

FORD RHODES PARKS & CO LLP
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312 / 313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI - 400 088

TELEPHONE : (91) 22 67979819
(91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frptax@vsnl.com

**Independent Auditor's Report to the members of Gayatri Cement & Chemical Industries
Private Limited**

Report on the Financial Statements for the year ended 31st March, 2018

We have audited the accompanying financial statements of Gayatri Cement & Chemical Industries Private Limited ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements 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 provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the



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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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164 (2) of the Act.



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- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. As per information and explanations given to us by the company there are no pending litigations as at 31st March, 2018.
 - ii. As represented by the company, there are no long-term contracts including derivative contracts having material foreseeable losses.
 - iii. As represented by the company there is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

For FORD RHODES PARKS & CO. LLP
Chartered Accountants
ICAI FR No. 102860W/W100089

A.D. Shenoy
Partner
Membership No.11549



Place: Mumbai
Date: 16th April, 2018

Annexure "A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirement' of our Report of even date to the financial statements for the year ended 31st March, 2018

- i. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
c) The title deed of an immovable property is held in the name of the company.
- ii. The company has no inventory of stocks and hence clause 3 (ii) of the order is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. The company has not granted any loans, guarantees and security under Section 185 and 186 of the Companies Act, 2013. All the investments in body corporate pertain to period prior to Companies Act, 2013.
- v. The company has not accepted deposits from public, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act 2013.
- vi. The Central Government has not prescribed for maintenance of cost records under section (1) of Section 148 of the Act. Accordingly clause 6 of the order is not applicable to the company.
- vii. a) According to the information and explanation given to us and records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income tax and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2018.
b) According to the information and explanations given to us and the records of the Company examined by us there are no dues relating to income tax and any other statutory dues as at 31st March 2018, which has not been deposited on account of dispute.
- viii. No loans have been taken from financial institutions and banks hence 3 (viii) of the Order is not applicable.
- ix. The Company has not raised any Initial Public Offer or further public offer and not obtained any term loan.



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- x. Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instance of fraud by the company or any fraud on the company by its officers or employees that have been noticed or reported during the year nor have we been informed of such a case by management.
- xi. During the year, no managerial remuneration has been paid since there are no employees in the company as such and hence clause 3 (xi) of the order is not applicable.
- xii. The Company is not a Chit Fund Company/or Nidhi/ mutual benefit fund/society.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. The company has not entered into non-cash transactions covered by Section 192 of Companies Act, 2013 with directors or persons connected with him.
- xvi. As per the information and explanations provided to us and based on the overall operations of the company, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For FORD RHODES PARKS & CO. LLP
Chartered Accountants
ICAI FR No. 102860W/W100089



A.D. Shenoy
Partner
Membership No.11549



Place: Mumbai
Date: 16th April, 2018

ANNEXURE B

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of Gayatri Cement & Chemical Industries Private Limited on the financial statements for the year ended 31st March, 2018]

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 Gayatri Cement & Chemical Industries Private 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 (IFCOFR) 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, 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 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 judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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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 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 our opinion to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For FORD RHODES PARKS & CO. LLP
Chartered Accountants
ICAI FR No. 102860W/W100089



A.D. Shenoy
Partner
Membership No.11549



Place: Mumbai
Date: 16th April, 2018

GAYATRI CEMENT & CHEMICAL INDUSTRIES PRIVATE LIMITED
Balance Sheet as at 31st March,2018

(Rupees)

Particulars		Note No.	As at 31.03.2018	As at 31.03.2017
1		2	3	4
I. EQUITY AND LIABILITIES :				
1 Shareholders' funds				
(a)	Share capital	A1	2,100,000	2,100,000
(b)	Reserves and surplus	A2	(18,615,807)	(18,134,010)
2 Non-current liabilities				
	Long-term liabilities	A3	16,673,433	16,673,433
3 Current liabilities				
(a)	Trade payables	A4	862,500	536,363
(b)	Short-term provisions		-	-
TOTAL			1,020,126	1,175,786
II. ASSETS :				
1 Non-current assets				
(a)	Fixed assets (Tangible Assets)	A5	618,183	686,870
(b)	Non-current investments	A6	361,037	361,037
2 Current assets				
(a)	Cash and cash equivalents	A7	40,906	127,879
(b)	Other current assets		0	0
TOTAL			1,020,126	1,175,786

Significant Accounting Policies
Notes forming part of the financial statements

A9
A1 to A10

As per our report of even date

For FORD RHODES PARKS & CO. LLP
Chartered Accountants
ICAI FR No.102860W/W100089

A.D.

A.D.Shenoy
Partner
Membership No :11549
Place: Mumbai
Date : 16th April, 2018



Director

Dinesh Waghela

S.S.

Director

S. S. Gulati

Place: Mumbai

Date : 16th April, 2018

GAYATRI CEMENT & CHEMICAL INDUSTRIES PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2018

(Rupees)

Particulars	Refer Note No.	As at 31.03.2018	As at 31.03.2017
I. Revenue from operations		39,327	9,101
II. Other income		-	-
III. Total Revenue (I + II)		39,327	9,101
IV. Expenses:			
Finance costs		396,051	396,001
Depreciation	A5	68,687	76,319
Other expenses	A8	56,385	92,699
Total expenses		521,123	565,019
V. Profit/(Loss) before tax		(481,797)	(555,918)
VI Tax expense:			
Current tax		-	-
Prior period		-	(35,000)
VII Profit/ (Loss) After Tax		(481,797)	(590,918)
VIII Earnings per equity share:			
(1) Basic		(22.94)	(28.14)
(2) Diluted		(22.94)	(28.14)
Significant Accounting Policies	A9		
Notes forming part of the financial statements	A1 to A10		

As per our report of even date

For FORD RHODES PARKS & CO. LLP
Chartered Accountants
ICAI FR No.102860W/W100089

A.D.Shenoy
Partner
Membership No :11549
Place: Mumbai
Date : 16th April, 2018



Director

Dinesh Waghela

Director

S. S. Gulati

Place: Mumbai

Date : 16th April, 2018

GAYATRI CEMENT & CHEMICAL INDUSTRIES PRIVATE LIMITED
Cash Flow Statement for the year ended 31st March 2018

		2017-18		2016-17	
Particulars		Amt in Rs.	Amt in Rs.	Amt in Rs.	Amt in Rs.
A	Cash Flow from Operating Activities				
	Net Profit Before Interest & Tax		(85,746)		(159,917)
Add	Adjustment for :				
	Depreciation		68,687		76,319
	Changes in Working capital		(17,059)		(83,598)
	Add: Increase In Current Liabilities	326,137		476,948	
	Decrease In Current Assets	0	309,078	85,000	478,350
	Less: Increase in Current Asstets	0		0	
	Decrease in Current Liabilities	0	0	0	0
	Net Cash flow from operating Activities	A	309,078		478,350
B	Cash Flow from Investing Activities				
	Sale of Non current Investment		0		0
	Net Cash flow from Investing Activities	B	0		0
C	Cash Flow from Financing Activities				
	Decrease in long term Borrowing		0		0
	Interest paid		(396,051)		(396,001)
	Net cash flow from Financing Activities	C	(396,051)		(396,001)
	Net increase / decrease in cash & Cash equivalents		(86,973)		82,349
	Cash & Cash equivalents at the beginning of the year		127,879		45,530
	Cash & cash equivalents at the end of the year		40,906		127,879

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Note : Standard on 'Cash Flow Statement (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.

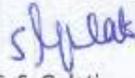
- Cash and cash equivalents for the purpose of cash flow statement comprise of bank balance.
- Previous year's figures have been regrouped/rearranged wherever considered necessary.

For FORD RHODES PARKS & CO. LLP
Chartered Accountants
ICAI FR No.102860W/W100089


A.D. Shenoy
Partner
Membership No :11549
Place: Mumbai
Date : 16th April, 2018



Director Dinesh Waghela


Director S. S. Gulati

Place: Mumbai
Date : 16th April, 2018

A1. Share Capital

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 100/- each	21,000	21,00,000	21,000	21,00,000
Issued, Subscribed & Paid up				
Equity Shares of Rs.100/- each	21,000	2,100,000	21,000	21,00,000
Total		2,100,000		21,00,000

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the year	21,000	21,00,000
Shares Issued during the year	-	0
Shares bought back during the year		0
Shares outstanding at the end of the year	21,000	21,00,000

Equity shares of the company have par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets. The distribution will be pro rata to the equity share held by the shareholder.

21,000 Equity Shares of Rs.100/ each (Previous year 21,000) are held by LKP Finance Ltd., the holding company.

Name of Shareholder	As at 31st March 2018		As at 31 March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
LKP Finance Limited	21,000	100.00	21,000	100.00

A2. Reserves & Surplus

(Rupees)

<u>Reserves & Surplus</u>	As at 31st March 2018	As at 31 March 2017
A. Break up of Reserves and movements thereon		
General Reserve		
Opening Balance	304,817	304,817
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	304,817	304,817
B. Deficit		
Opening balance	(18,438,827)	(17,847,909)
(+) Net Profit/(Net Loss) For the current year	(481,797)	(590,918)
Closing Balance	(18,920,624)	(18,438,827)
Total	(18,615,807)	(18,134,010)



A3. Long Term Liabilities		(Rupees)	
Other Long Term Liabilities	As at 31st March 2018	As at 31 March 2017	
(a) Security Deposit	15,023,433	15,023,433	
(b) Others	1,650,000	1,650,000	
Total	16,673,433	16,673,433	

A4. Trade Payables		(Rupees)	
	As at 31st March 2018	As at 31 March 2017	
Sundry Creditors	862,500	536,363	
Total	862,500	536,363	



A5 Fixed Assets (Rupees)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2017	Additions/ (Disposals)	Balance as at 31st March 2018	Balance as at 1 April 2017	Depreciation charge for the year	Balance as at 31st March 2018	Balance as at 31st March 2018	Balance as at 31 March 2017
Tangible Assets								
Buildings	5,770,056	-	5,770,056	5,087,234	68,282	5,155,516	614,540	682,822
Furniture and Fixtures	99,955	-	99,955	95,907	405	96,312	3,643	4,048
Total	5,870,011	-	5,870,011	5,183,141	68,687	5,251,828	618,183	686,870

Note : Cost of office premises includes cost of shares of Rs 250/- in Embassy Centre Premises Co-operative Society Ltd



A6. Non Current Investments		
Particulars	(Rupees)	
	As at 31st March 2018	As at 31 March 2017
Investments		
Investment in Equity instruments	1,665,940	1,665,940
Investment in Preference Shares	-	-
Total	1,665,940	1,665,940
Less : Provision for diminution in the value of investments	1,304,903	1,304,903
Total	361,037	361,037

Particulars	As at 31st March 2018	As at 31 March 2017
Aggregate amount of quoted investments [(Market value of Rs.20,86,739/- (Previous Year 19,62,942/-)]	1,463,740	1,463,740
Aggregate amount of unquoted investments	202,200	202,200

Details of Investments in Securities

Name of the Body Corporate	Subsidiary / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount	
		As at 31st March,2018	As at 31st March,2017			As at 31st March,2018	As at 31st March,2017
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments							
Asian Electronics	Others	10,000	10,000	Quoted	Fully Paid	265,900	265,900
Credit Capital Venture Ltd	Others	1,000	1,000	Quoted	Fully Paid	49,043	49,043
Everlon Synthetics Ltd	Others	11,531	14,000	Quoted	Fully Paid	135,877	135,877
IDBI Ltd	Others	1,500	1,500	Quoted	Fully Paid	244,005	244,005
Indus Network Ltd	Others	2,300	2,300	Quoted	Fully Paid	59,320	59,320
MRPL Ltd	Others	7,000	7,000	Quoted	Fully Paid	385,199	385,199
Sanghi Polyester Ltd	Others	10,000	10,000	Quoted	Fully Paid	124,484	124,484
Yes Bank Ltd	Others	700	700	Quoted	Fully Paid	199,912	199,912
Sub total Quoted						1,463,740	1,463,740
MKM Shares & Stock Brokers Ltd	Others	2000	2000	Unquoted	Fully Paid	6,200	6,200
Peak Plastonics Pvt Ltd	Others	490	490	Unquoted	Fully Paid	49,000	49,000
Seaglimpse Investments Pvt Ltd	Others	1470	1470	Unquoted	Fully Paid	147,000	147,000
Sub total Unquoted						202,200	202,200
Total						1,665,940	1,665,940



A7. Cash and cash equivalents

(Rupees)

Particulars	31st March,2018	31st March,2017
Balances with bank	40,906	127,879
	40,906	127,879

A8. Other Expenses

(Rupees)

Particulars	31st March,2018	31st March,2017
a. Audit fees	29,500	15,000
b. Legal & professional fees	21,240	10,870
c. Filing Fees	-	13,453
d. Bank Charges	471	46
e. Demat Expenses	1,174	3,329
g. General & Misc expenses	4,000	50,000
Total	56,385	92,699



Gayatri Cement & Chemical Industries Private Limited

Notes forming part of the financial statements for the year ended 31st March, 2018

A9. Significant Accounting Policies

1. **Basis of Accounting :** The financial accounts have been prepared on historical cost convention. The company follows the accrual basis of accounting. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of Section 133 of the Companies Act, 2013 read with Rule 7. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

The financial statements have been prepared under Schedule III of the Companies Act, 2013 notified by the Central Government.

2. The preparation of financial statements requires estimates and assumptions to be made the affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which they are known/materialized.
3. a) **Revenue Recognition :** Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.
b) Interest income is accounted on accrual basis.
4. **Fixed assets :** All fixed assets are stated at cost inclusive of legal and/or installation and incidental expenses less accumulated depreciation.
5. **Depreciation/Amortisation :** The company provides depreciation on WDV basis as per rates specified under Income Tax, 1961.
6. **Impairment of Assets :** Impairment losses, if any, are recognized in accordance with Accounting Standard 28 (AS28). When there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount and the same is charged to the Statement of Profit & Loss.
7. **Investment/Stock in Trade :** Securities which are intended to be held for one year or more are classified as Non Current Long Term investments. Investments are capitalized and accounted at the cost plus brokerage and stamp charges. Provision for diminution in value is made in case the same is other than temporary. Profit or losses on investments are accounted as and when realized.
8. a) **Current Tax :** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.



b) Deferred Tax : In accordance with Accounting Standard 22 " Accounting for Taxes on Income", the deferred tax for timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

9. Earnings Per Share: The company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – Earning Per Share. Basic earnings per share are computed by dividing the net profit/loss after tax by the weighted average number of equity shares outstanding during the year.

10. a) Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.

b) Contingent Assets are neither recognized nor disclosed.

A10. Notes to Accounts :

1. Contingent liability – not provided for

In Rupees	
F.Y. 2017-18	F.Y. 2016-17
Nil	Nil

2. Though the company's name indicates that the company is engaged in manufacturing activities, the company has no manufacturing facilities and hence additional information regarding licensed capacity; installed capacity, actual production and quantitative details of production, sales and closing stock does not arise.

3. There are no employees employed in the company.

4. In view of losses during current year, no provision for taxation is considered. Deferred Tax Assets has not been considered in the accounts in view of uncertainties of future taxable income of the company.

5. Related Parties transaction

a) Key management Personnel

Dinesh Waghela
S. S. Gulati with effect from 19.03.2018
J.A.Shah – upto 28.01.2018

b) Related parties

LKP Finance Limited – Holding Company
L.K.Panday – Partnership firm in which Director of Holding Company is interested
LKP Securities Limited – Enterprise in which Director of Holding Company is interested
Bhamini Doshi – Relative of Director of Holding Company



c) Transactions during the year

Party Name	Nature of Transaction	Opening Balance	During the year	Closing Balance
L.K.Panday	Sundry Creditor	260,000	300,000	560,000
Bhamini Doshi	Interest paid	-	396,051	-

6. Earnings per share: Earnings per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The number used in calculating basic and diluted earnings per equity shareholders are as stated below:

	As at 31.3.2018	As at 31.3.2017
Loss after Taxation	(481,797)	(590,918)
Number of Equity shares outstanding	21,000	21,000
Basic/ Diluted Earnings per share: (face value of Rs. 100 each)	(22.94)	(28.14)

7. The company's accumulated losses have far exceeded the share capital. However the company owns office premises in Nariman Point area whose market value is more than the accumulated losses. Further the company is the Wholly Owned Subsidiary of LKP Finance Limited. In view of the above the accounts have been prepared on going concern basis.
8. Provision for Diminution in value of investments: There has been no diminution in the value of quoted investments as compared to Market value as at 31st March, 2018. However the company continues to hold provision made in the earlier years which is no longer required.
9. The company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2018.
10. Previous year's figures are rearranged / reclassified wherever necessary.

As per our report of even date
For FORD RHODES PARKS & CO. LLP
Chartered Accountants
ICAI FR No. 102860W/W100089

A.D.

A.D.Shenoy
Partner
Membership No. 011549



Date : 16th April, 2018
Place : Mumbai

For and on behalf of the Board

Director Dinesh Waghela

S.S. Gulati

Director S. S. Gulati

Date : 16th April, 2018
Place : Mumbai