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant & equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and cost of assets not put to use before such date are disclosed under Capital work-in-progress. Subsequent expenditure relating to property, plant & equipment is capitalised only when it is probable that future economic benefit associate with this will flow to the company and the cost of item can be measured reliably. Repairs and maintenance cost are recognized in statement of profit & loss when incurred. The cost and related accumulated depreciation are eliminated from financial statement upon sale or retirement of the asset and resultant gains and losses are recognized in the statement of profit & loss. Assets to be disposed off are reported at lower of carrying value or fair value less cost to sell.



Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The estimated useful lives of property, plant & equipment is taken as prescribed under Schedule II of the Companies Act, 2013. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Cost excludes Cenvat credit, Sales Tax and Service Tax credit, Custom Duty entitlement and such other levies / taxes. Depreciation on such assets is claimed on 'reduced' cost.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

(viii) Impairment

a. Financial assets (other than at fair value)

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

b. Non Financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

(ix) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, stores and spares, packing material, trading and other products are determined on weighted average basis.



(x) **Income Taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current Income Taxes

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of Income Tax determined to be payable in respect of the taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax (MAT) at the prescribed percentage on the adjusted book profits of a year, when Income Tax liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115 JB.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred Income Taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognizes interest levied and penalties related to income tax assessments in interest expenses.

(xi) **Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.



Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Trade Payables & Other Current Liabilities

For trade payables and other payables maturing within one year from the balance sheet date, carrying amounts approximate fair value due to short maturity of these instruments.

(xii) Earnings per Share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

(xiii) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



Note 2: FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

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

The transition as at 1st April, 2016 to Ind AS was carried out from the previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with the previous GAAP to Ind AS are explained below:

A. Exemptions Applied

The Company has applied the following exemptions:

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. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at the previous GAAP carrying value.

B. Mandatory Exceptions

Estimates

The Company's estimates in accordance with Ind AS 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 1st April, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP.

Classification and measurement of financial assets

According to Ind AS 101, the Company has assessed classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS

(i) Equity reconciliation

	Notes	As at 31 st March, 2017	As at 1 st April, 2016
As reported under previous GAAP		20,26,60,452	20,72,12,307
Adjusted equity under previous GAAP			
- Fair Valuation as deemed cost for Land	(a)	17,64,47,533	17,64,47,533
- Fair Valuation for Financial Assets	(b)	(18,85,26,840)	(18,85,26,840)
Equity under Ind AS		19,05,81,145	19,51,33,000



(ii) Comprehensive income reconciliation

	Notes	2016-2017
Net Profit under previous GAAP		45,51,855
- Employee benefits		-
- Tax adjustments		-
Net Profit under Ind AS		45,51,855
- Other Comprehensive Income		-
Total comprehensive income under Ind AS		45,51,855

(iii) Reconciliation of Statement of Cash Flows

There are no material adjustments to the statement of cash flows as required under the previous GAAPS.

Notes to reconciliation between Previous GAAP and IND AS

(a) Fair Valuation as Deemed Cost for Land

Under Ind AS, The Company has considered fair value for Land. This has resulted in increase of equity by Rs. 17,64,47,533/-.

(b) Fair Valuation of Financial Assets

The company has valued financial assets (namely Investments and advances) at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive income, as the case may be.



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Note 3 : Property, Plant and Equipment

Description	Land	Factory Building	Plant and Machinery	Motor Car	Computers	Furniture and Fixtures	Air Conditioner	Water Treatment Plant	Total
Cost/Deemed cost as at April 1,2017	10,97,94,588	1,24,49,455	25,23,075	2,15,670	12,997	2,80,746	23,990	-	12,53,00,521
Additions	2,72,50,634	-	-	-	-	-	-	2,00,000	2,74,50,634
Disposals	-	1,24,49,455	25,23,075	-	-	-	-	-	1,49,72,530
Cost/Deemed cost as at March 31,2018	13,70,45,222	-	-	2,15,670	12,997	2,80,746	23,990	2,00,000	13,77,78,625
Accumulated depreciation as at April 1,2017	-	(11,71,694)	(83,578)	(30,433)	(4,402)	(50,835)	-	-	(13,40,942)
Depreciation for the period	-	(2,77,252)	(34,100)	(38,057)	(4,401)	(30,159)	(4,558)	(3,122)	(3,91,649)
Disposals	-	14,48,946	1,17,678	-	-	-	-	-	15,66,624
Accumulated depreciation as at March 31,2018	-	-	-	(68,490)	(8,803)	(80,994)	(4,558)	(3,122)	(1,65,967)
Net carrying amount as at March 31,2018	13,70,45,222	-	-	1,47,180	4,194	1,99,752	19,432	1,96,878	13,76,12,658

Description	Land	Factory Building	Plant and Machinery	Motor car	Computers	Furniture and fixtures	Air Conditioner	Office Premises	Total
Cost/Deemed cost as at April 1,2016	90,43,055	1,24,49,455	29,06,346	2,15,670	12,997	2,80,746	-	27,734	2,49,36,003
Ind As Impact	17,64,47,533	-	-	-	-	-	23,990	-	17,64,47,533
Additions	-	-	-	-	-	-	-	-	23,990
Disposals/ Transfer	7,56,96,000	-	3,83,271	-	-	-	-	27,734	7,61,07,005
Cost/Deemed cost as at March 31,2017	10,97,94,588	1,24,49,455	25,23,075	2,15,670	12,997	2,80,746	23,990	-	12,53,00,521
Accumulated depreciation as at April 1,2016	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	(11,71,694)	(1,36,773)	(30,433)	(4,402)	(50,835)	-	-	(13,94,137)
Disposals	-	-	53,195	-	-	-	-	-	53,195
Accumulated depreciation as at March 31,2017	-	(11,71,694)	(83,578)	(30,433)	(4,402)	(50,835)	-	-	(13,40,942)
Net carrying amount as at March 31,2017	10,97,94,588	1,12,77,761	24,39,497	1,85,237	8,595	2,29,911	23,990	-	12,39,59,579
Net carrying amount as at April 1,2016	18,54,90,588	1,24,49,455	29,06,346	2,15,670	12,997	2,80,746	-	27,735	20,13,83,537



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 4 : Investments			
<u>Investments Measured at Fair Value through OCI</u>			
<u>In Equity Shares of Former Subsidiary Unquoted, fully paid up</u>			
16,55,000 (16,55,000) Kadakia Alkalies & Chemicals Ltd of Rs.10/- each.	82,750	82,750	82,750
Total	82,750	82,750	82,750
Note 5 : Other Financial Assets			
Security Deposits			
Deposit with GEB(DGVCL),GIDC Ankleshwar	36,93,196	36,93,196	36,93,196
Deposit with DGVCL	2,09,024	2,09,024	2,09,024
Deposits on Behalf of Kadakia Alkalies and Chemicals LTD with GEB (DGVCL)	1,03,11,032	1,03,11,032	1,03,11,032
Less: Provision for Doubtful Advances	2,09,024	-	-
Total	1,40,04,228	1,42,13,252	1,42,13,252
Note 6 : Loans			
<u>Unsecured, Considered Doubtful</u>			
Interest free Advances to Related Parties	14,91,68,350	14,91,68,350	14,91,68,350
Other Advances	2,43,840	2,43,840	2,43,840
	14,94,12,190	14,94,12,190	14,94,12,190
Less: Provision for Doubtful Advances	14,94,12,190	14,94,12,190	14,94,12,190
	-	-	-
Total	-	-	-
Note 7 : Other Non Current Assets (Income Tax)			
Advance Income Tax (Net of Provision for Tax)	3,67,920	3,26,192	22,405
Total	3,67,920	3,26,192	22,405



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 8 : Inventories			
a. Raw Materials and Components	-	1,02,346	1,02,346
b. Finished Goods	-	-	97,080
Total	-	1,02,346	1,99,426
Note 9 : Trade Receivables			
Trade Receivables considered doubtful	25,30,447	25,30,447	25,64,282
Less: Provision for doubtful debts	25,30,447	-	-
Total	-	25,30,447	25,64,282
Note 10A :Cash and Cash Equivalents			
Cash on Hand	1,052	2,687	4,34,966
BALANCE WITH BANKS:			
In Current Accounts	7,27,161	16,70,877	30,733
Total	7,28,213	16,73,564	4,65,699
Note 10B: Other Bank Balances			
In Fixed Deposits (having maturity more than 3 months & held as security)	31,09,227	96,51,000	-
Total	31,09,227	96,51,000	-
Note 11 : Other Current Assets			
Interest receivable on bank Fixed Deposits	-	32,845	-
Advances to Suppliers	-	1,00,000	1,44,49,531
Indirect Taxes Recoverable	-	-	4,07,005
Assets Held for Sale	7,56,96,000	7,56,96,000	-
Total	7,56,96,000	7,58,28,845	1,48,56,536



Particulars	31st March, 2018	31st March, 2017	1st April, 2016
a) Authorised : 15,00,00,000 Equity Shares @Rs 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000	15,00,00,000
b) Issued, Subscribed and Fully Paid up : 120,85,625 Equity Shares @ Rs.10/- each fully paid up.	12,08,56,250	12,08,56,250	12,08,56,250
	12,08,56,250	12,08,56,250	12,08,56,250

Note:

In January 1995, the Company made its first public issue of 37,47,400 equity shares bearing the face value of Rs 10 each, at a premium of Rs. 150 per share (aggregating To Rs 160 per share). Pursuant to the payment of application monies of Rs 40 per share, the Company made the allotment of shares, to the successful Applicants, in April 1995. Total issue size 37,47,400 shares, It included 13,34,400 shares were fully paid up, Balance 24,13,000 shares were partly paid i.e. Rs 40 per share as against Rs.160 issue price or 25%.

Hence the board and later on the members at AGM considered it appropriate to issue one fully paid share in lieu of four partly paid shares. However BSE did not approve listing of such allotment of shares. It is stated that Companies Act specifically does not provide for such situation of reduction in number of shares applied for and consolidation of such application. BSE advised Company to implement procedure for reduction in Share Capital and obtain approval of the Appropriate Authority. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench.

In the aforesaid public issue, 406 applicants had subscribed to 10,375 shares, by paying the entire subscription amount of Rs. 160 per share, but each application was less than lot size of 100 which was fixed by the Company. The Company allotted shares to such applicants. BSE did not approve listing of such allotment of shares. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench

Reconciliation of number of shares and amount outstanding at the beginning and end of the year:

	31-03-2018		31-03-2017	
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
Equity Shares outstanding at the beginning of the year	1,20,85,625	1,20,85,625	1,20,85,625	1,20,85,625
Fresh Issue/ESOP/Bonus Issue of Shares	0	0	0	0
Redemption/Buy-back of Shares	0	0	0	0
Equity Shares outstanding at the end of the year	1,20,85,625	1,20,85,625	1,20,85,625	1,20,85,625

All Equity Shares issued by the company rank pari passu in terms of rights as to dividend, repayment of capital and voting rights attached to such shares

Details of Shareholders holding more than 5% Equity Shares in the Company:

Name of Shareholder	31-03-2018		31-03-2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Mr. Pankaj Manilal Kadakia Director	28,29,450	23.41%	28,29,450	23.41%
2. Mrs. Madhavi Pankaj Kadakia	39,07,850	32.33%	39,07,850	32.33%
3. Mr. Shyam Pankaj Kadakia	29,23,250	24.19%	29,23,250	24.19%
4. Ms. Niyati Pankaj Kadakia	9,11,600	7.54%	9,11,600	7.54%



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 13 : Other Equity			
Securities Premium Account:			
At the beginning of the year	29,22,03,750	29,22,03,750	29,22,03,750
Addition during the year	-	-	-
Less:Utilised/Transferred during the year	-	-	-
At the end of the year	29,22,03,750	29,22,03,750	29,22,03,750
Revaluation Reserve:			
At the beginning of the year	74,32,093	74,32,093	74,32,093
Less:Utilised/Transferred during the year	(74,32,093)	-	-
At the end of the year	-	74,32,093	74,32,093
General Reserve:			
At the beginning of the year	4,01,78,015	4,01,78,015	4,01,78,015
Addition during the year	-	-	-
Less : Utilization During the Year	-	-	-
At the end of the year	4,01,78,015	4,01,78,015	4,01,78,015
Retained Earnings			
At the beginning of the year	(41,12,07,087)	(40,66,55,232)	(40,66,55,232)
Add:Profit/(Loss) for the year	(1,72,56,609)	(45,51,855)	-
Less:Utilised/Transferred during the year	-	-	-
At the end of the year	(42,84,63,696)	(41,12,07,087)	(40,66,55,232)
Other Comprehensive Income (OCI)			
At the beginning of the year	14,11,18,124	14,11,18,124	14,11,18,124
Add: Movement in OCI during the year	2,72,50,634	-	-
At the end of the year	16,83,68,758	14,11,18,124	14,11,18,124
Total	7,22,86,827	6,97,24,895	7,42,76,750



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 14 : Short Term Borrowings			
<u>From Others</u>	-	-	1,03,71,252
Total	-	-	1,03,71,252
Note 15 : Other Current Liabilities			
Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, GST, TDS, Excise Duty, VAT, Service Tax, etc.)	3,57,505	27,102	1,95,10,132
Provision for Other Expenses	6,30,894	2,90,207	41,55,416
Advances Received against Sale of Land	3,74,69,520	3,74,69,520	46,18,085
Total	3,84,57,919	3,77,86,830	2,82,83,634



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017
Note 16 : Revenue from Operations		
Sale of Products	2,04,750	64,250
	2,04,750	64,250
Other Operational Revenue		
Miscellaneous Income	-	-
Revenue from Operations (Net)	2,04,750	64,250
Note 17 : Other Income		
Interest Earned on Investments	4,17,843	7,34,386
Miscellaneous Income	-	38,09,000
Profit on Sale of Fixed Assets	-	9,81,190
Total	4,17,843	55,24,576
Note 18 : Cost of Materials Consumed		
Opening Stock of Raw Materials	1,02,344	1,02,346
Add:Purchases	-	-
Less: Closing Stock of Raw Materials	-	1,02,346
Total Cost of Materials Consumed	1,02,344	-
Note 19 : Changes in Inventories		
Opening Stock of Finished Goods	-	97,080
Less:Closing Stock of Finished Goods	-	-
Increase/(Decrease) in stock	-	97,080
Note 20 : Employees Benefit Cost		
Salaries & Wages/Service Charges	2,89,694	2,21,672
Director's Remuneration	12,00,000	12,00,000
Contribution to other funds	-	52,500
Total	14,89,694	14,74,172



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017
Note 21 : Other Expenses		
<u>Selling and Distribution Expenses:</u>		
Provision for doubtful debts	25,30,447	-
Advertisement Expenses	20,210	20,908
	25,50,657	20,908
<u>Establishment Expenses:</u>		
Payment to Auditors	1,88,800	1,75,000
Electricity charges	34,591	63,940
Labour Compensation/Settlement	15,000	2,92,000
Repairs & Maintainance	2,48,126	3,51,231
Legal & Professional Fees	12,71,835	6,02,658
Licence, Subscription & Other Fees	26,624	87,473
Expenses on Directors other than Remuneration	1,06,617	1,41,017
Computer Repairs & Internet Charges	2,300	33,609
Insurance Charges	9,599	8,109
Printing & Stationery Expenses	1,30,219	2,52,296
Postage, Telephone & Other Expenses	87,569	1,25,397
Society Charges	60,000	1,54,042
Travelling & Conveyance Expenses	3,09,209	1,13,804
Consolidated Notified Area Tax	49,452	94,517
Provision for Doubtfull Advances	2,09,024	-
Miscellaneous Expenses	2,72,615	1,39,915
	30,21,580	26,35,008
Total	55,72,237	26,55,916
Note 22 : Finance Cost		
Bank Charges & Commission	2,91,655	14,380
<u>Interest Expense</u>		
Other Interest & Finance Charges	-	15,996
Total	2,91,655	30,376
Note 23 : Exceptional Items		
Land revenue/Water Taxes Paid	21,53,591	44,89,000
Legal Cases settlement cost	29,04,218	-
Loss on Sale of Fixed Assets	1,24,05,907	-
Less: Transfer from Revaluation reserve	-74,32,093	-
Total	1,00,31,623	44,89,000



OTHER NOTES TO ACCOUNTS

24. Contingent Liability/Assets -

(A) Statutory Dues

Sr. No.	Particulars	Period	Amt	Forum where the dispute pending
1	Income Tax	A.Y. 1995-96	36,97,936	Mumbai High Court
2	Income Tax	A.Y. 1996-97	7,14,567	ITAT, Mumbai
3	Income Tax	A.Y. 2012-13	30,51,500	DY. Comm. of I.T. Mumbai
4	Income Tax	A.Y. 2014-15	44,51,160	CIT- Appeal Mumbai
5	Income Tax	F.Y. 1996-97	90,00,000	CESTAT (Tribunal) Ahmedabad

Note.

1. Against Statutory dues of Rs.90,00,000/- towards Excise duty Rs.6,75,151/- have been paid in earlier years.
2. Income Tax liabilities for the Assessment year 2014-15 Rs.44,51,160/- against that Rs.2,50,000/- have been paid during the year 2016-17.

(B) Claim by Employees

1. There are 46 claims for back wages & other claim by employee (worker & staff) in respect of 36 employees, since the exact amount is not Quantifiable, Approximate Rs. 50,000/- per employee i.e. Rs.18,00,000/- is treated as contingent liabilities and 10 employees the contingent liability is Rs.9,30,486/- and the total contingent liabilities Rs.27,30,486/-
2. The contingent liability towards gratuity claim filled by employees is Rs.2,04,229/-

(C) Contingent Assets

During the past years, the company had entered in to correspondence with Gujarat Electricity Board, Now Known as Dakshin Gujarat vij. Co. ltd. For recovery of the refund due consequent upon the Arbitration award amounting Rs.1,59,11,789/- as principal amount together with the interest and delayed payment changes due there on as per the Arbitration award which is contingent asset as 31-03-2017.

25. Remuneration to Directors:

Remuneration paid during the year ended 31st March, 2018 to Managing Director Rs. 12,00,000 (P.Y. Rs. 12,00,000/-).

Sitting Fees paid to Non- Executive/ Independent Directors -

Remuneration	2017-18	2016-17
	Rs.	Rs.
Sitting Fees	45,000	21,000



26. **Earnings and Expenditure in Foreign Currency**

Earning in Foreign Currency - NIL (P.Y. - NIL)
Expenditure in Foreign Currency - NIL (P.Y. - NIL)

27. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the Current Assets, Loans & Advances in the ordinary course of the business will not be less than the value stated in the Balance Sheet and provision for all known liabilities are adequate and not in excess of the amount reasonably required to be provided.

28. **Earning Per Share**

Earning Per Share		2017-18	2016-17
Basic & Diluted EPS :			
Net Profit (Loss) after Tax for the year (Rs.)	A	(1,72,56,609)	(45,51,855)
Weighted Average No. of Shares (In Nos)	B	1,20,85,625	1,20,85,625
Basic & Diluted Earnings Per Share of Face Value of Rs 10 Per Share.	C (A/B)	(1.43)	(0.38)

29. **Related Party Disclosure as per IND AS 24**

A. List of related parties.

a. Key Management Personnel (KMP)

- (i) Shri Pankaj M Kadakia - Managing Director.
- (ii) Shri Shiv Patel - Chief Financial Officer

b. Relatives of Key Management Personnel:

- (i) Pankaj M Kadakia (HUF)
- (ii) Mrs. Madhavi Pankaj Kadakia
- (iii) Mr. Shyam Pankaj Kadakia

c. Other related parties (Companies/Enterprises in which director or their relatives have significant influence)

- (i) Kadakia Alkalies & Chemicals Ltd.
- (ii) USM Enterprises
- (iii) Ashok Cellulose Limited



B. Details of transaction with related parties

Nature of Transaction	Amount in Rs. Lacs		
	KMP	Other Related Parties	Total
Remuneration paid	12.00 <i>(13.41)</i>	NIL <i>(NIL)</i>	12.00 <i>(13.41)</i>

C. Closing Balances

Nature of Transaction	Amount in Rs. Lacs		
	KMP	Other Related Parties	Total
Loans (Non Current Assets)	NIL <i>(NIL)</i>	NIL <i>(Nil)</i>	Nil <i>(Nil)</i>
Investments	NIL <i>(NIL)</i>	0.82 <i>(0.82)</i>	0.82 <i>(0.82)</i>
Other Current Liabilities	6.30 <i>(NIL)</i>	NIL <i>(NIL)</i>	6.30 <i>(NIL)</i>

*Figures in Italic and brackets are pertains to previous year

30. Disclosure as per Regulation 34 (3) and 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- a) Loans and Advances to Subsidiary Companies: Rs. Nil
b) Loans and Advances to Associate Companies: Rs. Nil
c) Loans and Advances to Associate Companies/firms in which directors are Interested (excluding Subsidiary and Associate companies): Rs. Nil

31. Risk Factors

The Company's business activities expose it to various risks viz: market risk, credit risk, liquidity risk. The Board of Directors of the Company has approved a risk management policy to address and mitigate the risks associated with the business of the Company. The Board of Directors of the Company regularly monitors and reviews the risks and takes actions to respond to and mitigate the risks.

Various sources of risks and their management in the financial statements is given below:

Credit Risks

Credit risk arises on account of credit exposure to customers, loans given to parties, security deposits given, deposits with banks and financial institution. The credit risk is assessed and managed on an ongoing basis. The Company uses its internal market intelligence while dealing with the customers and parties to whom loans are given. The Company manages the credit risk based on internal rating system. The Company has dealings only with nationalized and high rated private banks and financial institutions for its banking transactions and placement of deposits.



Default of a financial asset occurs when the counterparty fails to make contractual payment within 365 days of due date of payment. This definition of default is determined by considering the business environment in which the entity operates, on going business relationship with the counterpart and other macro - economic factors.

Liquidity Risk Management

Liquidity risk management involves management of the Company's short, medium and long term fund requirement efficiently by maintaining sufficient cash and cash equivalent and availability of funding through adequate amount of committed credit facilities to meet the obligations when due. The management of the Company manages the liquidity risk by maintaining adequate surplus cash in short term deposits. The management regularly monitors the forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows.

Market Risk

Market risk can arise on account of fluctuation in future market prices which will impact the fair value or future cash flows of financial instruments. The fluctuation in market price can be in the form of Currency Risk, Interest Rate Risk or other price risk such as Equity Price Risk. The Company is not exposed to Currency Risk as it does not have any foreign exchange exposure. Similarly, the Company does not have any equity price risk as it does not have any material investment in equity shares nor does the Company trade in any investment. The Company manages Interest Rate Risk on its loan exposures by controlling the exposure within acceptable parameters and at the same time getting optimum returns on its surplus funds.

32. Capital Management

The objectives of capital management are:

- a. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for the other stakeholders and
- b. Maintain an optimal capital structure to reduce the cost of capital.

The Company does not have any exposure towards debt. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

33. Income Tax

Income Tax Assessments of the Company have been completed up to Assessment Year 2014-15. There is no disputed demand outstanding up to the said Assessment Year.

During the Current Year provision for Income Tax is Nil as per Section 115JB of the Income Tax Act, 1961 as the Income Tax liability under normal method is NIL on account of accumulated losses of current and prior years.



34. **Segment Information**

The Company's Managing Director is the Chief Operating Decision Maker (CODM). Based on his examination of Company's performance from a product and geographical perspective he has identified there are no segments for reporting.

35. Previous year's figures have been regrouped/ rearranged wherever considered necessary.

36. The Notes referred to above form an integral part of Balance Sheet and Profit & Loss Account.

As per our Report on even date

For SCA And Associates,
Chartered Accountants
Firm Registration No 101174 W



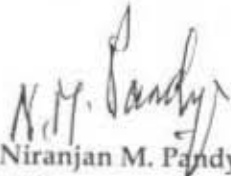
Prakash R. Muni
Partner
Membership No.030544



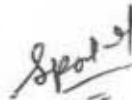
For and on behalf of the Board



Pankaj M. Kadakia
Managing Director
DIN- 00166339



Dr. Niranjan M. Pandya
Director
DIN- 00385689



Shiv Patel
Chief Financial Officer

Place: Mumbai
Date: 27th April, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUMAKA INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of **KUMAKA INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, 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) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements based on our audit.

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in this standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by M/s. M. B. Majmudar & Co., for which they expressed an unmodified opinion dated 30th May, 2017 and 30th May, 2016 which has been accepted by us. The adjustments to those financial statements for the differences in the accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

As required by Companies (Auditor's Report) order 2016, issued by the Central Government of India in terms of sub-section (11) of section 143(3) of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the order; to the extent applicable

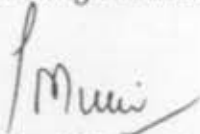
As required by sec 143 (3) of the Act, we report that:-

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c) the Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us:-
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements note no: 24.
 - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W



Prakash R. Muni
PARTNER
Membership No: 30544



Place: Mumbai
Date: 27th April, 2018

Annexure "A" to the Independent Auditor's Report

Re: Kumaka Industries Limited

The Annexure referred to in our Independent Auditor's Report to the members of the company on the standalone Ind AS financial statements for the year ended 31st March 2018, we report that :-

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Since, the company is not having inventory therefore the para 3(ii) of the order relating to physical verification of inventories is not applicable.
3. The Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. As per the explanation given by the company, because of the stringent financial condition of the former subsidiary and firm, Company has neither charged nor received any interest. In our opinion, the terms and conditions are prejudicial to the interest of the company. Scope of recovery are also remote. There is neither recovery of principal amount nor interest during the year. No steps for recovery of principal amount and interest have been taken by the company during the year.
4. In our opinion and according to the information and explanations given to us, During the year the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans given. During the financial year ended 31st March, 2018, The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act. However, in the past years, the company had given unsecured loan and had acquired equity shares in former subsidiary company in which the key managerial personnel are directors and has given advance in the past years to a partnership firm in which relatives of a director are partners within the meaning of section 185 and 186 of the Companies Act, 2013.
5. The company has not accepted the deposits from public as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.



6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
7. (a) In our opinion and according to explanation given to us the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and the records of the company of the company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, gst, excise duty, custom duty, and cess as at March 31, 2018 which have not been deposited on account of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2018 which has not been deposited on account of dispute is as follows :-

Nature of Dues	Amount (Rs.)	Period to which amount related	Forum where the dispute is pending
Income Tax	36,97,936	AY 1995-96	Mumbai High Court
Income Tax	7,14,567	AY 1996-97	ITAT
Income Tax	30,51,500	AY 2012-13	DY.Commissioner of Income Tax
Excise Matters	90,00,000	1996-97	CESTAT
Income Tax	44,51,160	AY 2014-15	CIT (APPEALS)

8. As per the Information & explanation given to us, the company has not borrowed money from banks/financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.



13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards (IND AS -24) Related Party Transaction.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W


Prakash R. Muni
PARTNER
Membership No: 30544



Place: Mumbai
Date: 27th April, 2018

Annexure "B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of KUMAKA INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of KUMAKA INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W


Prakash R. Muni
PARTNER
Membership No: 30544



Place: Mumbai
Date: 27th April, 2018

KUMAKA INDUSTRIES LIMITED
CIN - L99999MH1973PLC016315
BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
1) Non-Current Assets				
(a) Property, Plant and Equipment	3	13,76,12,658	12,39,59,579	20,13,83,537
(b) Financial Assets				
(i) Investment	4	82,750	82,750	82,750
(ii) Other Financial Assets	5	1,40,04,228	1,42,13,252	1,42,13,252
(iv) Loans	6	-	-	-
(d) Other Non Current Assets (Taxes)	7	3,67,920	3,26,192	22,405
Total Non Current Assets		15,20,67,556	13,85,81,773	21,57,01,944
Current Assets				
(a) Inventories	8	-	1,02,346	1,99,426
(b) Financial Assets				
(i) Trade Receivables	9	-	25,30,447	25,64,282
(ii) Cash and Cash Equivalents	10A	7,28,213	16,73,564	4,65,699
(iii) Other Bank Balances	10B	31,09,227	96,51,000	-
(c) Other Current Assets	11	7,56,96,000	7,58,28,845	1,48,56,536
Total Current Assets		7,95,33,440	8,97,86,202	1,80,85,942
TOTAL ASSETS		23,16,00,997	22,83,67,975	23,37,87,886
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	12	12,08,56,250	12,08,56,250	12,08,56,250
(b) Other Equity	13	7,22,86,827	6,97,24,895	7,42,76,750
Total Equity		19,31,43,077	19,05,81,145	19,51,33,000
Liabilities				
Non Current Liabilities				
Current Liabilities				
Financial Liabilities				
(a) Borrowings	14	-	-	1,03,71,252
Other Current Liabilities	15	3,84,57,919	3,77,86,830	2,82,83,634
Total Current Liabilities		3,84,57,919	3,77,86,830	3,86,54,886
TOTAL LIABILITIES		23,16,00,997	22,83,67,975	23,37,87,886
Significant accounting policies and notes on financial statements	1 to 36			

As per our Report of even date
For SCA And Associates
Chartered Accountants
Firm Registration No 101174 W

Prakash R. Muni
Prakash R. Muni
Partner
Membership No 30544



Place : Mumbai
Date : 27th April, 2018

For and on behalf of the Board

Mr. Rakesh M. Kadakia
Mr. Rakesh M. Kadakia
Managing Director
DIN- 00166339

Mr. Shiv Patel
Mr. Shiv Patel
Chief Financial Officer

Mr. (Dr.) Niranjan M. Pandya
Mr. (Dr.) Niranjan M. Pandya
Director
DIN- 00385689

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

Particulars		Note	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from Operations	16	2,04,750	64,250
II	Other Income(net)	17	4,17,843	55,24,576
III	TOTAL INCOME		6,22,593	55,88,826
	Expenses			
(a)	Cost of Materials Consumed	18	1,02,344	-
(b)	Purchase of Traded goods		-	-
(c)	Changes in Inventories of Finished Goods, WIP and Stock-in-Trade	19	-	97,080
(d)	Employee Benefit Expenses	20	14,89,694	14,74,172
(e)	Other Expenses	21	55,72,237	26,55,916
(f)	Finance Costs	22	2,91,655	30,376
(g)	Depreciation and Amortisation Expense	3	3,91,649	13,94,137
IV	TOTAL EXPENSES		78,47,579	56,51,681
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX(III-IV)		(72,24,986)	(62,855)
VI	Exceptional items	23	1,00,31,623	44,89,000
VII	PROFIT BEFORE TAX(V-VI)		(1,72,56,609)	(45,51,855)
VIII	Tax Expense			
	Current Tax			
	Defered Tax Liability/(Asset)			
	TOTAL TAX EXPENSE		-	-
IX	PROFIT FOR THE YEAR (VII-VIII)		(1,72,56,609)	(45,51,855)
X	OTHER COMPREHENSIVE INCOME			
(A)	Items that will be reclassified subsequently to the statement of profit and loss			-
(B)	Income tax on items that will be reclassified subsequently to the statement of profit and loss			-
(C)	Items that will not be reclassified subsequently to the statement of profit and loss		2,72,50,634	-
(D)	Income tax on items that will not be reclassified subsequently to the statement of profit and loss		-	-
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		2,72,50,634	-
XI	TOTAL COMPREHENSIVE INCOME OF THE YEAR		99,94,025	(45,51,855)
XII	Earning per equity share:-Basic		(1.43)	(0.38)
	Earning per equity share:-Diluted		-	-
	Weighted average number of equity shares			
	(Face value of Rs. 10 each)			
XIII	Significant accounting policies and notes on financial statements	1 to 36		

As per our Report of even date

For and on behalf of the Board

For SCA And Associates
Chartered Accountants
Firm Registration No 101174 W

Prakash R. Muni
Partner
Membership No 30544



Mr. Pankaj M. Kadakia
Managing Director
DIN- 00166339

Mr. Shiv Patel
Chief Financial Officer

Dr. Niranjan M. Pandya
Director
DIN- 00385689

Place : Mumbai
Date : 27th April, 2018

KUMAKA INDUSTRIES LIMITED
Cash Flow Statement for the period ended 31st March, 2018
CIN- L99999MH1973PLC016315

(Rs.)

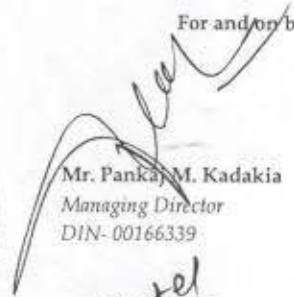
Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(1,72,56,609)	(45,51,855)
Adjustments for:		
Interest received	(4,17,843)	(7,34,386)
Interest	-	15,996
Provision for Doubtful Debts	25,30,447	-
Provision for Doubtful Advances	2,09,024	-
Depreciation	3,91,649	13,94,137
(Profit)/Loss on Sale of Fixed Assets	49,73,813	(9,81,190)
Operating Profit before Working Capital Changes	(95,69,519)	(48,57,298)
Adjustments for:		
(Increase)/Decrease in Inventory	1,02,346	97,080
(Increase)/Decrease in Debtors	-	33,835
(Increase)/Decrease in Other Current Assets	1,32,845	(6,09,72,309)
Increase/(Decrease) in Current Liabilities	6,71,090	(8,68,056)
Cash generated from / (used in) operations	(86,63,238)	(6,65,66,748)
Direct Taxes paid	(41,728)	(3,03,787)
Cash Flow from Operating Activities	(87,04,966)	(6,68,70,535)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed assets	(2,00,000)	(23,990)
(Increase)/Decrease in Fixed Deposits	65,41,773	(96,51,000)
Interest received	4,17,843	7,34,386
Sale of Fixed assets	10,00,000	7,70,35,000
Increase in Long Term Advances	-	-
Net Cash used in Investing Activities	77,59,616	6,80,94,396
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of long term borrowings	-	-
Interest paid	-	(15,996)
Net Cash Generated from Financing Activities	-	(15,996)
Net Increase in Cash & Cash Equivalents (A+B+C)	(9,45,350)	12,07,865
Cash & Cash Equivalents (Opening)	16,73,564	4,65,699
Cash & Cash Equivalents (Closing)	7,28,213	16,73,564

As per our Report of even date

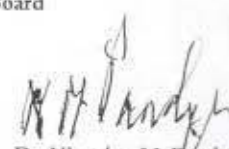
For SCA And Associates
Chartered Accountants
Firm Registration No 101174 W


Prakash R. Muni
Partner
Membership No 30544



For and on behalf of the Board

Mr. Pankaj M. Kadakia
Managing Director
DIN- 00166339


Mr. Shiv Patel
Chief Financial Officer


Dr. Niranjan M. Pandya
Director
DIN- 00385689

Place : Mumbai
Date : 27th April, 2018

KUMAKA INDUSTRIES LIMITED
CIN - L99999MH1973PLC016315
STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Reserves and Surplus				Other Comprehensive Income	Total Equity
		Securities premium	Revaluation Reserve	General Reserve	Retained Earnings		
Balance as at April 1, 2016	12,08,56,250	29,22,03,750	74,32,093.00	4,01,78,015	(40,66,55,232)	14,11,18,124	19,51,33,000
Profit for the year	-	-	-	-	(45,51,855)	-	(45,51,855)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	12,08,56,250	29,22,03,750	74,32,093.00	4,01,78,015	(41,12,07,087)	14,11,18,124	19,05,81,145
Transfer of profits to Capital Redemption Reserve	-	-	-	-	-	-	-
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	-	-
Balance as at March 31, 2017	12,08,56,250	29,22,03,750	74,32,093	4,01,78,015	(41,12,07,087)	14,11,18,124	19,05,81,145
Balance as at April 1, 2017	12,08,56,250	29,22,03,750	74,32,093	4,01,78,015	(41,12,07,087)	14,11,18,124	19,05,81,145
Profit for the year	-	-	-	-	(1,72,56,609)	2,72,50,634	(1,72,56,609)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	12,08,56,250	29,22,03,750	74,32,093	4,01,78,015	(42,84,63,696)	16,83,68,758	20,05,75,170
Transfer (to)/ from Statement of Profit and Loss Account	-	-	(74,32,093)	-	-	-	(74,32,093)
Balance as at March 31, 2018	12,08,56,250	29,22,03,750	-	4,01,78,015	(42,84,63,696)	16,83,68,758	19,31,43,077

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-36

As per our Report attached on the even date

For SCA And Associates
Chartered Accountants

Firm Registration No 101174 W

Prakash R. Muni
Prakash R. Muni
Partner
Membership No 30544



For and on behalf of the Board

Mr. Pankaj M. Kadakia
Mr. Pankaj M. Kadakia
Managing Director
DIN- 00166339

Mr. Shiv Patel
Chief Financial Officer

Dr. Niranjan M. Pandya
Dr. Niranjan M. Pandya
Director
DIN- 00385689

Place : Mumbai
Date : 27th April, 2018

KUMAKA INDUSTRIES LIMITED

Corporate Information

The Company is promoted by Shri Pankaj M. Kadakia and is in the business of Manufacturing Chemicals.

The Registered Office of the Company is at 404, Sharda Chambers, New Marine Lines, Mumbai -400020.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance/Adoption of Ind AS for first time

In accordance with the notification issued by the ministry of corporate affairs, the company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous period figures have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(ii) (a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

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

- a. certain financial assets and liabilities which are measured at fair values



(b) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note no:(x)

Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

(iii) Revenue Recognition

- a. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, and amount of revenue can be measured reliably.
- b. Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.



- d. Revenue from operation includes sale of goods, services, services tax, excise duty and adjusted for discounts (Net).
- e. Interest income is recognized using the effective interest method.
- f. Dividend income is recognized when the right to receive payment is established.

(iv) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(v) Foreign Currency Loans/Transactions

- a. Transactions in Foreign Currency are recorded at the rate prevailing on the date when the amount is received or remitted.
- b. Foreign currency assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the profit and loss account.
- c. Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

(vi) Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Long Term Employee Benefits

The liability towards gratuity and leave encashment is not funded.

(vii) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant & equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and cost of assets not put to use before such date are disclosed under Capital work-in-progress. Subsequent expenditure relating to property, plant & equipment is capitalised only when it is probable that future economic benefit associate with this will flow to the company and the cost of item can be measured reliably. Repairs and maintenance cost are recognized in statement of profit & loss when incurred. The cost and related accumulated depreciation are eliminated from financial statement upon sale or retirement of the asset and resultant gains and losses are recognized in the statement of profit & loss. Assets to be disposed off are reported at lower of carrying value or fair value less cost to sell.



Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The estimated useful lives of property, plant & equipment is taken as prescribed under Schedule II of the Companies Act, 2013. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Cost excludes Cenvat credit, Sales Tax and Service Tax credit, Custom Duty entitlement and such other levies / taxes. Depreciation on such assets is claimed on 'reduced' cost.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

(viii) Impairment

a. Financial assets (other than at fair value)

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

b. Non Financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

(ix) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, stores and spares, packing material, trading and other products are determined on weighted average basis.



(x) **Income Taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current Income Taxes

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of Income Tax determined to be payable in respect of the taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax (MAT) at the prescribed percentage on the adjusted book profits of a year, when Income Tax liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115 JB.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred Income Taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognizes interest levied and penalties related to income tax assessments in interest expenses.

(xi) **Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.



Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Trade Payables & Other Current Liabilities

For trade payables and other payables maturing within one year from the balance sheet date, carrying amounts approximate fair value due to short maturity of these instruments.

(xii) Earnings per Share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

(xiii) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



Note 2: FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

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

The transition as at 1st April, 2016 to Ind AS was carried out from the previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with the previous GAAP to Ind AS are explained below:

A. Exemptions Applied

The Company has applied the following exemptions:

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. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at the previous GAAP carrying value.

B. Mandatory Exceptions

Estimates

The Company's estimates in accordance with Ind AS 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 1st April, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP.

Classification and measurement of financial assets

According to Ind AS 101, the Company has assessed classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS

(i) Equity reconciliation

	Notes	As at 31 st March, 2017	As at 1 st April, 2016
As reported under previous GAAP		20,26,60,452	20,72,12,307
Adjusted equity under previous GAAP			
- Fair Valuation as deemed cost for Land	(a)	17,64,47,533	17,64,47,533
- Fair Valuation for Financial Assets	(b)	(18,85,26,840)	(18,85,26,840)
Equity under Ind AS		19,05,81,145	19,51,33,000



(ii) Comprehensive income reconciliation

	Notes	2016-2017
Net Profit under previous GAAP		45,51,855
- Employee benefits		-
- Tax adjustments		-
Net Profit under Ind AS		45,51,855
- Other Comprehensive Income		-
Total comprehensive income under Ind AS		45,51,855

(iii) Reconciliation of Statement of Cash Flows

There are no material adjustments to the statement of cash flows as required under the previous GAAPs.

Notes to reconciliation between Previous GAAP and IND AS

(a) Fair Valuation as Deemed Cost for Land

Under Ind AS, The Company has considered fair value for Land. This has resulted in increase of equity by Rs. 17,64,47,533/-.

(b) Fair Valuation of Financial Assets

The company has valued financial assets (namely Investments and advances) at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive income, as the case may be.



KUMAKA INDUSTRIES LIMITED

Note 3 : Property, Plant and Equipment

Description	Land	Factory Building	Plant and Machinery	Motor Car	Computers	Furniture and Fixtures	Air Conditioner	Water Treatment Plant	Total
Cost/Deemed cost as at April 1,2017	10,97,94,588	1,24,49,455	25,23,075	2,15,670	12,997	2,80,746	23,990	-	12,53,00,521
Additions	2,72,50,634	-	-	-	-	-	-	2,00,000	2,74,50,634
Disposals	-	1,24,49,455	25,23,075	-	-	-	-	-	1,49,72,530
Cost/Deemed cost as at March 31,2018	13,70,45,222	-	-	2,15,670	12,997	2,80,746	23,990	2,00,000	13,77,78,625
Accumulated depreciation as at April 1,2017	-	(11,71,694)	(83,578)	(30,433)	(4,402)	(50,835)	-	-	(13,40,942)
Depreciation for the period	-	(2,77,252)	(34,100)	(38,057)	(4,401)	(30,159)	(4,558)	(3,122)	(3,91,649)
Disposals	-	14,48,946	1,17,678	-	-	-	-	-	15,66,624
Accumulated depreciation as at March 31,2018	-	-	-	(68,490)	(8,803)	(80,994)	(4,558)	(3,122)	(1,65,967)
Net carrying amount as at March 31,2018	13,70,45,222	-	-	1,47,180	4,194	1,99,752	19,432	1,96,878	13,76,12,658

Description	Land	Factory Building	Plant and Machinery	Motor car	Computers	Furniture and fixtures	Air Conditioner	Office Premises	Total
Cost/Deemed cost as at April 1,2016	90,43,055	1,24,49,455	29,06,346	2,15,670	12,997	2,80,746	-	27,734	2,49,36,003
Ind As Impact	17,64,47,533	-	-	-	-	-	23,990	-	17,64,47,533
Additions	-	-	-	-	-	-	-	-	23,990
Disposals/ Transfer	7,56,96,000	-	3,83,271	-	-	-	-	27,734	7,61,07,005
Cost/Deemed cost as at March 31,2017	10,97,94,588	1,24,49,455	25,23,075	2,15,670	12,997	2,80,746	23,990	-	12,53,00,521
Accumulated depreciation as at April 1,2016	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	(11,71,694)	(1,36,773)	(30,433)	(4,402)	(50,835)	-	-	(13,94,137)
Disposals	-	-	53,195	-	-	-	-	-	53,195
Accumulated depreciation as at March 31,2017	-	(11,71,694)	(83,578)	(30,433)	(4,402)	(50,835)	-	-	(13,40,942)
Net carrying amount as at March 31,2017	10,97,94,588	1,12,77,761	24,39,497	1,85,237	8,595	2,29,911	23,990	-	12,39,59,579
Net carrying amount as at April 1,2016	18,54,90,588	1,24,49,455	29,06,346	2,15,670	12,997	2,80,746	-	27,735	20,13,83,537



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 4 : Investments			
<u>Investments Measured at Fair Value through OCI</u>			
<u>In Equity Shares of Former Subsidiary Unquoted, fully paid up</u>			
16,55,000 (16,55,000) Kadakia Alkalies & Chemicals Ltd of Rs.10/- each.	82,750	82,750	82,750
Total	82,750	82,750	82,750
Note 5 : Other Financial Assets			
Security Deposits			
Deposit with GEB(DGVCL),GIDC Ankleshwar	36,93,196	36,93,196	36,93,196
Deposit with DGVCL	2,09,024	2,09,024	2,09,024
Deposits on Behalf of Kadakia Alkalies and Chemicals LTD with GEB (DGVCL)	1,03,11,032	1,03,11,032	1,03,11,032
Less: Provision for Doubtful Advances	2,09,024	-	-
Total	1,40,04,228	1,42,13,252	1,42,13,252
Note 6 : Loans			
<u>Unsecured, Considered Doubtful</u>			
Interest free Advances to Related Parties	14,91,68,350	14,91,68,350	14,91,68,350
Other Advances	2,43,840	2,43,840	2,43,840
	14,94,12,190	14,94,12,190	14,94,12,190
Less: Provision for Doubtful Advances	14,94,12,190	14,94,12,190	14,94,12,190
	-	-	-
Total	-	-	-
Note 7 : Other Non Current Assets (Income Tax)			
Advance Income Tax (Net of Provision for Tax)	3,67,920	3,26,192	22,405
Total	3,67,920	3,26,192	22,405



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 8 : Inventories			
a. Raw Materials and Components	-	1,02,346	1,02,346
b. Finished Goods	-	-	97,080
Total	-	1,02,346	1,99,426
Note 9 : Trade Receivables			
Trade Receivables considered doubtful	25,30,447	25,30,447	25,64,282
Less: Provision for doubtful debts	25,30,447	-	-
Total	-	25,30,447	25,64,282
Note 10A :Cash and Cash Equivalents			
Cash on Hand	1,052	2,687	4,34,966
Balance with banks:			
In Current Accounts	7,27,161	16,70,877	30,733
Total	7,28,213	16,73,564	4,65,699
Note 10B: Other Bank Balances			
In Fixed Deposits (having maturity more than 3 months & held as security)	31,09,227	96,51,000	-
Total	31,09,227	96,51,000	-
Note 11 : Other Current Assets			
Interest receivable on bank Fixed Deposits	-	32,845	-
Advances to Suppliers	-	1,00,000	1,44,49,531
Indirect Taxes Recoverable	-	-	4,07,005
Assets Held for Sale	7,56,96,000	7,56,96,000	-
Total	7,56,96,000	7,58,28,845	1,48,56,536



Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 12 : Share Capital			
a) Authorised : 1,50,00,000 Equity Shares @Rs. 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000	15,00,00,000
b) Issued, Subscribed and Fully Paid up : 120,85,625 Equity Shares @ Rs.10/- each fully paid up.	12,08,56,250	12,08,56,250	12,08,56,250
	12,08,56,250	12,08,56,250	12,08,56,250

Note:
In January 1995, the Company made its first public issue of 37,47,400 equity shares bearing the face value of Rs 10 each, at a premium of Rs. 150 per share (aggregating To Rs 160 per share). Pursuant to the payment of application monies of Rs 40 per share, the Company made the allotment of shares, to the successful Applicants, in April 1995. Total issue size 37,47,400 shares, It included 13,34,400 shares were fully paid up, Balance 24,13,000 shares were partly paid i.e. Rs 40 per share as against Rs.160 issue price or 25%.

Hence the board and later on the members at AGM considered it appropriate to issue one fully paid share in lieu of four partly paid shares. However BSE did not approve listing of such allotment of shares. It is stated that Companies Act specifically does not provide for such situation of reduction in number of shares applied for and consolidation of such application. BSE advised Company to implement procedure for reduction in Share Capital and obtain approval of the Appropriate Authority. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench.

In the aforesaid public issue, 406 applicants had subscribed to 10,375 shares, by paying the entire subscription amount of Rs. 160 per share, but each application was less than lot size of 100 which was fixed by the Company. The Company allotted shares to such applicants. BSE did not approve listing of such allotment of shares. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench

Reconciliation of number of shares and amount outstanding at the beginning and end of the year:

	31-03-2018		31-03-2017	
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
Equity Shares outstanding at the beginning of the year	1,20,85,625	1,20,85,625	1,20,85,625	1,20,85,625
Fresh Issue/ESOP/Bonus Issue of Shares	0	0	0	0
Redemption/Buy-back of Shares	0	0	0	0
Equity Shares outstanding at the end of the year	1,20,85,625	1,20,85,625	1,20,85,625	1,20,85,625

All Equity Shares issued by the company rank pari passu in terms of rights as to dividend, repayment of capital and voting rights attached to such shares

Details of Shareholders holding more than 5% Equity Shares in the Company:

Name of Shareholder	31-03-2018		31-03-2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Mr. Pankaj Manilal Kadakia Director	28,29,450	23.41%	28,29,450	23.41%
2. Mrs. Madhavi Pankaj Kadakia	39,07,850	32.33%	39,07,850	32.33%
3. Mr. Shyam Pankaj Kadakia	29,23,250	24.19%	29,23,250	24.19%
4. Ms. Niyati Pankaj Kadakia	9,11,600	7.54%	9,11,600	7.54%



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 13 : Other Equity			
Securities Premium Account:			
At the beginning of the year	29,22,03,750	29,22,03,750	29,22,03,750
Addition during the year	-	-	-
Less:Utilised/Transferred during the year	-	-	-
At the end of the year	29,22,03,750	29,22,03,750	29,22,03,750
Revaluation Reserve:			
At the beginning of the year	74,32,093	74,32,093	74,32,093
Less:Utilised/Transferred during the year	(74,32,093)	-	-
At the end of the year	-	74,32,093	74,32,093
General Reserve:			
At the beginning of the year	4,01,78,015	4,01,78,015	4,01,78,015
Addition during the year	-	-	-
Less : Utilization During the Year	-	-	-
At the end of the year	4,01,78,015	4,01,78,015	4,01,78,015
Retained Earnings			
At the beginning of the year	(41,12,07,087)	(40,66,55,232)	(40,66,55,232)
Add:Profit/(Loss) for the year	(1,72,56,609)	(45,51,855)	-
Less:Utilised/Transferred during the year	-	-	-
At the end of the year	(42,84,63,696)	(41,12,07,087)	(40,66,55,232)
Other Comprehensive Income (OCI)			
At the beginning of the year	14,11,18,124	14,11,18,124	14,11,18,124
Add: Movement in OCI during the year	2,72,50,634	-	-
At the end of the year	16,83,68,758	14,11,18,124	14,11,18,124
Total	7,22,86,827	6,97,24,895	7,42,76,750



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Note 14 : Short Term Borrowings			
<u>From Others</u>	-	-	1,03,71,252
Total	-	-	1,03,71,252
Note 15 : Other Current Liabilities			
Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, GST, TDS, Excise Duty, VAT, Service Tax, etc.)	3,57,505	27,102	1,95,10,132
Provision for Other Expenses	6,30,894	2,90,207	41,55,416
Advances Received against Sale of Land	3,74,69,520	3,74,69,520	46,18,085
Total	3,84,57,919	3,77,86,830	2,82,83,634



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017
Note 16 : Revenue from Operations		
Sale of Products	2,04,750	64,250
	2,04,750	64,250
Other Operational Revenue		
Miscellaneous Income	-	-
Revenue from Operations (Net)	2,04,750	64,250
Note 17 : Other Income		
Interest Earned on Investments	4,17,843	7,34,386
Miscellaneous Income	-	38,09,000
Profit on Sale of Fixed Assets	-	9,81,190
Total	4,17,843	55,24,576
Note 18 : Cost of Materials Consumed		
Opening Stock of Raw Materials	1,02,344	1,02,346
Add:Purchases	-	-
Less: Closing Stock of Raw Materials	-	1,02,346
Total Cost of Materials Consumed	1,02,344	-
Note 19 : Changes in Inventories		
Opening Stock of Finished Goods	-	97,080
Less:Closing Stock of Finished Goods	-	-
Increase/(Decrease) in stock	-	97,080
Note 20 : Employees Benefit Cost		
Salaries & Wages/Service Charges	2,89,694	2,21,672
Director's Remuneration	12,00,000	12,00,000
Contribution to other funds	-	52,500
Total	14,89,694	14,74,172



KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017
Note 21 : Other Expenses		
<u>Selling and Distribution Expenses:</u>		
Provision for doubtful debts	25,30,447	-
Advertisement Expenses	20,210	20,908
	25,50,657	20,908
<u>Establishment Expenses:</u>		
Payment to Auditors	1,88,800	1,75,000
Electricity charges	34,591	63,940
Labour Compensation/Settlement	15,000	2,92,000
Repairs & Maintainance	2,48,126	3,51,231
Legal & Professional Fees	12,71,835	6,02,658
Licence, Subscription & Other Fees	26,624	87,473
Expenses on Directors other than Remuneration	1,06,617	1,41,017
Computer Repairs & Internet Charges	2,300	33,609
Insurance Charges	9,599	8,109
Printing & Stationery Expenses	1,30,219	2,52,296
Postage, Telephone & Other Expenses	87,569	1,25,397
Society Charges	60,000	1,54,042
Travelling & Conveyance Expenses	3,09,209	1,13,804
Consolidated Notified Area Tax	49,452	94,517
Provision for Doubtfull Advances	2,09,024	-
Miscellaneous Expenses	2,72,615	1,39,915
	30,21,580	26,35,008
Total	55,72,237	26,55,916
Note 22 : Finance Cost		
Bank Charges & Commission	2,91,655	14,380
<u>Interest Expense</u>		
Other Interest & Finance Charges	-	15,996
Total	2,91,655	30,376
Note 23 : Exceptional Items		
Land revenue/Water Taxes Paid	21,53,591	44,89,000
Legal Cases settlement cost	29,04,218	-
Loss on Sale of Fixed Assets	1,24,05,907	-
Less: Transfer from Revaluation reserve	(74,32,093)	-
Total	1,00,31,623	44,89,000



OTHER NOTES TO ACCOUNTS

24. Contingent Liability/Assets -

(A) Statutory Dues

Sr. No.	Particulars	Period	Amt	Forum where the dispute pending
1	Income Tax	A.Y. 1995-96	36,97,936	Mumbai High Court
2	Income Tax	A.Y. 1996-97	7,14,567	ITAT, Mumbai
3	Income Tax	A.Y. 2012-13	30,51,500	DY. Comm. of I.T. Mumbai
4	Income Tax	A.Y. 2014-15	44,51,160	CIT- Appeal Mumbai
5	Income Tax	F.Y. 1996-97	90,00,000	CESTAT (Tribunal) Ahmedabad

Note.

1. Against Statutory dues of Rs.90,00,000/- towards Excise duty Rs.6,75,151/- have been paid in earlier years.
2. Income Tax liabilities for the Assessment year 2014-15 Rs.44,51,160/- against that Rs.2,50,000/- have been paid during the year 2016-17.

(B) Claim by Employees

1. There are 46 claims for back wages & other claim by employee (worker & staff) in respect of 36 employees, since the exact amount is not Quantifiable, Approximate Rs. 50,000/- per employee i.e.Rs.18,00,000/- is treated as contingent liabilities and 10 employees the contingent liability is Rs.9,30,486/- and the total contingent liabilities Rs.27,30,486/-
2. The contingent liability towards gratuity claim filed by employees is Rs.2,04,229/-

(C) Contingent Assets

During the past years, the company had entered in to correspondence with Gujarat Electricity Board, Now Known as Dakshin Gujarat vij. Co. Ltd. For recovery of the refund due consequent upon the Arbitration award amounting Rs.1,59,11,789/- as principal amount together with the interest and delayed payment changes due there on as per the Arbitration award which is contingent asset as 31-03-2017.

25. Remuneration to Directors:

Remuneration paid during the year ended 31st March, 2018 to Managing Director Rs. 12,00,000 (P.Y. Rs. 12,00,000/-).

Sitting Fees paid to Non- Executive/ Independent Directors -

Remuneration	2017-18	2016-17
	Rs.	Rs.
Sitting Fees	45,000	21,000



26. Earnings and Expenditure in Foreign Currency

Earning in Foreign Currency - NIL (P.Y. - NIL)
Expenditure in Foreign Currency - NIL (P.Y. - NIL)

27. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the Current Assets, Loans & Advances in the ordinary course of the business will not be less than the value stated in the Balance Sheet and provision for all known liabilities are adequate and not in excess of the amount reasonably required to be provided.

28. Earning Per Share

Earning Per Share		2017-18	2016-17
Basic & Diluted EPS :			
Net Profit (Loss) after Tax for the year (Rs.)	A	(1,72,56,609)	(45,51,855)
Weighted Average No. of Shares (In Nos)	B	1,20,85,625	1,20,85,625
Basic & Diluted Earnings Per Share of Face Value of Rs 10 Per Share.	C (A/B)	(1.43)	(0.38)

29. Related Party Disclosure as per IND AS 24

A. List of related parties.

- a. Key Management Personnel (KMP)
 - (i) Shri Pankaj M Kadakia - Managing Director.
 - (ii) Shri Shiv Patel - Chief Financial Officer
- b. Relatives of Key Management Personnel:
 - (i) Pankaj M Kadakia (HUF)
 - (ii) Mrs. Madhavi Pankaj Kadakia
 - (iii) Mr. Shyam Pankaj Kadakia
- c. Other related parties (Companies/Enterprises in which director or their relatives have significant influence)
 - (i) Kadakia Alkalies & Chemicals Ltd.
 - (ii) USM Enterprises
 - (iii) Ashok Cellulose Limited



B. Details of transaction with related parties

Nature of Transaction	Amount in Rs. Lacs		
	KMP	Other Related Parties	Total
Remuneration paid	12.00 <i>(13.41)</i>	NIL <i>(NIL)</i>	12.00 <i>(13.41)</i>

C. Closing Balances

Nature of Transaction	Amount in Rs. Lacs		
	KMP	Other Related Parties	Total
Loans (Non Current Assets)	NIL <i>(NIL)</i>	NIL <i>(Nil)</i>	Nil <i>(Nil)</i>
Investments	NIL <i>(NIL)</i>	0.82 <i>(0.82)</i>	0.82 <i>(0.82)</i>
Other Current Liabilities	6.30 <i>(NIL)</i>	NIL <i>(NIL)</i>	6.30 <i>(NIL)</i>

*Figures in Italic and brackets are pertains to previous year

30. Disclosure as per Regulation 34 (3) and 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- | | |
|--|---------|
| a) Loans and Advances to Subsidiary Companies: | Rs. Nil |
| b) Loans and Advances to Associate Companies: | Rs. Nil |
| c) Loans and Advances to Associate Companies/firms in which directors are Interested (excluding Subsidiary and Associate companies): | Rs. Nil |

31. Risk Factors

The Company's business activities expose it to various risks viz: market risk, credit risk, liquidity risk. The Board of Directors of the Company has approved a risk management policy to address and mitigate the risks associated with the business of the Company. The Board of Directors of the Company regularly monitors and reviews the risks and takes actions to respond to and mitigate the risks.

Various sources of risks and their management in the financial statements is given below:

Credit Risks

Credit risk arises on account of credit exposure to customers, loans given to parties, security deposits given, deposits with banks and financial institution. The credit risk is assessed and managed on an ongoing basis. The Company uses its internal market intelligence while dealing with the customers and parties to whom loans are given. The Company manages the credit risk based on internal rating system. The Company has dealings only with nationalized and high rated private banks and financial institutions for its banking transactions and placement of deposits.



Default of a financial asset occurs when the counterparty fails to make contractual payment within 365 days of due date of payment. This definition of default is determined by considering the business environment in which the entity operates, on going business relationship with the counterpart and other macro - economic factors.

Liquidity Risk Management

Liquidity risk management involves management of the Company's short, medium and long term fund requirement efficiently by maintaining sufficient cash and cash equivalent and availability of funding through adequate amount of committed credit facilities to meet the obligations when due. The management of the Company manages the liquidity risk by maintaining adequate surplus cash in short term deposits. The management regularly monitors the forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows.

Market Risk

Market risk can arise on account of fluctuation in future market prices which will impact the fair value or future cash flows of financial instruments. The fluctuation in market price can be in the form of Currency Risk, Interest Rate Risk or other price risk such as Equity Price Risk. The Company is not exposed to Currency Risk as it does not have any foreign exchange exposure. Similarly, the Company does not have any equity price risk as it does not have any material investment in equity shares nor does the Company trade in any investment. The Company manages Interest Rate Risk on its loan exposures by controlling the exposure within acceptable parameters and at the same time getting optimum returns on its surplus funds.

32. Capital Management

The objectives of capital management are:

- a. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for the other stakeholders and
- b. Maintain an optimal capital structure to reduce the cost of capital.

The Company does not have any exposure towards debt. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

33. Income Tax

Income Tax Assessments of the Company have been completed up to Assessment Year 2014-15. There is no disputed demand outstanding up to the said Assessment Year.

During the Current Year provision for Income Tax is Nil as per Section 115JB of the Income Tax Act, 1961 as the Income Tax liability under normal method is NIL on account of accumulated losses of current and prior years.



34. **Segment Information**

The Company's Managing Director is the Chief Operating Decision Maker (CODM). Based on his examination of Company's performance from a product and geographical perspective he has identified there are no segments for reporting.

35. Previous year's figures have been regrouped/ rearranged wherever considered necessary.

36. The Notes referred to above form an integral part of Balance Sheet and Profit & Loss Account.

As per our Report on even date

For SCA And Associates,
Chartered Accountants
Firm Registration No 101174 W



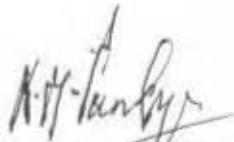
Prakash R. Muni
Partner
Membership No.030544



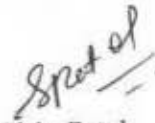
For and on behalf of the Board



Pankaj M. Kadakia
Managing Director
DIN- 00166339



Dr. Niranjana M. Pandya
Director
DIN- 00385689



Shiv Patel
Chief Financial Officer

Place: Mumbai
Date: 27th April, 2018