

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMEBERS of ALLAHABAD CANNING LIMITED

#### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Allahabad Canning Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 (2<sup>nd</sup> Para). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 standalone financial statements.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us; 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

## Other Matters

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2016 in these standalone financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by another auditor whose report for the year ended 31<sup>st</sup> March, 2016 respectively expressed an unmodified opinion on those standalone financial statements.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 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 it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid 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 the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 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 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) Amendment Rules, 2017, in our opinion and to the 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 financial statements – refer note 25 to the financial statements
  - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
  - iii. The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Company during the year.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in the Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management- Refer Note No.29

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



(ADITYA SINGHI)  
Partner

Membership No. 305161



Place: Kolkata

Date:

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

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of **Allahabad Canning Limited** for the year ended 31<sup>st</sup> March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed Assets of the Company were physically verified during the year by the management, wherever possible. According to the information and explanations given to us no material discrepancies were noticed on such verification carried on by the management.
  - (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.
- ii. According to the information and explanation given to us, the inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not made any loans or investments during the year. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- vi. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues during the year by the Company with the appropriate authorities and no such dues were in arrears, as at 31<sup>st</sup> March, 2017 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 examined by us, the dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31<sup>st</sup> March, 2017 which have not been deposited on account of dispute and the forum where the disputes are pending are as under:

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Sl. No.	Brief Particulars	Assessment year	Claim amount (Rs. In Lakhs)	Court / Forum / Case number
1	Demand raised by A C Under CST	1996-97 (Central)	0.20	Assistant Comm. (A)
2	Demand raised as few stock transfers has been treated as Central Sale. Though at the time of assessment Form 'F' was not deposited and non receipt of Form 'C'	1993-94 (Central)	0.37	Joint Comm. (Appeals)
3	Demand raised as few stock transfer has been treated as Central Sale in absence of Form 'F' and non receipt of Form 'C'	1997-98 (Central)	1.08	Joint Comm. (Appeals)
4	Demand raised as few stock transfer has been treated as Central Sale in absence of Form 'F' and non receipt of Form 'C'	1999-00 (Central)	2.61	Allahabad High Court
5	Demand raised as few stock transfers has been treated as Central Sale. Though at the time of assessment Form 'F' was not deposited and non receipt of Form 'C'	2000-01 (Central)	1.08	Allahabad High Court
6	Allahabad Canning V/s Directors of ESIC, Kanpur The case was filled due to the recovery notice sent under section 5 of the Revenue Recovery Act, 1950 for the recovery of contribution under section 45-b of the ESI Act,1939 (as amended)		4.64	Special appeal before the Chief Justice Allahabad High Court for hearing
	<b>TOTAL</b>		<b>9.98</b>	

- viii. Based on our audit procedures and on the basis of information and explanations given by the management, the Company did not have any outstanding debentures or dues to the financial institutions/Bank during the year.
- ix. According to the information and explanations given to us by the management, the Company has not availed any term loans, and hence, the requirements of clause (ix) of the above Order are not applicable to the company.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. 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.
- xiv. 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.
- xv. 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, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

AS

  
(ADITYA SINGHI)  
Partner

Membership No. 305161

Place: Kolkata

Date:

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

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of Allahabad Canning Limited for the year ended 31<sup>st</sup> March 2017, we report that:

We have audited the internal financial controls over financial reporting of Allahabad Canning Limited ("the Company") as of 31<sup>st</sup> March 2017 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 ('ICAI'). 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 Act.

**AUDITOR'S 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 ICAI. 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.

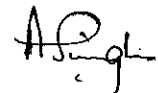
## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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 31<sup>st</sup> March 2017, 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 ICAI.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



(ADITYA SINGHI)  
Partner

Membership No. 305161



Place: Kolkata

Date:

# Allahabad Canning Limited

Balance Sheet as on 31 March 2017

₹ in lakhs

	Notes	As at 31 March 2017	As at 31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	1,098.46	5.00
Reserves and Surplus	4	109.61	(1.11)
		<b>1,208.07</b>	<b>3.89</b>
<b>Non-current Liabilities</b>			
Other long-term liabilities	5	67.12	-
Long-term provisions	6	20.69	-
		<b>87.81</b>	<b>-</b>
<b>Current Liabilities</b>			
Short-term borrowings	7	191.04	-
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8	465.05	0.06
Other current liabilities	8.1	111.23	-
Short-term provisions	6	119.71	-
		<b>887.03</b>	<b>0.06</b>
<b>Total</b>		<b>2,182.91</b>	<b>3.95</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property Plant and Equipment			
Tangible Assets	9	171.44	-
Non-current Investments	10	0.01	-
Loans and advances	11	4.34	-
Other non-current assets	11	0.80	-
		<b>176.59</b>	<b>-</b>
<b>Current Assets</b>			
Inventories	12	1,266.87	-
Trade Receivables	13.1	354.01	-
Cash and bank balances	14	315.96	3.95
Loans and advances	11	61.93	-
Other current assets	13.2	7.55	-
		<b>2,006.32</b>	<b>3.95</b>
<b>Total</b>		<b>2,182.91</b>	<b>3.95</b>
Summary of significant accounting policies	34		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Singhi & Co.**

Chartered Accountants

Firm Registration No : 302049E

Partner : Aditya Singhi

Membership No.: 305161

Place : Kolkata

Date : 29.05.2017



**For and on behalf of the board of directors**

Dilip Patodia

Director

DIN No 00482435

Chand Bihari Patodia

Managing Director

DIN No 01389238

Santosh Srivastava

Chief Financial Officer

# Allahabad Canning Limited

## Statement of Profit and Loss for the year ended 31 March 2017

		₹ in lakhs	
	Notes	Year ended 31 March 2017	Year ended 31 March 2016
<b>INCOME</b>			
Revenue from Operations (gross)	15	3,770.68	-
Less : Excise duty		33.02	-
Revenue from Operations (net)		3,737.66	-
Other Income	16	31.69	-
<b>Total Revenue (I)</b>		<b>3,769.35</b>	-
<b>EXPENSES</b>			
Cost of Materials consumed	17	938.90	-
Purchase of Traded Goods - Food Processing Products		738.86	-
Decrease / (Increase) in inventories of Finished Goods, Traded Goods and Work in Progress	18	102.44	-
Employee benefits expenses	19	595.94	-
Other expenses	20	1,332.74	0.61
<b>Total (II)</b>		<b>3,708.88</b>	<b>0.61</b>
<b>Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]</b>		<b>60.47</b>	<b>(0.61)</b>
Depreciation expense	21	15.32	-
Finance Costs	22	13.27	-
<b>Profit / (Loss) before tax</b>		<b>31.88</b>	<b>(0.61)</b>
Current tax		6.75	-
<b>Total tax expenses</b>		<b>6.75</b>	-
<b>Profit (Loss) after tax</b>		<b>25.13</b>	<b>(0.61)</b>
₹			
<b>Earnings per equity share</b>	23		
[Nominal value of share ₹10]			
<b>Basic &amp; Diluted</b>		<b>0.23</b>	<b>(1.22)</b>
Summary of significant accounting policies	34		

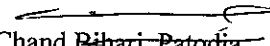
The accompanying notes are an integral part of the financial statements.  
As per our report of even date


**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No : 302049E

  
Partner : Aditya Singhi  
Membership No :305161  
Place : Kolkata  
Date :29.05.2017

**For and on behalf of the board of directors**

  
Dilip Patodia  
Director  
DIN No 00482435

  
Chand Bihari Patodia  
Managing Director  
DIN No 01389238

  
Santosh Srivastava  
Chief Financial Officer



# Allahabad Canning Limited

Cash Flow Statement for the year ended 31 March 2017

₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>CASH FLOW FROM OPERATING</b>		
<b>(A) ACTIVITIES :</b>		
Profit / (Loss) before tax	31.87	(0.61)
Adjustment to reconcile profit / (loss) before tax to net		
Depreciation and Amortization expenses	15.32	-
Finance Costs	13.27	-
Provision for warranties & claims	2.98	-
Unspent liabilities, provision no longer required and	(19.53)	-
Interest Income	(0.69)	-
<b>Operating Profit / (Loss) before Working Capital</b>	<b>43.22</b>	<b>(0.61)</b>
Increase / (Decrease) in Trade and other payables	111.69	(0.44)
(Increase)/ Decrease in Trade and other receivables	41.22	-
(Increase)/ Decrease in Inventories	73.13	-
<b>Net cash from / (used in) Operating Activities</b>	<b>269.26</b>	<b>(1.05)</b>
<b>NET CASH FROM / (USED IN) OPERATING</b>	<b>269.26</b>	<b>(1.05)</b>
<b>ACTIVITIES</b>		
<b>(B) CASH FLOW FROM INVESTING</b>		
<b>ACTIVITIES :</b>		
Purchase of Tangible Assets including CWIP	(58.29)	-
Interest Received	0.69	-
<b>Net cash used in Investing Activities</b>	<b>(57.60)</b>	<b>-</b>
<b>NET CASH USED IN INVESTING</b>	<b>(57.60)</b>	<b>-</b>
<b>ACTIVITIES</b>		
<b>(C) CASH FLOW FROM FINANCING</b>		
<b>ACTIVITIES :</b>		
Proceeds from Short-term Borrowings (net)	57.15	-
Interest Paid	(13.27)	-
<b>Net cash from Financing Activities</b>	<b>43.88</b>	<b>-</b>
<b>Net Cash used in Financing Activities</b>	<b>43.88</b>	<b>-</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>255.54</b>	<b>(1.05)</b>
<b>(A+B+C)</b>		
Cash & Cash Equivalents at the beginning of the year	3.95	5.00
Transferred pursuant to Scheme of Arrangement (note 2)	56.47	-
Cash & Cash Equivalents at the end of the year	315.96	3.95

## Notes

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 Cash Flow Statement.

2. The deposits maintained by the bank comprises of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.

3. Cash and cash equivalents includes Rs 0.79 lakhs available for restricted use. The restrictions are mainly on account of deposit with banks held as margin money deposit against bank guarantees.

4. Previous years' figures have been rearranged and regrouped, wherever necessary.

**For Singhi & Co.**

Chartered Accountants

Firm Registration No : 302049E

Partner : Aditya Singhi  
Membership No. : 305161  
Place : Kolkata  
Date : 29.05.2017



Dilip Patodia  
Director  
DIN No 00482435

Chand Bihari  
Patodia  
Managing Director  
DIN No 01389238

Santosh Srivastava  
Chief Financial Officer

## Allahabad Canning Limited

### 24. Notes to financial statements as at and for the year ended 31 March 2017

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#### 1. Corporate Information

Allahabad Canning Limited (the Company) was incorporated on 19th March, 2015 as a Subsidiary Company of The Oudh Sugar Mills Limited (OSML). Consequent to a Composite Scheme of Arrangement approved by the National Company Law Tribunal (NCLT) on 2nd March 2017 and filing of NCLT Order with the Registrar of Companies, Kanpur, the Food Processing business undertaking located at Allahabad (hereinafter referred to as "Food Processing business undertaking") in the state of Uttar Pradesh of The Oudh Sugar Mills Limited (OSML) is first transferred to Palash Securities Limited (PSL) via demerger and is subsequently transferred as slump sale with the Company from the appointed date i.e. 1st April 2015.

The main object of the Company is to process, trade and deal in Food stuff.

#### 2. Basis of Preparation

- (i) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 under the historical cost convention except for impact of the Scheme of arrangement taken at book value as detailed in Note 2(ii) below and on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policies explained below.

In accordance with the Scheme of Arrangement, the assets and liabilities of Food Processing business undertaking has been acquired and accounted for at book value in these financial statements as further disclosed in Note 2 (ii) below.

#### (ii) Scheme of Arrangement

- a) Pursuant to the Composite Scheme of Arrangement ("the Scheme") between The Oudh Sugar Mills Limited (hereinafter referred to as OSML) and Palash Securities Limited (hereinafter referred as PSL) and Allahabad Canning Limited, as approved by the National Company Law Tribunal on 1st April 2015 under the provisions of Companies Act, 1956 and applicable provisions of Companies Act, 2013, the Food Processing Undertaking of OSML had been transferred to PSL and then from PSL it has been transferred and vested in Allahabad Canning Limited with effect from 01.04.2015( the appointed date).The Certified copy of the order sanctioning the said Scheme was filed with the Registrar of Companies, Kanpur on 22nd March 2017.

The Salient Features of the scheme are as under:

- i) OSML is engaged in the business of manufacture and sell of sugar and in the business of Food Processing and investment in listed and unlisted securities.PSL has its main object to carry on the business of Food Processing and investment in listed and unlisted securities.With effect from the appointed date all the assets and liabilities of PSL pertaining to the Food Processing Business Undertaking has been incorporated in the books of the Company at their respective book values in accordance with pooling of interest method
- ii) In terms of the Scheme,the Company has issued 1,09,34,588 fully paid up equity shares of ₹ 10/- each (at par) to PSL, aggregating to ₹ 1,093.46 lakhs, as consideration for the transfer and vesting of food processing business undertaking.



- iii) Pursuant to the Scheme, the difference between the book value of assets and liabilities of the Food Processing Business Undertaking and value of shares issued to PSL, an amount of Rs.7.54 lakhs has been credited to Capital Reserve.
- iv) Pending completion of relevant formalities of transfer in/out of certain assets and liabilities, such assets and liabilities remain to be transferred in the name of the Company. Further the charges created in favour of secured lenders are in the process of modification for the assets transferred.
- b) The details of assets and liabilities as on 1st April 2015 transferred from PSL (OSML) are as under:

	(₹ in lakhs)
	<b>Transferred from PSL</b>
<b>Assets</b>	
<b>Non-current Assets</b>	
Fixed Assets	
Tangible Assets	102.27
Capital Work-in-progress	30.85
Non-current Investments	0.01
Deferred tax asset (net)	19.16
Loans and Advances	1.44
Other Assets	0.80
	<u>154.53</u>
<b>Current Assets</b>	
Inventories	1,400.12
Trade Receivables	170.50
Cash and Bank Balances	71.38
Loans and Advances	101.93
Other Assets	6.70
	<u>1,750.63</u>
<b>Total Assets</b>	<u>1,905.16</u>
<b>Liabilities</b>	
<b>Non-current Liabilities</b>	
Other Long-term Liabilities	60.04
Long-term Provisions	18.79
	<u>78.83</u>
<b>Current Liabilities</b>	
Short-term Borrowings	130.91
Trade Payables	447.84
Other Liabilities	109.06
Short-term Provisions	37.52
	<u>725.33</u>
<b>Total Liabilities</b>	<u>804.16</u>





## 2.1 Summary of Significant Accounting Policies

### a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and cumulative impairment losses determined, if any. The cost comprises the purchase price inclusive of duties, taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on an existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Items of spares & stores that meet the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life.



**c) Depreciation on Property, plant and equipments**

Depreciation on Property, plant and equipment is provided under Straight Line basis using the rates arrived at based on the useful lives as prescribed under Schedule II of The Companies Act,2013.

Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

**d) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and cumulative impairment losses, if any.

Intangible assets being specified software are amortised on a straight line basis over a period of 5 years.

**e) Leases**

**Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

**Finance Lease**

Property, Plant and Equipment acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

**f) Borrowing Costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



**g) Impairment of Property, plant and equipment**

The carrying amounts of Property, Plant and Equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**h) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**i) Inventories**

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method / moving average method.

Work in Progress, Finished goods and Traded goods are valued at lower of cost and net realizable value. Work in Progress, Finished goods and Traded goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



**j) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods. The Company collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these not being economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty and Cess deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Insurance and other claim are accounted for on acceptance basis.

**k) Retirement and other Employee Benefits**

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected service.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

**l) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.



The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which give rise to future economic benefit in the form of tax credit against future income tax liability, is recognised in the Balance Sheet if there is convincing evidence to the effect that the Group will pay normal income tax during the specified period.

**m) Earnings Per Share**

Basic Earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**n) Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

**o) Excise Duty**

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of stocks as on the reporting date.



**p) Provisions**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

**q) Foreign Currency Transactions and Derivatives**

a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions are translated at year end exchange rates. The difference in translation and realised gains/losses are recognised in Statement of Profit and Loss.

b) In respect of items covered by foreign exchange contracts, the premium or discount arising at the date of inception of such a forward exchange contract is amortised as expenses or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised in Statement of Profit and Loss.

**r) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 3. Share Capital

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Authorised:</b>		
1,15,00,000 (50000) Equity Shares of ₹ 10/- each	1,150.00	5.00
<b>Total</b>	<b>1,150.00</b>	<b>5.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,09,84,588 (50,000) Equity Shares of ₹10/- each	1,098.46	5.00
<b>Total</b>	<b>1,098.46</b>	<b>5.00</b>

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	As at 31 March 2017		As at 31 March 2016	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
<b>Equity Shares of ₹ 10/- each</b>				
Outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Issued during the year (Refer Note 2)	1,09,34,588	1,093.46	-	-
Outstanding at the end of the year	1,09,84,588	1,098.46	50,000	5.00

### (b) Terms / rights attached to Equity Shares:

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.

### (c) Details of shareholders holding more than 5% shares in the company:

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity Shares of ₹ 10/- each</b>	1,09,84,588	100%	50,000	100%
Palash Securities Ltd.	1,09,84,588	100%	-	-
The Oudh Sugar Mills Limited	-	-	50000	100%

As per records of the Company, including its register of Shareholders / Members, the above share holdings represent legal ownership of shares.

### (d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date;

Name of the shareholder	As at 31st March 2017	As at 31st March 2016
Equity Shares allotted as fully paid up pursuant to the Scheme [ Note 2 (ii) ]	1,093.46	-



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 4. Reserves and Surplus

	As at 31 March 2017	As at 31 March 2016
<b>Capital Reserve</b>		
Arisen pursuant to Scheme of Arrangement [note 2(ii) (d) ]	7.54	-
<b>Surplus / (Deficit) in the Statement of Profit or Loss</b>		
Balance as per last financial statements	(1.11)	(0.50)
Add : Profit / (Loss) for the year	25.13	(0.61)
Add : Impact of the Scheme related to earlier period [Note 2(ii)(f)]	78.05	-
<b>Net Surplus / (Deficit) in the Statement of Profit or Loss</b>	<b>102.07</b>	<b>(1.11)</b>
<b>Total Reserves and Surplus</b>	<b>109.61</b>	<b>(1.11)</b>

## 5. Other Long-term Liabilities

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Trade and other deposits	67.12	-
	<b>67.12</b>	<b>-</b>

## 6. Provisions

	Non Current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>Provision for employee benefits</b>				
Gratuity	20.69	-	13.13	-
Leave	-	-	30.37	-
	<b>20.69</b>	<b>-</b>	<b>43.50</b>	<b>-</b>
<b>Other provisions</b>				
For income tax	-	-	70.15	-
For warranties	-	-	6.06	-
	<b>-</b>	<b>-</b>	<b>76.21</b>	<b>-</b>
	<b>20.69</b>	<b>-</b>	<b>119.71</b>	<b>-</b>

### Provision for warranties

A provision is recognised for expected warranty claims on products based on the management's estimate computed on the basis of past experience. It is expected that the entire provision will be utilized within one year of the reporting date, since the warranty is generally for one year. The table below gives information about movement in warranties provisions.

	As at 31 March 2017	As at 31 March 2016
At the beginning of the year	6.29	-
(Transfer pursuant to Scheme of arrangement (note 2))	-	-
Add : Additions during the year	2.98	-
Less : Utilised / written back during the year	3.21	-
<b>At the end of the year</b>	<b>6.06</b>	<b>-</b>



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 7. Short-term borrowings

SECURED	As at	As at
	31 March 2017	31 March 2016
Cash credit from a Bank (repayable on demand)	191.04	-
	<b>191.04</b>	<b>-</b>

Cash Credit limit from a bank, carry interest rate in the range of 11.65% to 12.3% p.a., is secured/ to be secured by way of hypothecation of the entire current assets of the Company and also by the first charge on the fixed assets of the Company both present and future, subject to modification of terms and condition by the said bank in terms of Scheme of Arrangement approved by Hon'ble NCLT dated 2nd March 2017 , Ref Note 2 (ii).

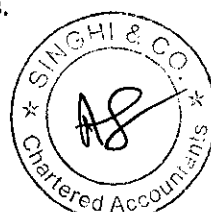
The above, at present is secured against current assets and pledge of equity shares of erstwhile ,The Oudh Sugar Mills Limited and by way of hypothecation of entire current assets of the company.

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>8. Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (Ref note 30)		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	465.05	0.06
<b>8.1 Other current liabilities</b>		
Payable to employees	67.57	-
Advance from Customers	18.33	-
Others -		
Statutory dues	14.97	-
Excise duty on closing stock	10.36	-
	<b>111.23</b>	<b>-</b>
	<b>576.28</b>	<b>0.06</b>

## 10. Non-current investments

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Non Trade</b> (valued at cost unless stated otherwise)		
<b>Unquoted (fully paid)</b> <b>In Government Securities</b>		
6 Years National Saving Certificates *	0.01	-
	<b>0.01</b>	<b>-</b>

\* deposited / pledged with various Government authorities.



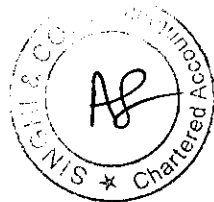
## Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

### 9. PROPERTY, PLANT AND EQUIPMENT

Tangible assets

	Freehold Land	Buildings	Plants and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Gross block</b>								
<b>At 1 April 2016</b>	-	-	-	-	-	-	-	-
Transfer pursuant to Scheme of arrangement	0.25	61.46	146.04	11.73	5.82	12.16	0.10	237.56
Additions	-	47.40	3.07	0.99	-	6.83	-	58.29
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>0.25</b>	<b>108.86</b>	<b>149.11</b>	<b>12.72</b>	<b>5.82</b>	<b>18.99</b>	<b>0.10</b>	<b>295.85</b>
<b>Depreciation</b>								
<b>At 1 April 2016</b>	-	-	-	-	-	-	-	-
Transfer pursuant to Scheme of arrangement	-	26.94	57.49	9.28	3.72	11.56	0.10	109.09
Charge for the year	-	1.25	11.87	1.11	0.23	0.86	-	15.32
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>-</b>	<b>28.19</b>	<b>69.36</b>	<b>10.39</b>	<b>3.95</b>	<b>12.42</b>	<b>0.10</b>	<b>124.41</b>
<b>Net block</b>								
<b>At 31 March 2017</b>	<b>0.25</b>	<b>80.67</b>	<b>79.75</b>	<b>2.33</b>	<b>1.87</b>	<b>6.57</b>	<b>-</b>	<b>171.44</b>



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 11. Loans and advances

	Non Current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>(Unsecured, considered good except stated otherwise)</b>				
Sundry Deposits	4.34	-	2.65	-
Supplier Advance	-	-	55.89	-
Other loans and advances				
Deposits against demand under appeal and / or under dispute	-	-	1.50	-
Prepaid expenses	-	-	0.56	-
Balances with Government Authorities	-	-	1.33	-
	-	-	3.39	-
	4.34	-	61.93	-

## 12. Inventories

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Valued at lower of cost and net realisable value</b>		
Raw materials	48.71	-
Work in Progress	50.77	-
Finished goods	796.35	-
Traded goods	241.44	-
Stores, chemicals and spare parts etc.	129.60	-
	<b>1,266.87</b>	-

## 13. Trade receivables and other assets

### 13.1 Trade receivables

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	11.54	-
Considered doubtful	1.00	-
	12.54	-
Less : Provision for doubtful trade receivables	1.00	-
	<b>11.54</b>	-
<b>Other receivables</b>		
Secured, considered good	78.31	-
Unsecured, considered good	264.16	-
	<b>342.47</b>	-
	<b>354.01</b>	-



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 13.2 Other assets

	₹ in lakhs			
	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March
<b>(Unsecured, considered good)</b>				
Interest accrued on FDR	-	-	0.78	-
Claims and refunds receivable towards incentives	-	-	6.77	-
	-	-	<b>7.55</b>	-

## 14. Cash and bank balances

	₹ in lakhs			
	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>Cash and cash equivalents</b>				
Balance with banks				
On current accounts	-	-	13.10	3.92
Cheques / drafts on hand	-	-	252.70	-
Cash on hand	-	-	0.69	0.03
	-	-	<b>266.49</b>	<b>3.95</b>
<b>Other bank balances *</b>				
Deposits with original maturity of more than twelve months	0.80	-	-	-
Deposits with original maturity of more than three months and not more than twelve months	-	-	49.47	-
	0.80	-	49.47	-
	<b>0.80</b>	-	<b>315.96</b>	<b>3.95</b>

\* pledged / lodged with various Government authorities.

## 15. Revenue from operations

	₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Revenue from operations</b>		
Sale of products		
Finished goods - Food processing products	2,635.88	-
Traded goods - Food processing products	1,193.16	-
	3,829.04	-
Less : Claims, Rebates etc.	62.07	-
	<b>3,766.97</b>	-
<b>Other operating revenue</b>		
Export incentives	3.71	-
<b>Revenue from operations (gross)</b>	<b>3,770.68</b>	-
Less : Excise duty	33.02	-
<b>Revenue from operations (net)</b>	<b>3,737.66</b>	-



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 16. Other income

	₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Interest income on bank deposits	0.69	-
Insurance and other claims	11.47	-
Unspent liabilities, provision no longer required and unclaimed balances adjusted	19.53	-
	<u>31.69</u>	<u>-</u>

## 17. Cost of materials consumed

	₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Inventory at the beginning of the year	41.60	-
Add : Purchases	<u>946.01</u>	<u>-</u>
	987.61	-
Less : Inventory at the end of the year	<u>48.71</u>	<u>-</u>
	<u>938.90</u>	<u>-</u>

## 18. Decrease / (Increase) in inventories of finished goods, traded goods and work in progress

	Year ended 31 March 2017	Year ended 31 March 2016
Inventories at the end of the year		
Finished goods - Food processing products	796.35	-
Traded goods - Food processing products	241.44	-
Work in Progress - Food processing products	50.77	-
	<u>1,088.56</u>	<u>-</u>
Inventories at the beginning of the year (Including acquired pursuant to Scheme of Arrangement) Ref Note (2)		
Finished goods - Food processing products	769.97	-
Traded goods - Food processing products	379.03	-
Work in Progress - Food processing products	41.06	-
	<u>1,190.06</u>	<u>-</u>
	<u>101.50</u>	<u>-</u>
Increase / (Decrease) of excise duty on inventories	0.94	-
	<u>102.44</u>	<u>-</u>

## 19. Employee benefits expense

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages, bonus etc.	510.92	-
Contribution to provident & other funds		-
Provident Fund	45.05	-
Gratuity Fund	7.25	-
ESI fund	13.87	-
Employee's welfare expenses	66.17	-
	<u>18.85</u>	<u>-</u>
	<u>595.94</u>	<u>-</u>



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 20. Other expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Consumption of store, chemicals and spares	73.86	-
Packing Materials	640.06	-
Power & Fuel	93.92	-
Repairs to and maintenance of :	-	-
Buildings	4.21	-
Machinery	6.66	-
Others	2.41	-
Rent	1.14	-
Rates & Taxes	0.95	-
Insurance	11.61	-
Payment to Statutory Auditors		
As statutory Auditors	3.00	0.06
In other capacity	-	0.04
Loss on exchange rate fluctuations	1.31	-
Commission on sales	67.55	-
Freight & forwarding charges etc.	276.51	-
Provision for warranties and claims	2.98	-
Miscellaneous expenses	146.57	0.51
	<u>1,332.74</u>	<u>0.61</u>

## 21. Depreciation expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of tangible assets	15.32	-
	<u>15.32</u>	<u>-</u>

## 22. Finance costs

	Year ended 31 March 2017	Year ended 31 March 2016
Interest	13.27	-
	<u>13.27</u>	<u>-</u>

## 23. Earning per share (EPS)

	Year ended 31 March 2017	Year ended 31 March 2016
Profit / (Loss) after tax (for calculation of basic and diluted EPS)	25.13	(0.61)
	<u>Nos.</u>	<u>Nos.</u>
Weighted average number of equity shares in calculating basic & diluted EPS (note 2c)	1,09,84,588	50,000
<b>Earning per equity share (Nominal value of share ₹ 10)</b>		
Basic & Diluted	0.23	(1.22)



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 24. Leases

### Operating lease:

Certain office premises, godowns etc. are held on operating lease. The leases range upto 3 years and are renewable either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

	₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Lease payments made for the year	1.14	-

## 25. Contingent liabilities ( not provided for)

	₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
(a) Demands / claim by various Government authorities and others not acknowledged as debt and contested by the Company (note 2):		
(i) Sales Tax	5.33	-
(ii) A case was filled by the ESI authorities for recovery of contribution in Allahabad High Court, pending for hearing	4.64	
(iii) Recovery case filled by Defence Authorities	3.61	8.25
(b) Bank Gurantees outstanding	88.76	-
	<u>102.34</u>	<u>-</u>

## 26. Expenditure in foreign currency (accrual basis)

	₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Selling Commission	2.04	-

## 27. Gratuity - Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## Statement of profit and loss

### Net employee benefit expense recognized in employee costs

	Year ended 31.03.2017 ₹ in lacs	Year ended 31.03.2016 ₹ in lacs
Current service cost	6.21	
Interest cost on benefit obligation	7.95	
Expected return on plan assets	(5.68)	
Net actuarial (gain) / loss recognized in the year	(1.23)	
<b>Net benefit expense</b>	<b>7.25</b>	<b>-</b>
Actual return on plan assets	5.59	

## Balance sheet

### Net Benefit liability / (asset)

	Year ended 31.03.2017 ₹ in lacs	Year ended 31.03.2016 ₹ in lacs
Present value of defined benefit obligation	114.07	
Fair value of plan assets	80.25	
<b>Plan liability / (asset)</b>	<b>33.82</b>	<b>-</b>

### Changes in the present value of the defined benefit obligation are as follows :

	Year ended 31.03.2017 ₹ in lacs	Year ended 31.03.2016 ₹ in lacs
Opening defined benefit obligation	103.98	-
Current service cost	6.21	
Interest cost	7.95	-
Benefits paid	(2.75)	
Actuarial (gains) / losses on obligation	(1.32)	
<b>Closing defined benefit obligation</b>	<b>114.07</b>	<b>-</b>

### Changes in the fair value of plan assets are as follows

	Year ended 31.03.2017 ₹ in lacs	Year ended 31.03.2016 ₹ in lacs
Opening fair value of plan assets	71.87	
Expected return	5.68	
Contributions by employer	5.54	
Benefits paid	(2.75)	
Actuarial gains / (losses)	(0.09)	
<b>Closing fair value of plan assets</b>	<b>80.25</b>	<b>-</b>

The Company expects to contribute ₹25 lacs (₹ lacs) to Gratuity Fund in the next year.



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## The major categories of plan assets as a percentage of the fair value of total plan assets

	Year ended 31.03.2017
	₹ in lacs
Investments with insurer	100%

## The principal assumptions are shown below :

	Year ended 31.03.2017
	₹ in lacs
Discount rate	7.80%
Expected rate of return on assets	9.00%
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees

## 31st March 2017

Gratuity	
Defined benefit obligation	114.07
Plan assets	80.25
Surplus / (deficit)	(33.82)
Experience (gain) / loss adjustments	(4.21)
Experience gain / (loss) adjustments	(0.09)

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the year over which the obligation is to be settled.

Figures for the year 2016 pertaining to Gratuity has not been shown as this was being the first year for the Company pursuant to Scheme of Arrangement as detailed in note in 2.

### Defined Contribution Plan :

The Company has recognised the following amount as an expense and included under, "Contribution to Provident & Other Funds".

	31st March 2017	
Contribution to Provident / Pension Funds	45.05	-
Contribution to ESI Fund	13.87	
	<b>58.92</b>	<b>-</b>

## 28. HEDGING CONTRACTS

The Company does not use the foreign exchange forward contracts for trading or speculation purposes.

Un- hedge foreign currency exposures

Details	31st March 2017	31st March 2016
Receivables		
( In Rs Lacs)	72.53	-
(USD in lacs)	1.10	-



## Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

29 The details of Specified Bank Notes (SBNs) held and transacted during the period 8th November 2016 to 30th December 2016 are as under:

	SBNs	Other	Total
Closing cash in hand as at 8th November 2016	42,500.00	3,16,126.76	3,58,626.76
Add : Permitted receipts *	-	12,20,000.00	12,20,000.00
Less : Permitted payments	-	12,48,535.90	12,48,535.90
Less : Amount deposited in Banks	42,500.00		42,500.00
Closing cash in hand as at 30th December 2016	-	2,87,590.86	2,87,590.86

30. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade Payables

	As at 31 March 2017	As at 31 March 2016
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises		
(i) The principal amount and the interest thereon remaining unpaid to the supplier as at end of accounting year	-	-
Interest thereon	-	-
(ii) Total amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii) Total amount of interest due and payable for the period delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year		
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest due as above are actually paid to small enterprises for the purpose of disallowance as deductible under section 23 of MSMED Act 2006	-	-

31. The company has not recognised the Deferred Tax Assets as on reporting date.

The breakup of Deferred Tax Liability and asset are as under;

	31st March 2017	in Rs Lacs 31st March 2016
<b>Deferred Tax Liability</b>		
Property, Plant and Equipment : Impact of difference between tax depreciation and depreciation charged for the financial	36.45	
<b>Gross deferred tax liability</b>	<b>36.45</b>	
<b>Deferred Tax assets</b>		
Expenses allowable against taxable income in futures	42.50	
<b>Gross deferred tax assets</b>	<b>42.50</b>	
<b>Net deferred tax assets</b>	<b>6.05</b>	



# Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2017

## 32. Related Party Disclosures

### Names of related Parties and related party relationship

#### Related parties with whom transactions have taken place during the year

Key Management Personnel	Shri Chandra Shekhar Nopany	-Director of Palash Securities Ltd (Holding Co)
	Shri Dilip Patodia	-Director
	Shri Santosh Srivastava	-Chief Financial Officer

Enterprises owned or significantly influenced by key management personnel or their relatives  
Avadh Sugar and Energy Limited

#### Related party transaction

The following table provide the total amount of transactions that have been entered into with related parties for the reporting year :

Particulars	Purchase	
	31.03.2017	31.03.2016
Avadh Sugar and Energy Limited	307.20	-

33. Previous year's figure have been regrouped/ rearranged wherever necessary. Further, the current year figure being inclusive the figures of business undertaking of Allahabad Canning Company, pursuant to the Scheme [Note 2 (ii)] are not comparable with the previous year's figures.

#### For Singhi & Co.

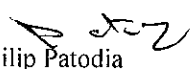
Chartered Accountants

Firm Registration No : 302049E

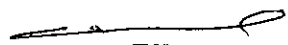


Partner : Aditya Singhi  
Membership No. : 305161  
Place : Kolkata  
Date :29.05.2017


#### For and on behalf of the board of directors



Dilip Patodia  
Director  
V No 00482435



Chand Bihari Patodia  
Managing Director  
DIN No 01389238



Santosh Srivastava  
Chief Financial Officer

