

Khoday India Limited

DISTILLERS, BREWERS & MALTSTERS

Regd. Office : "BREWERY HOUSE" 7th Mile, Kanakapura Road
BANGALORE-560 062

24.05.2018

CIN : L85110KA1965PLC001590

BSE Ltd
Floor 25,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001

Kind Attn.: Manager, DCS


Dear Sir,

Sub:- Compliance under Regulation 33(3)(d) of SEBI (LO & DR) Regulations 2015

In compliance with Regulation 33(3)(d) of SEBI (LO & DR) Regulations 2015, we submit herewith the authenticated Statement of Audited Financial Results of the Company for the quarter and year ended 31-03-2018, together with the Statement of Assets and Liabilities as at the said date, Annual Report of Independent Auditors' and also Form A in respect of the said Report.

Thanking You.

Yours faithfully,
For Khoday India Limited


(R.Venkat/subramanyan)
Company Secretary &
Chief Financial Officer



Encl: As above.

KHODAY INDIA LIMITED

Regd. Office : "Brewery House", 7th Mile, Kanakapura Road , Bangalore - 560 062

AUDITED STANDALONE FINANCIAL RESULTS
FOR THREE MONTHS \ YEAR ENDED 31ST MARCH 2018
(Rs In Lakhs)

| SL. NO. | PARTICULARS | Quarter Ended | | | Year Ended | |
|---------|--|-----------------|-----------------|-----------------|-------------------|-------------------|
| | | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | | [Audited] | [Unaudited] | [Audited] | [Audited] | |
| 1 | Income From Operations | | | | | |
| | a) Net Sales / Income From Operations (Net of Excise duty) | 4,126.80 | 4,076.91 | 3,774.48 | 13,526.82 | 14,387.39 |
| | b) Other operating income | 37.36 | 110.73 | 98.99 | 299.02 | 379.93 |
| | Total Income from Opreations (Net) | 4,164.16 | 4,187.64 | 3,873.47 | 13,825.84 | 14,767.32 |
| 2 | Expenses | | | | | |
| | a) Cost of Materials consumed | 2,287.41 | 2,333.73 | 2,096.69 | 7,932.06 | 7,388.29 |
| | b) Purchases of stock-in-trade | - | - | - | - | - |
| | c) Changes in inventories of finished goods , work -in-progress and stock-in-trade | 59.26 | 102.69 | 358.69 | 49.10 | 1,256.98 |
| | d) Employee benefits expense | 462.41 | 448.94 | 497.86 | 1,829.26 | 1,857.98 |
| | e) Depreciation and amortisation expense | 140.72 | 141.68 | 169.06 | 560.91 | 673.65 |
| | f) Other Expenses | 1,229.43 | 1,106.23 | 933.11 | 4,133.40 | 4,101.04 |
| | Total Expenses (sum of (a) to (f)) | 4,179.23 | 4,133.27 | 4,055.41 | 14,504.73 | 15,277.94 |
| 3 | Profit from Operations before Other Income , finance cost and Exceptional Items (1-2) | (15.07) | 54.37 | (181.94) | (678.89) | (510.62) |
| 4 | Other Income | 85.24 | 48.98 | 215.33 | 222.81 | 397.40 |
| 5 | Profit from ordinary activities before finance costs and Exceptional Items (3+4) | 70.17 | 103.35 | 33.39 | (456.08) | (113.22) |
| 6 | Finance Costs | 160.33 | 148.19 | 130.87 | 618.21 | 749.22 |
| 7 | Profit from ordinary activities after finance costs but Exceptional Items (3+4) | (90.16) | (44.84) | (97.48) | (1,074.29) | (862.44) |
| 8 | Exceptional items | - | - | - | - | - |
| 9 | Profit (+) / Loss (-) from Ordinary Activities before tax | (90.16) | (44.84) | (97.48) | (1,074.29) | (862.44) |
| 10 | Tax Expense | - | - | 1.46 | - | 1.46 |
| 11 | Profit (+) / Loss (-) from Ordinary Activities after tax | (90.16) | (44.84) | (98.94) | (1,074.29) | (863.90) |
| 12 | Extraordinary Items | - | - | - | - | - |
| 13 | Net Profit (+) / Loss (-) for the Period | (90.16) | (44.84) | (98.94) | (1,074.29) | (863.90) |
| 14 | Share of profit of associates | - | - | - | - | - |
| 15 | Minority interest | - | - | - | - | - |
| 16 | Profit (+) / Loss (-) after taxes, minority interest and Share of profit of associates | (90.16) | (44.84) | (98.94) | (1,074.29) | (863.90) |
| 17 | Paid-up Equity Share Capital (Face Value Rs.10/- per Share) | 3,366.01 | 3,366.01 | 3,366.01 | 3,366.01 | 3,366.01 |
| 18 | Reserves excluding revaluation reserves. | - | - | - | (3,616.33) | (2,542.04) |
| 19.i | Earning per share before extraordinary items (of Rs 10/-each) (Not annualised) | | | | | |
| | Basic & Diluted - In Rupees | - | - | - | (3.19) | (2.57) |
| 19.ii | Earning per share before extraordinary items (of Rs 10/-each) (Not annualised) | | | | | |
| | Basic & Diluted - In Rupees | | | | (3.19) | (2.57) |
| A | PARTICULARS OF SHAREHOLDING | | | | | |
| 1 | Public Shareholding | | | | | |
| | a) No. of shares | - | - | - | - | - |
| | b) % of Holdings (to total shareholding) | - | - | - | - | - |
| 2 | Promoters and Promoter Group Shareholdings | | | | | |
| | a) Pledged \ Encumbered | | | | | |
| | - Number of Shares | Nil | Nil | Nil | Nil | Nil |
| | - Percentage of Share out of the Promoters' Holdings | Nil | Nil | Nil | Nil | Nil |
| | - Percentage of Share of the out of total Share Capital | Nil | Nil | Nil | Nil | Nil |
| | b) Non- Encumbered | | | | | |
| | - Number of Shares | 3,36,60,195 | 3,36,60,195 | 3,36,60,195 | 3,36,60,195 | 3,36,60,195 |
| | - Percentage of Share out of the Promoters' Holdings | 100% | 100% | 100% | 100% | 100% |
| | - Percentage of Share of the out of total Share Capital of the Company | 100% | 100% | 100% | 100% | 100% |

| B INVESTOR COMPLAINTS | Quarter ended 31st March 2018 |
|--|-------------------------------|
| Pending at the beginning of the quarter | NIL |
| Received during the quarter | NIL |
| Disposed of during the quarter | NIL |
| Remaining unresolved at the end of the quarter | NIL |

NOTE:

1 Sales excludes Excise Duty , G S T , Sales Tax and Tax Collected at source.

2 The above results after being reviewed by the Audit Committee were approved and taken on record by the Board of Directors at its Meeting held on 24.05.2018

3 (i) During the financial year 2012-13, the company formulated a procedure for Reduction of its Paid-up share capital from Rs.37,59,12,370/- divided into 3,75,91,237 equity shares of Rs.10/- each fully paid up to Rs. 33,66,01,950/- divided into 3,36,60,195 equity shares of Rs.10/- each, by cancelling 39,31,042 equity shares representing 10.46% held by its public shareholders and returning the capital of Rs.10/- per share together with a premium of Rs.65/- thereof. The Procedure was approved by a special resolution passed by a majority of all its shareholders in general and by a majority of the public shareholders in particular, which was confirmed by the Hon'ble High Court of Karnataka at Bangalore vide its Order dated 07.08.2014, in the Petition COP 132/2014 filed by the Company under section 101 of the Companies Act, 1956.

(ii) Upon filing the said Order with the Registrar of Companies, in Karnataka at Bangalore, the Registrar issued a Certificate dated 12.09.2014, registering the Court Order of alteration (reduction) of paid-up equity share capital of the Company which stands reduced from Rs.37,59,12,370/- to Rs.33,66,01,950/-, divided into 3,36,60,195 equity shares of Rs.10/-each. Accordingly, the entire paid-up share capital of the Company is presently held by its promoters and persons belonging to the promoter group. The Company's audited financial statement for the years 2014-15, 2015-16, 2016-17 as well as the above audited statement of results for the Quarter and year Ended 31.03.2018 have accordingly been prepared based on legal advice in that regard.

(iii) Subsequent to the Court Order dated 07.08.2014, SEBI filed multiple applications before the same Court, praying for impleadment in the Petition, early hearing, recall and stay of the said Order dated 07.08.2014, which were all dismissed by the Court vide another Order dated 21.09.2015. However, SEBI has challenged the said 2nd Order before the Division Bench of the same Court in an Appeal, which is pending adjudication. As both the Orders of the High Court have not been stayed, they are in force and operate as Orders-in-rem.

(iv) Pursuant to the Court Order dated 07.08.2014, the Company deposited the aggregate sum of Rs.29.48 Crores payable to its erstwhile public shareholders, in a separate bank account opened with Punjab National Bank , L C Branch, M G Road, Bangalore. The Company has made persistent efforts to pay off its erstwhile public shareholders, through cash warrants, by fixing the "Record Date" in as many as 6 attempts (i.e on 29.09.2014, 10.10.2014, 07.12.2014, 07.04.2015, 22.06.2015 and 13.10.2015) has not been accepted by BSE Ltd reportedly at the instance of SEBI. Subsequently, the Company has filed Company Applications numbered 288 & 289 / 2016 before the same Court seeking to implead BSE Ltd and also directions to it from the Court to facilitate Company's payment to its erstwhile public share holders and at the hearing held on 01.06.2017, the Hon'ble Court has ordered issue of notice to BSE Limited, returnable by 31.08.2017. But BSE Limited has filed its objections only on 10.02.2018, after the lapse of more than 5 months, to which the Company is in the process of filing it rejoinder to the same.

(v) Even though the Company has not been able to effect payment in respect of cancelled shares in dematerialized mode owing to the procedural impediment of non-acceptance of Record Date(s) by BSE Ltd, considering that the Company had been receiving incessant and anxious queries from the persons entitled to payment regarding the delay in payment due to them and in view of the fact that the Court Order dated 07.08.2014 is in force as Order-in-Rem and that there were no such legal and / or procedural impediment to effect payment in respect of cancelled shares held only in physical mode by the erstwhile public shareholders of the Company, the Committee of Board of Directors on reduction of Capital, at its meeting held on 13.03.2017 decided to effect payment to those erstwhile public shareholders who opt for such payment. Pursuant to the opportunity extended as above, payment amounting to Rs.3,96,93,075/- has so far been made in respect of 5,29,241 cancelled shares held in physical mode out of the sum of money of Rs.29.48 Crores deposited in the Special Account.

(vi) Further, in view of the Court Order dated 07.08.2014 confirming the Procedure for Reduction of Capital to the extent of entire public shareholding and the consequential delisting of the Company's shares from BSE Limited, the Company has filed an Application numbered CA 339 / 2017 in COP 132/2014 before the same Court on 03.08.2017, seeking to declare that India Accounting Standards (Ind AS) are not applicable to the Company, in preparation and audit of its financial statements, for the accounting periods beginning on and from 01.04.2017. Accordingly, the above audited financial results have been prepared as per the extant Generally Accepted Accounting Principles (Indian GAAP).

- 4 During the financial year, there was no business activities in the Company's sole and wholly owned subsidiary M/s. Khoday Properties Private Limited and the only accounting transaction was in respect of payment of audit fee and filing fee, hence only the statements of standalone financial results are being submitted.
- 5 The figures of quarter ended 31st March 2018 are the balancing figures between the audited figures in respect of the full financial year and year to date figures published up to 3rd quarter ended 31st December 2017 of the current financial year 2017-18.
- 6 Figures for the previous periods have been re-grouped , wherever necessary , to conform to the current period's classification

By order of the Board
For Khoday India Limited

K. L. Ramachandra

K. L. RAMACHANDRA
Chairman

Place: Bangalore

Date : 24.05.2018



STANDALONE SEGMENTWISE REVENUE, RESULT AND CAPITAL EMPLOYED:

[Rs. In Lacs]

| Sl. No. | PARTICULARS | Quarter Ended | | | Year Ended | Year Ended |
|---------|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | | [Audited] | [Unaudited] | [Audited] | [Audited] | |
| 1 | Segment Revenue (Net Sale / Income) | | | | | |
| | Domestic | | | | | |
| | a. Liquor | 4,126.80 | 4,076.91 | 3,774.48 | 13,526.83 | 14,387.39 |
| | b. Glass | - | - | - | - | - |
| | c. Systems | - | - | - | - | - |
| | d. Others | 56.65 | 122.81 | 106.85 | 351.70 | 406.31 |
| | Total ... | 4,183.45 | 4,199.72 | 3,881.33 | 13,878.53 | 14,793.70 |
| | Less: Inter segment revenue | 19.29 | 12.08 | 7.86 | 52.68 | 26.38 |
| | Net Sales / Income from operations | 4,164.16 | 4,187.64 | 3,873.47 | 13,825.85 | 14,767.32 |
| 2 | Segment Results | | | | | |
| | Profit(+) / (Loss) (-) before tax & interest from each segment. | | | | | |
| | a. Liquor | (94.42) | 153.03 | (9.65) | (552.77) | (220.85) |
| | b. Glass | (17.65) | (18.45) | (14.08) | (74.74) | (65.82) |
| | c. Systems | (32.35) | (65.33) | (43.39) | (174.51) | (170.43) |
| | d. Others | (1.86) | (0.15) | (0.12) | (2.45) | (2.37) |
| | Total ... | (146.28) | 69.10 | (67.24) | (804.47) | (459.47) |
| | Less : Other Un-allocable income net off unallocable Exp | 16.26 | - | 16.45 | 16.26 | 16.45 |
| | Operating Profit | (162.54) | 69.10 | (83.69) | (820.73) | (475.92) |
| | Less : Exceptional items | - | - | - | - | - |
| | Less : (i) Interest Expenses net off interest income | (72.38) | 113.94 | 13.79 | 253.56 | 386.52 |
| | Profit(+) / (Loss) (-) before tax | (90.16) | (44.84) | (97.48) | (1,074.29) | (862.44) |
| 3 | Capital Employed | As on | As on | As on | As on | As on |
| | Segment Assets - Segment Liabilities | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | a. Liquor | (7,097.72) | (6,412.73) | (5,628.47) | (7,097.72) | (5,628.47) |
| | b. Glass | (216.95) | (199.31) | (142.20) | (216.95) | (142.20) |
| | c. Systems | (562.34) | (529.99) | (387.82) | (562.34) | (387.82) |
| | d. Others | 188.79 | 190.74 | 191.33 | 188.79 | 191.33 |
| | Total ... | (7,688.22) | (6,951.29) | (5,967.16) | (7,688.22) | (5,967.16) |

K. Ramachandran



KHODAY INDIA LIMITED

Regd. Office : "Brewery House"

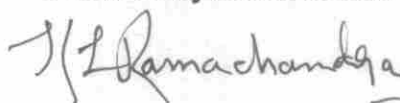
7th Mile, Kanakapura Road, Bangalore - 560 062

AUDITED STANDALONE FINANCIAL STATEMENT

(Rs In Lakhs)

| PARTICULARS | As at | As at |
|-------------------------------------|------------------|------------------|
| | 31.03.2018 | 31.03.2017 |
| | Year Ended | |
| | Audited | |
| A)EQUITY AND LIABILITIES | | |
| 1. Shareholder's Fund | | |
| a. Share Capital | 3,366.02 | 3,366.02 |
| b. Reserves and Surplus | (2,508.73) | (1,434.44) |
| | 857.29 | 1,931.58 |
| 2. Non - Current Liabilities | | |
| a. Long Term Borrowings | 22,124.60 | 20,817.72 |
| b. Other Long - Term Liabilities | - | - |
| c. Long - Term Provisions | 376.65 | 298.34 |
| | 22,501.25 | 21,116.06 |
| 3. Current Liabilities | | |
| a. Short -Term Borrowings | 1,185.88 | 384.91 |
| b. Trade Payables | 1,193.82 | 1,152.64 |
| c. Other Current Liabilities | 3,981.10 | 4,820.64 |
| d. Short -Term Provisions | 114.78 | 44.97 |
| | 6,475.58 | 6,403.16 |
| TOTAL EQUITY AND LIABILITIES | 29,834.12 | 29,450.80 |
| B)ASSETS | | |
| 1. Non - Current Assets | | |
| a. Fixed Assets | 3,532.80 | 4,057.14 |
| b. Non Current Investments | 6,101.87 | 6,115.19 |
| c. Long Term Loans and Advances | 429.04 | 430.37 |
| d. Other Non - Current Assets | 118.59 | 116.75 |
| | 10,182.30 | 10,719.45 |
| 2. Current Assets | | |
| a. Inventories | 7,202.41 | 7,293.46 |
| b. Trade Receivables | 5,920.80 | 4,738.39 |
| c. Cash and Cash Equivalents | 4,461.53 | 4,501.32 |
| d. Short Term Loans & Advances | 1,807.49 | 1,946.40 |
| e. Other Current Assets | 259.59 | 251.78 |
| | 19,651.82 | 18,731.35 |
| TOTAL ASSETS | 29,834.12 | 29,450.80 |

For Khoday India Limited


K. L RAMACHANDRA
 Chairman

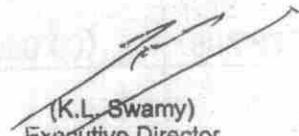



Place: Bangalore

Date : 24.05.2018



FORM A

Format of covering letter of the Annual audit report to be filed with the stock exchanges

| | | |
|----|--|--|
| 1. | Name of the Company | Khoday India Limited BSE Stock code: 507435 |
| 2. | Annual financial statements for the year ended | 31 st March 2018 |
| 3. | Type of Audit observation | Un Modified opinion on the financial statements for the year ended 31-03-2018. Emphasis of Matter with regard to the reduction of capital undertaken by the Company u/s 100 of the Companies Act, 1956 and confirmed by the Hon'ble High Court of Karnataka at Bangalore vide its Order dated 07-08-2014, in COP 132/2014. |
| 4. | Frequency of observation | The Emphasis of matter as above has been made for the fourth successive financial year, as the matter is sub-judice, i.e. OSA 28/2015 filed by SEBI is pending adjudication before the Division Bench of the Hon'ble High Court of Karnataka at Bangalore |
| 5. | To be signed by – | <p>For Khoday India Limited</p> <p> (K.L. Swamy) Executive Director</p> <p> B. Ratna Ravikumar – Chartered Accountant Statutory Auditor of Khoday India Limited Membership No: 023785</p> <p></p> <p></p> <p>Maj. Gen. (Retd.) M.K. Paul Chairman of Audit Committee of Directors of the Company</p> |

Auditor's Certificate on Corporate Governance

To,
The Members of Khoday India Limited

I have examined the compliance of conditions of Corporate Governance by Khoday India Limited ('the Company'), for the year ended 31st March, 2018, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

As per my report of even date
for B. Ratna Ravikumar
Chartered Accountant



B. Ratna Ravikumar
(Proprietor)

Membership No. 23785

Place : Bangalore

Date : 24.05.2018



INDEPENDENT AUDITOR'S REPORT

To the Members of
Khoday India Limited.

1. Report on the Standalone Financial Statements

I have audited the accompanying standalone financial statements of Khoday India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for 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 financial statements, on a going concern basis, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing & detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design and implementation of adequate Internal Financial Controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

My responsibility is to express an opinion on these standalone financial statements based on my audit.

I 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

4. Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Emphasis of Matter

I draw attention to the following points in the Financial Statements:

(i) Note no. 28 regarding Reduction of Capital under Section 100 of the Companies Act, 1956 confirmed by the Hon'ble High Court of Karnataka and appeal filed by SEBI.

(ii) Note no. 29 and 30 regarding legal advice, application before the Hon'ble High Court of Karnataka and other facts which indicate that the Company is ipso facto an unlisted Company and consequent non applicability of Ind AS in the preparation of Financial Statements.

My opinion is not qualified in respect of the above mentioned matters.

6. Report on Other Legal and Regulatory Requirements

- I) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- II) As required by section 143 (3) of the Act, I report that:
 - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the

directors are disqualified as on 31st March, 2018, from being appointed as a director under Section 164(2) of the Act.

- f) With respect to the adequacy of Internal Financial Control over Financial Reporting of the Company and operating effectiveness of such controls, refer to my separate report in "Annexure - B"
- 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, in my opinion and to the best of my information and according to the explanations given to me:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements vide Note no. 27, Note No. 28, Note no. 29 and Note no. 41 to the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.

As per my report of even date
for B. Ratna Ravikumar
Chartered Accountant

B. Ratna

B. Ratna Ravikumar
(Proprietor)
Membership No. 23785

Place : Bangalore
Date : 24.05.2018



ANNEXURE - A TO THE AUDITOR'S REPORT**(Referred to in Para 6 of my report of even date)**

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

(b) I have been informed that the fixed assets of the Company are physically verified by the Management according to a phased program designed to cover all the items over a period of three years, which in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, physical verification was carried out during the year and to the best of my knowledge no material discrepancies were noticed.

(c) The title deeds of immovable properties are held in the name of the Company.
- ii. As explained to me, Inventories have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed.
- iii. The Company has not granted any Loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As the Company has not granted any loans to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, reporting under Clauses (iii) (a), (iii) (b) and (iii) (c) of the Companies (Auditors Report) order, 2016 does not arise.
- iv. There are no loans, guarantees or security extended by the Company under the provisions of Section 185 and 186 of the Companies Act, 2013. In respect of Investments made, the Company has complied with the provisions of Section 186 of the Companies Act, 2013.
- v. In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under. Therefore, reporting under clause (v) of the Companies (Auditor's Report) Order, 2016 does not arise.
- vi. According to the information and explanations given to me, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013
- vii. (a) According to the information and explanations given to me and as per my verification of the records of the Company, in my opinion, the company is generally regular in depositing undisputed statutory dues including Income Tax, Service Tax, Employees Provident Fund, Employees State Insurance, Customs Duty, Excise Duty and other statutory dues applicable to it and there are no statutory dues outstanding for a period of more than six months from the date they become payable as on the last day of the financial year.

(b) According to the information and explanations given to me and as per records of the Company, the following are the particulars of dues on account of Employees Provident Fund and Income Tax which have not been deposited/partially deposited under protest on account of dispute before the forum mentioned there against.

| Name of the Statute | Nature of Dues & Related Period | Amount of Demand | Amount Deposited under Protest | Forum where dispute is pending |
|----------------------------------|---------------------------------|------------------|--------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax for the AY 2014-15 | 14,081,382 | - | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax for the AY 2015-16 | 52,866,418 | - | Commissioner of Income Tax (Appeals) |
| Wealth Tax Act, 1957 | Wealth Tax for the AY 2014-15 | 72,054 | - | Commissioner of Income Tax (Appeals) |
| Employees Provident Fund | FY 2006-07 and 2007-08 | 10,716,123 | 8,100,000 | EPF Tribunal, New Delhi |
| Employees Provident Fund Damages | FY 2001 to FY 2013 | 4,011,667 | 1,002,918 | EPF Appellate Tribunal, Bangalore |

- viii. According to information and explanations given to me, the company has not defaulted in repayment of principal and interest dues to the bank or any financial institutions.
- ix. The Company has not raised moneys by way of Initial Public Offer or Further Public Offer. In my opinion, and according to information and explanations given to me, term loans have been applied for the purposes for which they were raised.
- x. According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.
- xi. According to the information and explanations given to me, no managerial remuneration has been paid to the Directors. However, sitting fees has been paid to certain Directors in accordance with the requisite approvals mandated by the provisions of Section 197 (5) of Companies Act, 2013 read with the Rules made thereunder.
- xii. In my opinion, the Company is not a Nidhi Company. Hence, reporting under Clause (xii) of the Companies (Auditor's Report) Order, 2016 does not arise.
- xiii. According to the information and explanations given to me and in my opinion, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable Accounting Standard.
- xiv. According to the information and explanation given to me, the Company has not made any preferential allotment or private placement of shares. Hence, reporting under Clause (xiv) of the Companies (Auditor's Report) Order, 2016 does not arise.

- xv. According to the information and explanations given to me, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Hence, reporting under Clause (xv) of the Companies (Auditor's Report) Order, 2016 does not arise.
- xvi. According to the information and explanation given to me and in my opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

As per my report of even date
for B. Ratna Ravikumar
Chartered Accountant

B. Ratna
B. Ratna Ravikumar
(Proprietor)
Membership No. 23785

Place : Bangalore
Date : 24.05.2018



**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF KHODAY INDIA LIMITED**

**Report on the Internal Financial Controls under Section 143 (3) (i) of the Companies
Act, 2013 ("the Act")**

I have audited the internal financial controls over financial reporting of Khoday India Limited ("the Company") as of March 31, 2018 in conjunction with my audit of the standalone 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

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.

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

My 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

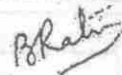
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 my 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 Accountants of India.

As per my report of even date
for B. Ratna Ravikumar
Chartered Accountant



B. Ratna Ravikumar
(Proprietor)

Membership No. 23785

Place : Bangalore

Date : 24.05.2018

