

### INDEPENDENT AUDITOR'S REPORT

#### To the Members of Allahabad Canning Limited Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of Allahabad Canning Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 March 31, 2019, its profit and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

##### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

##### Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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. 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 the 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.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## 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 1" 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 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
  - (h) 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, as amended 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 long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



*Aditya Singhi*  
**(Aditya Singhi)**  
**Partner**

**Membership No. 305161**

Place: Kolkata

Date: 10<sup>th</sup> day of May, 2019

**ANNEXURE-1 TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2019, we report that:

- i. (a) In respect of Fixed Assets, the Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.  
(b) According to the information and explanation given to us, the fixed assets of the Company have been physically verified by the management based on a phased manner and discrepancies noted between the book records and the physical assets have been duly accounted for in the books of accounts. In our opinion, the frequency of verification is reasonable.  
(c) According to the information and explanation 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. In respect of inventories, physical verification has been conducted at reasonable intervals during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanation given to us and on the basis of our examination of the records of the company, no material discrepancies were noticed on physical verification of inventories. Inventories lying with most of the outside parties have been confirmed by them at year end.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the company during the year.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013. We are of the opinion, that prime-facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, the dues of Goods & Service Tax, Income Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending are as under:

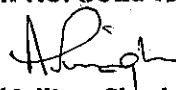


Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum Where Dispute is Pending
Central Sales Tax	Demand raised by A C	0.20	1996-97	Assistant Comm. (A)
Central Sales Tax	Demand raised as few stock transfers has been treated as Central Sale. Though at the time of assessment Form 'F' was not deposited and non-receipt of Form 'C'.	0.37	1993-94	Joint Comm. (Appeals)
Central Sales Tax	Demand raised as few stock transfer has been treated as Central Sale in absence of Form 'F' and non-receipt of Form 'C'	1.08	1997-98	Joint Comm. (Appeals)

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. There were no debentures outstanding at any time during the year.
- ix. Based on our audit procedures and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us and on the basis of our examination of the records of the company, the provisions of Section 197 read with Schedule V to the Act is not applicable to the company.
- xii. 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 given 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

  
(Aditya Singhi)  
Partner  
Membership No. 305161

**ANNEXURE - 2 TO THE INDEPENDENT AUDITOR'S REPORT**

**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 **ALLAHABAD CANNING LIMITED** ("the Company") as of 31<sup>st</sup> March 2019 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 Companies Act, 2013.

**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 the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, 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 Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E**



A handwritten signature in black ink, appearing to read "Aditya Singhi".

**(Aditya Singhi)  
Partner  
Membership No. 305161**

Place: Kolkata  
Date: 10<sup>th</sup> day of May, 2019

**Allahabad Canning Limited**  
**Balance Sheet as on 31 March 2019**

₹ in lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	1,098.46	1,098.46
Reserves and Surplus	4	143.02	110.99
		<b>1,241.48</b>	<b>1,209.45</b>
<b>Non-current Liabilities</b>			
Other long-term liabilities	5	46.54	68.63
Long-term provisions	6	34.12	33.20
		<b>80.66</b>	<b>101.83</b>
<b>Current Liabilities</b>			
Short-term borrowings	7	263.82	104.81
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		11.02	11.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8	507.69	409.84
Other current liabilities	8.1	130.30	126.41
Short-term provisions	6	60.78	65.23
		<b>973.61</b>	<b>717.90</b>
<b>Total</b>		<b>2,295.75</b>	<b>2,029.18</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
(i) Property , Plant & Equipment	9	151.25	161.61
Non-current Investments	10	0.01	0.01
Loans and advances	11	2.69	2.69
Other non-current assets	14	0.80	0.80
		<b>154.75</b>	<b>165.11</b>
<b>Current Assets</b>			
Inventories	12	1,337.81	1,231.89
Trade Receivables	13.1	556.31	435.50
Cash and bank balances	14	66.15	77.75
Loans and advances	11	173.68	108.11
Other current assets	13.2	7.05	10.82
		<b>2,141.00</b>	<b>1,864.07</b>
<b>Total</b>		<b>2,295.75</b>	<b>2,029.18</b>
Summary of significant accounting policies	2.1		

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

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



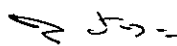
Partner : Aditya Singhi

Membership No.: 305161

Place : Kolkata

Date : 10.05.2019





Dilip Patodia

Director

DIN No 00482435



Santosh Srivastava

Chief Financial Officer



Chand Bihari Patodia

Managing Director

DIN No 01389238



Mayuri Raja

Company Secretary

**Allahabad Canning Limited**  
**Statement of Profit and Loss for the year ended 31 March 2019**

₹ in lakhs

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
<b>INCOME</b>			
Revenue from Operations	15	4,028.62	3,385.75
Less : Excise duty		-	10.05
		<u>4,028.62</u>	<u>3,375.70</u>
Other Income	16	26.61	22.04
<b>Total Revenue (I)</b>		<u><b>4,055.23</b></u>	<u><b>3,397.74</b></u>
<b>EXPENSES</b>			
Cost of Materials consumed	17	900.16	728.62
Purchase of Stock in Trade - Food Processing Products		1,010.40	755.79
Decrease / (Increase) in inventories of Finished Goods, Work in Progress and Stock in Trade	18	(119.28)	44.77
Employee benefits expenses	19	651.93	568.75
Finance Costs	20	22.78	16.15
Depreciation expense	21	14.69	15.40
Other expenses	22	1,530.73	1,265.53
<b>Total Expenses (II)</b>		<u><b>4,011.41</b></u>	<u><b>3,395.01</b></u>
<b>Profit / (Loss) before tax</b>		<u><b>43.82</b></u>	<u><b>2.73</b></u>
Current tax		11.00	1.35
Income tax for earlier year		0.78	-
<b>Total tax expenses</b>		<u><b>11.78</b></u>	<u><b>1.35</b></u>
<b>Profit/ (Loss) after tax</b>		<u><b>32.04</b></u>	<u><b>1.38</b></u>

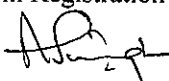
	Notes	₹	
<b>Earnings per equity share</b>	23		
[Nominal value of share ₹10]			
<b>Basic &amp; Diluted</b>		<b>0.29</b>	<b>0.01</b>

Summary of significant accounting policies 2.1

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

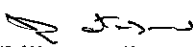

As per our report of even date

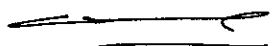
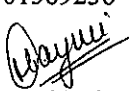
**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No : 302049E

  
Partner : Aditya Singhi  
Membership No.: 305161  
Place : Kolkata  
Date :10.05.2019



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

  
Dilip Patodia  
Director  
DIN No 00482435  
  
Santosh Srivastava  
Chief Financial Officer

  
Chand Bihari Patodia  
Managing Director  
DIN No 01389238  
  
Mayuri Raja  
Company Secretary

**Allahabad Canning Limited**  
**Cash Flow Statement for the year ended 31 March 2019**

in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	43.82	2.73
<b>Adjustment to reconcile profit / (loss) before tax to net cash flows</b>		
Depreciation and Amortization expenses	14.69	15.40
Finance Costs	22.78	16.15
Provision for warranties & claims	5.01	4.34
Unspent liabilities, provision no longer required and unclaimed balances adjusted	(24.22)	(17.10)
Interest Income	(2.39)	(1.73)
<b>Operating profit before working capital changes</b>	<b>59.69</b>	<b>19.79</b>
Adjustments for -		
Trade Payables, Other liabilities and Provisions	70.52	(4.42)
Trade Receivables, Loans and Advances and other assets	(158.40)	(111.76)
Increase/ (Decrease) in Inventories	(105.92)	34.98
<b>Cash generated from / (used in) operations</b>	<b>(134.11)</b>	<b>(61.41)</b>
Direct taxes (paid) / refund ^	(11.79)	(70.15)
<b>Net cash from / (used in) operating activities</b>	<b>(145.90)</b>	<b>(131.56)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(4.33)	(5.57)
Interest Received	2.39	1.30
<b>Net cash from / (used in) investing activities</b>	<b>(1.94)</b>	<b>(4.27)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayments of Short-term Borrowings	159.02	(86.23)
Interest Paid	(22.78)	(16.15)
<b>Net cash from / (used in) financing activities</b>	<b>136.24</b>	<b>(102.38)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(11.60)</b>	<b>(238.21)</b>
Cash & Cash Equivalents at the beginning of the year	77.75	315.96
<b>Cash &amp; Cash Equivalents at the end of the year *</b>	<b>66.15</b>	<b>77.75</b>

**Notes**

^ Although investing activities attract tax on income arising out of these activities, for the purpose of the Cash Flow entire tax refund and tax payment has been considered as part of operating activities only.


**\* Cash & Cash Equivalents**

Cash , cheques, drafts in hand etc.	22.47	24.74
Balance and Fixed deposits with Banks	43.68	53.01
<b>Total</b>	<b>66.15</b>	<b>77.75</b>

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to conform to current year classification.

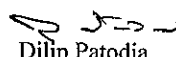
**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No : 302049E

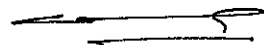
  
Partner : Aditya Singhi  
Membership No. : 305161




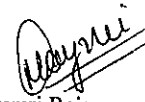
Place : Kolkata  
Date : 10.05.2019

**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

  
Mayuri Raja  
Company Secretary

**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) was first transferred to Palash Securities Limited (PSL) via demerger and was subsequently transferred as at book value to 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**

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.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**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) 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.

**e) 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.

**f) 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.



**g) 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.

**h) 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.

**i) 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) , Value Added Taxes (VAT) and GST 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.

**j) 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.

#### **k) 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 realized. 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.

#### **l) 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.

**m) 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.

**n) 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. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

**o) 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.

**p) 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.

**q) Proposed Dividend**

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date. Such Dividend is disclosed in the Notes.



Allahabad Canning Limited  
Notes to financial statements as at and for the year ended 31 March 2019

3. Share Capital

	₹ in lakhs	
	As at 31 March 2019	As at 31 March 2018
<b>Authorised:</b>		
1,15,00,000 (1,15,00,000) Equity Shares of ` 10/-	1,150.00	1,150.00
<b>Total</b>	<u>1,150.00</u>	<u>1,150.00</u>
<b>Issued, subscribed and fully paid-up:</b>		
1,09,84,588 (1,09,84,588) Equity Shares of ` 10/- each	1,098.46	1,098.46
<b>Total</b>	<u>1,098.46</u>	<u>1,098.46</u>

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	` in lakhs	No. of shares	` in lakhs
<b>Equity Shares of ` 10/- each</b>				
Outstanding at the beginning of the year	109,84,588	1,098.46	109,84,588	1,098.46
Issued during the year	-	-	-	-
Outstanding at the end of the year	109,84,588	1,098.46	109,84,588	1,098.46

(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 2019		As at 31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity Shares of ` 10/- each</b>				
Palash Securities Ltd.	109,84,588	100%	109,84,588	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 2019	As at 31st March 2018
Equity Shares allotted as fully paid up pursuant to the Scheme	1,093.46	1,093.46



Allahabad Canning Limited

Notes to financial statements as at and for the year ended 31 March 2019

4. Reserves and Surplus

	₹ in lakhs	
	As at 31 March 2019	As at 31 March 2018
<b>Capital Reserve</b>		
Arisen pursuant to Scheme of Arrangement	7.54	7.54
<b>Surplus / (Deficit) in the Statement of Profit or Loss</b>		
Balance as per last financial statements	103.44	102.07
Add : Profit / (Loss) for the year	32.04	1.38
<b>Net Surplus in the Statement of Profit or Loss</b>	<b>135.48</b>	<b>103.45</b>
<b>Total Reserves and Surplus</b>	<b>143.02</b>	<b>110.99</b>

5. Other Long-term Liabilities

	As at 31 March 2019	As at 31 March 2018
Trade and other deposits	46.54	68.63
	46.54	68.63

6. Provisions

	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
<b>Provision for employee benefits</b>				
Gratuity	34.12	33.20	24.61	27.14
Leave	-	-	31.94	32.13
	<b>34.12</b>	<b>33.20</b>	<b>56.55</b>	<b>59.27</b>
<b>Other provisions</b>				
For income tax	-	-	-	1.35
For warranties	-	-	4.23	4.61
	-	-	<b>4.23</b>	<b>5.96</b>
	<b>34.12</b>	<b>33.20</b>	<b>60.78</b>	<b>65.23</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 2019	As at 31 March 2018
At the beginning of the year	4.61	6.06
Add : Additions during the year	5.01	4.34
Less : Utilised / written back during the year	5.39	5.79
<b>At the end of the year</b>	<b>4.23</b>	<b>4.61</b>



**Allahabad Canning Limited**  
**Notes to financial statements as at and for the year ended 31 March 2019**

**7. Short-term borrowings**

₹ in lakhs

<b>SECURED</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Cash credit from a Bank (repayable on demand)	263.82	104.81
	<b>263.82</b>	<b>104.81</b>

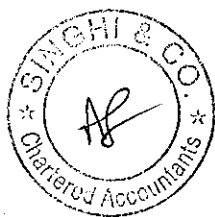
Cash Credit limit from a bank, carry interest rate of I-MCLR-6M + spread of 2.10% p.a , is secured by way of hypothecation of the entire current assets of the Company.

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>8. Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (Ref note 29)	11.02	11.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises	507.69	409.84
<b>8.1 Other current liabilities</b>		
Payable to employees	88.67	70.81
Advance from Customers	26.30	40.63
Others -		
Statutory dues	15.33	14.97
	<b>130.30</b>	<b>126.41</b>
	<b>649.01</b>	<b>547.86</b>

**10. Non-current investments**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<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	0.01
	<b>0.01</b>	<b>0.01</b>

\* deposited / pledged with various Government authorities.



Allahabad Canning Limited  
Notes to financial statements as at and for the year ended 31 March 2019

11. Loans and advances

	₹ in lakhs			
	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good except stated otherwise)				
Sundry Deposits	2.69	2.69	7.38	9.63
Supplier Advance	-	-	130.82	75.23
Other loans and advances				
Deposits against demand under appeal and / or under dispute	-	-	1.50	1.50
Prepaid expenses	-	-	1.17	1.33
Advance payment of Income Tax and Tax deducted at source (Net of Provision Rs 11.00 lakhs (0.00))			3.05	-
Balances with Government Authorities	-	-	29.76	20.42
	-	-	35.48	23.25
	2.69	2.69	173.68	108.11

12. Inventories

	As at 31 March 2019	As at 31 March 2018
Valued at lower of cost and net realisable value		
Raw materials	24.64	46.11
Work in Progress	86.76	80.15
Finished goods	778.96	717.46
Traded goods	283.24	232.07
Stores, chemicals and spare parts etc.	164.21	156.10
	1,337.81	1,231.89

13. Trade receivables and other assets

13.1 Trade receivables

	As at 31 March 2019	As at 31 March 2018
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	12.49	15.21
Considered doubtful	1.00	1.00
	13.49	16.21
Less : Provision for doubtful trade receivables	1.00	1.00
	12.49	15.21
Other receivables		
Secured, considered good	23.78	32.39
Unsecured, considered good	520.04	387.90
	543.82	420.29
	556.31	435.50



Allahabad Canning Limited  
Notes to financial statements as at and for the year ended 31 March 2019

13.2 Other assets

₹ in lakhs

	Non-current		Current	
	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March
<b>(Unsecured, considered good)</b>				
Interest accrued on FDR	-	-	2.63	1.21
Claims and refunds receivable towards incentives	-	-	4.42	9.61
	-	-	<b>7.05</b>	<b>10.82</b>

14. Cash and bank balances

	Non-current		Current	
	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Cash and cash equivalents</b>				
Balance with banks				
On current accounts	-	-	14.73	17.00
Cheques / drafts on hand	-	-	20.13	23.71
Cash on hand	-	-	2.34	1.03
	-	-	<b>37.20</b>	<b>41.74</b>
<b>Other bank balances *</b>				
Deposits with original maturity of more than twelve months	0.80	0.80	-	-
Deposits with original maturity of more than three months but, not more than twelve months	-	-	28.95	36.01
	0.80	0.80	28.95	36.01
	<b>0.80</b>	<b>0.80</b>	<b>66.15</b>	<b>77.75</b>

\* pledged / lodged with various Government authorities.

15. Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue from operations</b>		
Sale of products		
Finished goods - Food processing products	2,816.05	2,436.95
Traded goods - Food processing products	1,267.62	978.28
	4,083.67	3,415.23
Less : Claims, Rebates etc.	55.05	30.77
	4,028.62	3,384.46
<b>Other operating revenue</b>		
Export incentives	-	1.29
<b>Revenue from operations (gross)</b>	4,028.62	3,385.75
Less : Excise duty	-	10.05
<b>Revenue from operations (net)</b>	<b>4,028.62</b>	<b>3,375.70</b>



**Allahabad Canning Limited**

Notes to financial statements as at and for the year ended 31 March 2019

**16. Other income**

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on bank deposits	2.39	1.73
Insurance and other claims	-	3.21
Unspent liabilities, provision no longer required and unclaimed balances adjusted	24.22	17.10
	<u>26.61</u>	<u>22.04</u>

**17. Cost of materials consumed**

	Year ended 31 March 2019	Year ended 31 March 2018
Inventory at the beginning of the year	46.11	48.71
Add : Purchases	<u>888.06</u>	<u>726.02</u>
	934.17	774.73
Less : Sales	9.37	
: Inventory at the end of the year	<u>24.64</u>	<u>46.11</u>
	<u>900.16</u>	<u>728.62</u>

**Details of Raw Material Consumed**

Fresh Fruits and Vegetables	711.70	550.61
Sugar	<u>188.46</u>	<u>178.01</u>
	<u>900.16</u>	<u>728.62</u>

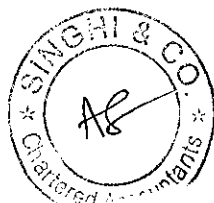
**18. Decrease / (Increase) in inventories of finished goods, work in progress and Stock in Trade**

	Year ended 31 March 2019	Year ended 31 March 2018
Inventories at the end of the year*		
Finished goods	778.96	717.46
Stok in Trade	283.24	232.07
Work in Progress	86.76	80.15
	<u>1,148.96</u>	<u>1,029.68</u>
Inventories at the beginning of the year *		
Finished goods	717.46	796.35
Stok in Trade	232.07	241.44
Work in Progress	80.15	50.77
	<u>1,029.68</u>	<u>1,088.56</u>
	<u>(119.28)</u>	<u>58.88</u>
Increase / (Decrease) of excise duty on inventories	-	<u>(14.11)</u>
	<u>(119.28)</u>	<u>44.77</u>

\* It represents food processing products.

**19. Employee benefits expense**

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages, bonus etc.	557.10	465.69
Contribution to provident & other funds		
Provident Fund	46.81	41.15
Gratuity Fund	13.40	26.51
ESI fund	75.94	80.19
Employee's welfare expenses	<u>18.89</u>	<u>22.87</u>
	<u>651.93</u>	<u>568.75</u>



**Allahabad Canning Limited**

**Notes to financial statements as at and for the year ended 31 March 2019**

**20. Finance costs**

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest	22.78	16.15
	<u>22.78</u>	<u>16.15</u>

**21. Depreciation expenses**

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of Property, plant and equipment	14.69	15.40
	<u>14.69</u>	<u>15.40</u>

**22. Other expenses**

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of store, chemicals and spares	70.41	48.95
Packing Materials	770.72	582.46
Power & Fuel	109.44	88.08
Repairs to and maintenance of :		
Buildings	5.16	5.29
Machinery	10.75	9.36
Others	4.36	4.07
Rent	1.15	1.14
Rates & Taxes	0.85	1.00
Insurance	12.14	10.64
Payment to Statutory Auditors		
As statutory Auditors	3.00	3.00
Loss on exchange rate fluctuations	-	1.57
Commission on sales	49.06	59.67
Freight & forwarding charges etc.	208.97	181.80
Cash Discount	48.23	44.36
Other Selling expenses	105.11	88.15
Provision for warranties and claims	5.01	4.34
Miscellaneous expenses	126.37	131.65
	<u>1,530.73</u>	<u>1,265.53</u>

**23. Earning per share (EPS)**

	Year ended 31 March 2019	Year ended 31 March 2018
Profit / (Loss) after tax (for calculation of basic and diluted EPS)	32.04	1.38
	<u>Nos.</u>	<u>Nos.</u>
Weighted average number of equity shares in calculating basic & diluted EPS	109,84,588	109,84,588
<b>Earning per equity share</b> (Nominal value of share ₹ 10)		
Basic & Diluted	0.29	0.01



**Allahabad Canning Limited****Notes to financial statements as at and for the year ended 31 March 2019****24. Leases**

₹ in lakhs

**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.

	Year ended 31 March 2019	Year ended 31 March 2018
Lease payments made for the year	1.15	1.14

**25. Contingent liabilities ( not provided for)**

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Demands / claim by various Government authorities and others not acknowledged as debt and contested by the Company		
(i) Sales Tax *	1.65	1.65
(ii) A case was filed by the ESI authorities for recovery of contribution in Allahabad High Court, pending for hearing	4.64	4.64
(iii) Recovery case filed by Defence Authorities	3.61	3.61
	<u>8.25</u>	<u>8.25</u>
(b) Bank Gurantees outstanding	142.27	75.61
	<u>152.17</u>	<u>85.51</u>

\* In respect of above, Sales Tax have been deposited Rs 1.50 lakhs, shown as disputed

In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/ authorities which in the opinion of the Company is not tenable and there is no possibility of any future cash outflow in case of above.

**26. Expenditure in foreign currency**

	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of Traded Goods	62.10	-
Selling Commission	-	0.82

**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 2019

Statement of profit and loss

₹ in lakhs

Net employee benefit expense recognized in employee costs

	Year ended 31.03.2019	Year ended 31.03.2018
Current service cost	7.03	6.95
Interest cost on benefit obligation	9.50	8.03
Expected return on plan assets	(5.59)	(5.57)
Unrecognised past service cost		19.76
Net actuarial (gain) / loss recognized in the year	2.46	(2.66)
<b>Net benefit expense</b>	<b>13.40</b>	<b>26.51</b>
Actual return on plan assets	5.59	5.57

Balance sheet

Net Benefit liability / (asset)

	Year ended 31.03.2019	Year ended 31.03.2018
Present value of defined benefit obligation	137.23	138.68
Fair value of plan assets	78.50	78.34
<b>Plan liability / (asset)</b>	<b>58.73</b>	<b>60.34</b>

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

	Year ended 31.03.2019	Year ended 31.03.2018
Opening defined benefit obligation	138.68	114.07
Current service cost	7.03	6.95
Interest cost	9.50	8.03
Plan Amendment	0	19.76
Benefits paid	(20.44)	(7.47)
Actuarial (gains) / losses on obligation	2.46	(2.66)
<b>Closing defined benefit obligation</b>	<b>137.23</b>	<b>138.68</b>

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

	Year ended 31.03.2019	Year ended 31.03.2018
Opening fair value of plan assets	78.35	80.25
Expected return	5.59	5.57
Contributions by employer	15.00	0
Benefits paid	(20.44)	(7.47)
Actuarial gains / (losses)	-	-
<b>Closing fair value of plan assets</b>	<b>78.50</b>	<b>78.35</b>

The Company expects to contribute `10 lacs ( ` 15 lacs) to Gratuity Fund in the next



**Allahabad Canning Limited**

Notes to financial statements as at and for the year ended 31 March 2019

**The major categories of plan assets as a percentage of the fair value of total plan** ₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Investments with insurer	100%	100%

**The principal assumptions are shown below :**

	Year ended 31.03.2019	Year ended 31.03.2018
Discount rate	7.07%	7.40%
Expected rate of return on assets	9.00%	9.00%
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees	

	31st March 2019	31st March 2018
<b>Gratuity</b>		
Defined benefit obligation	137.23	138.68
Plan assets	78.50	78.34
Surplus / (deficit)	(58.73)	(60.34)
Experience (gain) / loss adjustments on plan	0.33	(1.87)
Experience (Gain) / loss adjustments on plan liabilities due to change in assumption	2.13	(0.80)

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.

**Defined Contribution Plan :**

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

	31st March 2019	31st March 2018
Contribution to Provident / Pension Funds	46.81	41.15
Contribution to ESI Fund	15.73	12.53
	<b>62.54</b>	<b>53.68</b>



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

	As at 31 March 2019	As at 31 March 2018
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small		
(i) The principal amount and the interest thereon remaining unpaid to the supplier as at end of accounting year	11.02	11.61
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	-	-
The above information has been determined to the extent such parties have been identified on the basis of information available with the company.		

29. The company has not recognised the Deferred Tax Assets and the breakup of Deferred Tax Liability and asset are as under;

	31st March 2019	31st March 2018
<b>Deferred Tax Liability</b>		
Property, Plant and Equipment : Impact of difference between tax depreciation and depreciation charged for the financial	7.16	6.42
<b>Gross deferred tax liability</b>	<b>7.16</b>	<b>6.42</b>
<b>Deferred Tax assets</b>		
Expenses allowable against taxable income in futures	26.97	34.35
<b>Gross deferred tax assets</b>	<b>26.97</b>	<b>34.35</b>
<b>Net deferred tax assets</b>	<b>19.81</b>	<b>27.93</b>



**Allahabad Canning Limited**

**Notes to financial statements as at and for the year ended 31 March 2019**

**30. Related Party Disclosures ( As identified and certified by Management)**

**Names of related parties and related party relationship**

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

Enterprises having control in the Company Palash Securities Limited (Holding Company)

**Key management personnel**

Shri Chand Bihari Patodia	Managing Director
Shri Dilip Patodia	Director
Shri Santosh Srivastava	Chief Financial Officer
Ms Mayuri Raja	Company Secretary

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

**Related party transactions**

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


**a. Purchase of goods**

Particulars	₹ in lakhs	
	31.03.2019	31.03.2018
Avadh Sugar and Energy Limited	101.41	92.56


31. Previous year's figure have been regrouped/ rearranged wherever necessary.

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No : 302049E

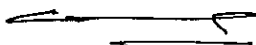
  
Partner : Aditya Singhi  
Membership No. : 305161  
Place : Kolkata  
Date : 10.05.2019



  
Santosh Srivastava  
Chief Financial Officer

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

  
Dilip Patodia  
Director  
DIN No 00482435

  
Chand Bihari Patodia  
Managing Director  
DIN No 01389238

  
Mayuri Raja  
Company Secretary