

Simhapuri Agro Products Private Limited
Balance sheet as at 31st March, 2015

		(Amount in Rs)	
	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	7,502,000	7,502,000
Reserves and surplus	2.2	(25,099,987)	(10,301,472)
		(17,597,987)	(2,799,472)
Non-current liabilities			
Long-term borrowings	2.3	49,000,000	13,605,973
Long-term provisions	2.4	316,862	759,397
		49,316,862	14,365,370
Current liabilities			
Short Term Borrowings	2.5	6,688,811	-
Trade payables	2.6	2,449,088	2,268,367
Other current liabilities	2.7	77,097,428	28,920,947
Short-term provisions	2.8	7,309	-
		86,242,635	31,189,313
		117,961,511	42,755,212
ASSETS			
Non-current assets			
Fixed assets	2.9		
- Tangible assets		20,565,700	21,031,535
- Capital Work in Progress		81,174,409	9,600,487
Long-term loans and advance	2.10	2,562,441	2,229,191
Current assets			
Inventories	2.11	9,785,970	-
Trade receivables	2.12	2,391,249	1,942,312
Cash and cash equivalents	2.13	867,141	1,159,278
Short-term loans and advances	2.14	614,599	6,792,408
		13,658,959	9,893,998
		117,961,511	42,755,212

Significant accounting policies and notes on accounts 1 & 2

The notes referred to above form an integral part of the balance sheet.

As per our report of even date attached

K. H. Rao & Co.,

Chartered Accountants

Firm Registration No: 005507S

for Simhapuri Agro Products Private Limited

K. Hanumantha Rao

Proprietor

Membership no.: 024951

Place: Hyderabad

Date: 01 September 2015

Director

Sushil Goenka

Place: Hyderabad

Date: 01 September 2015

Director

Sanjay Goenka

Simhapuri Agro Products Private Limited
Statement of profit and loss for the year ended 31st March, 2015

		(Amount in Rs)	
	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
Income			
Income from operations	2.13	42,379,593	52,647,528
Other income	2.14	11,672	1,625,621
		42,391,265	54,273,149
Expenses			
Consumption of materials consumed	2.15	43,505,600	40,402,073
Cost of fertilisers & pesticides		2,053,346	1,791,130
Changes in inventories of finished goods	2.16	(8,975,349)	-
Employee costs	2.17	5,244,105	3,392,792
Finance costs	2.18	2,732,684	240
Depreciation expense	2.8	845,749	1,156,006
Other expenses	2.19	11,472,677	5,204,311
		56,878,811	51,946,551
Profit/(Loss) before exceptional item and taxation		(14,487,547)	2,326,597
Exceptional item (note 2.26)			-
Profit/(Loss) before taxation		(14,487,547)	2,326,597
Tax expense			
- current tax			(508,565)
- MAT credit entitlement			508,565
Profit/(Loss) after taxation		(14,487,547)	2,326,597
Earning per share (par value of Rs. 10 each)			
- Basic and diluted (refer note 2.21)		(19.31)	3.10

Significant accounting policies and notes on accounts 1 & 2

The notes referred to above form an integral part of the statement of profit and loss.

As per our report of even date attached

K. H. Rao & Co.,

Chartered Accountants

Firm Registration No: 005507S

for Simhapuri Agro Products Private Limited

K. Hanumantha Rao

Proprietor

Membership no.: 024951

Place: Hyderabad

Date: 01 September 2015

Director

Sushil Goenka

Place: Hyderabad

Date: 01 September 2015

Director

Sanjay Goenka

Simhapuri Agro Products Private Limited
Cash flow statement for the year ended 31st March, 2015

	For the year ended 31 March 2015	(Amount in Rs) For the year ended 31 March 2014
A. Cash flows from operating activities		
Profit/(Loss) before taxation	(14,487,547)	2,326,597
Adjustments:		
Depreciation expense	845,749	1,156,006
Finance costs	2,732,684	240
Loss/ (profit) on sale of assets	-	-
Operating loss before working capital changes	(10,909,114)	3,482,842
(Increase)/decrease in inventories	(9,785,970)	
(Increase)/decrease in trade receivables	(448,937)	530,636
(Increase)/decrease in loans and advances	5,844,559	(5,836,364)
Increase/(decrease) in Trade Payables	180,721	1,278,786
Increase/(decrease) in liabilities and provisions	47,741,255	28,214,569
Cash used in operations	43,531,628	27,670,468
Income taxes paid		
Net cash used in operating activities (A)	32,622,514	27,670,468
B. Cash flows from investing activities		
Purchase of fixed assets	(690,884)	(14,297,060)
(Increase)/Decrease in Capital work in progress	(71,573,922)	(9,600,487)
Proceeds from sale of fixed assets		
Proceeds from sale of investments		
Net cash used in investing activities (B)	(72,264,806)	(23,897,547)
C. Cash flows from financing activities		
Increase/(decrease) in Long Term Borrowings	35,394,027	(3,174,210)
Increase/(decrease) in Short Term Borrowings	6,688,811	-
Finance costs	(2,732,684)	(240)
Net cash from financing activities (C)	39,350,154	(3,174,450)
Net decrease in cash and cash equivalents (A+B+C)	(292,137)	598,471
Cash and cash equivalents at the beginning of the year	1,159,278	560,807
Cash and cash equivalents at the end of the year	867,141	1,159,278
Note:		
Cash and cash equivalents comprises of:	As at 31 March 2015	As at 31 March 2014
Cash on hand	48,679	87,729
Balance with banks	818,462	1,071,550
	867,141	1,159,278

As per our report of even date attached

K. H. Rao & Co.,
Chartered Accountants
 Firm Registration No: 005507S

for **Simhapuri Agro Products Private Limited**

K. Hanumantha Rao
Proprietor
 Membership no.: 024951
 Place: Hyderabad
 Date: 01 September 2015

Director
Sushil Goenka
 Place: Hyderabad
 Date: 01 September 2015

Director
Sanjay Goenka

Note-1 Corporate Information about the company

Simhapuri Agro Products Private Limited domiciled in India and incorporated on 14-10-1993, to carry on the business as manufacturer of palm oil and to carry on other ancillary activities.

Note-2 Significant accounting policies

i. 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. 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.

ii. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- b. 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.
- c. Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.

iii. Fixed assets

Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and freight, duties levies and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, 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 de-recognition of fixed assets 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.

Assets under installation or under construction as at balance sheet are shown as Capital work in progress.

iv. Depreciation / Amortization

Tangible assets

Simhapuri Agro Products Private Limited

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management or rates prescribed under Schedule II Companies Act, 2013 whichever is higher, except for assets individually costing less than Rs.5,000, which are fully depreciated in the year of acquisition.

Leasehold land is amortized over the tenure of the lease. Leasehold improvements are amortized over the primary period of the lease or estimated useful life whichever is shorter.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

Intangible assets

Software is amortized based on the useful life of six years on a straight line basis as estimated by the management

v. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi. 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 Non-Current 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. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Vii. Retirement and other employee benefits :

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

Post employment benefits:

- (i) Defined Contribution plans: The company's employees are covered under state governed provident fund scheme, employee state insurance scheme and employee pension scheme, which are in the nature of Defined Contribution plans. The contributions paid/payable under the schemes are recognized during the period in which the employee renders the related service.
- (ii) Defined Benefit plans: The company's liability of gratuity on retirement of its eligible employees is unfunded under a Defined Benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the Profit and loss account in the year in which the employee has rendered service.

The fair value of the plan assets and the gross plan obligation, under the said plan, are recognized in each Balance Sheet on net basis.

Actuarial Gains/losses are charged to the statement of Profit and loss account immediately in each year.

viii. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders.

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

ix. Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred

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tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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.

The carrying amount of deferred tax assets are 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 future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

x. Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers

different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment Transfers:

The Company accounts for intersegment sales/ transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Simhapuri Agro Products Private Limited

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated Items:

Includes income tax, deferred tax charge or credit and the related tax liabilities and tax assets. Also includes interest expense or interest income and related interest generating assets, interest bearing liabilities, which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

xi. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

xii. Cash and cash equivalents

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

xiii. Borrowing Costs

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

xiv. 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. The contingent Liability existing as on 31st Mar'15 being Rs. Nil (Mar 14- Rs. Nil)

10. Capital commitments:

Simhapuri Agro Products Private Limited

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. NIL (Mar'14 – Rs. NIL).

11 Related Party transactions

a) Name of Related Parties and description of Relationship.

Simhapuri Agro Products Private Limited - Related parties		
(i)	Enterprises that control the Company	3F Oil Palm Agrotech Private Limited (3FOPAPL)
(ii)	Fellow Subsidiary Companies	Kottu Oils Private Limited
(iii)	Key Management Personnel	Mr. Sanjay Goenka Mr. Sushil Goenka

b) Summary of transactions with the above related parties is as follows:

(Amount in Rupees)

Particulars	Year Ended 31 st Mar'15	Year Ended 31 st Mar' 14
i) Shares application money received/(refunded) - Enterprises that Control the Company	-	-
ii) Deposit received :-	-	-
iii) Rent received :- - Fellow Subsidiary	-	-
iv) Issue of Equity Shares of Rs.10 Each - Enterprises that Control the Company	-	-
v) Issue of 0% Cumulative Optional Convertible Debentures - Enterprises that Control the Company	-	-

c) Balance as on 31st Mar'15 is as under for following related parties.

(Amount in Rupees)

Name of the company (3FOPAPL)	Year Ended 31 st Mar'15	Year Ended 31 st Mar'14
i) Balance Payable to: Enterprises that Control the Company (3FOPAPL)	6,97,32,590	4,11,43,666
ii) Deposit received :-		
iii) Equity Share Capital – Enterprises that Control the Company		
iv) 0% Cumulative Optionally Convertible Debentures :- - Enterprises that Control the Company	-	-
v) Trade Receivables: - Fellow Subsidiary	-	-

Note: Transactions and Outstanding balances in the nature of Reimbursement of Expenses incurred by one company on behalf of the other have not been considered above.

12 Earnings per Share (EPS)

Simhapuri Agro Products Private Limited

Particulars	Year Ended 31st Mar'15	Year Ended 31st Mar'14
Nominal value of Equity Shares(Rs. Per share)	10	10
Total No. of Equity Shares outstanding at the beginning of the Period/Year	750200	750200
Total No. of Equity Shares outstanding at the end of the Period/Year	750200	750200
Weighted average No. of Equity shares for Basic earnings per Share	750200	750200
Profit / (loss) as per Profit and loss Account (Rs.)	(1,44,87,547))	23,26,597
Less: Dividend on Preference shares (including tax thereon)	0	0
Profit/ (Loss) for Earning per share (Rs.)	(1,44,87,547))	23,26,597
Earnings per Share (EPS) (Rs.)	(19.31)	3.10

- 13 There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31, 2015. This information, as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the company.
- 14 Details of Current Investments (other than trade and unquoted) purchased and sold during the year ended March 31, 2015 - Nil
- 15 Segment Reporting
The company is engaged primarily in the business of procurement of land. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Accounting Standard (AS-17) on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company.
16. Pending litigations:
The Company does not have any pending litigations which would impact its 2015. This information, as required to be disclosed under the Micro Small and Medium financial position.
17. Foreseeable losses:
The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
18. Previous year's figures have been re-grouped and reclassified, wherever necessary, to Confirm to those of current year.

For K.H Rao & Co.
Chartered Accountants
Firm Registration Number: **005507S**

For and on Behalf of Board

K Hanumantha Rao

Sanjay Goenka

Sushil Goenka

Proprietor
M No: 024951

Director
DIN : 01470021

Director
DIN : 00533097

Place: Hyderabad.
Date: 01-09-2015

Simhapuri Agro Products Private Limited

2. Notes on accounts

2.1 - Share capital

	As at 31 March 2015	As at 31 March 2014
<i>Authorised</i>		
990,000 (previous year: 990,000) equity shares of Rs.10/- each	9,900,000	9,900,000
	9,900,000	9,900,000
<i>Issued, subscribed and fully paid up</i>		
750,200 (previous year: 750,200) equity shares of Rs.10/- each	7,502,000	7,502,000
	7,502,000	7,502,000

The reconciliation of equity shares outstanding at the beginning and at the end of reporting period is set out below:

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount in Rs	Number	Amount in Rs
Shares outstanding at the beginning of the year	750,200	7,502,000	750,200	7,502,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	750,200	7,502,000	750,200	7,502,000

The details of shareholder holding more than 5% equity shares along with number of equity shares held is set out below:

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
3F Oil Palm Agrotech Private Limited	750,199	100.00%	750,199	100.00%

The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

2.2 - Reserve and surplus

Balance in the statement of profit and loss

Opening balance	(10,301,472)	(12,628,068)
Add: Profit/(Loss) for the year	(14,487,547)	2,326,597
Less :Depreciation Charged for the Year	310,968	-
Closing balance	(25,099,987)	(10,301,472)
	(25,099,987)	(10,301,472)

Simhapuri Agro Products Private Limited

2. Notes on accounts (continued)

	(Amount in Rs)	
	As at	As at
	31 March 2015	31 March 2014
2.3 - Long-term borrowings		
<i>Secured</i>		
Axis Bank	49,000,000	-
<i>Unsecured:</i>		
Loans and advances from related parties		
- from 3F Oil Palm Agrotech Private Limited, the holding company	-	13,605,973
	49,000,000	13,605,973
2.4 - Long-term provisions		
Provision for employee benefits		
- provision for gratuity	316,862	759,397
	316,862	759,397
2.5 - Short term borrowings		
<u>Secured</u>		
Loans payable on demand from banks		
Cash Credit	6,688,811	-
	6,688,811	-
2.6 - Trade payables		
Trade payables		
- dues to micro and small enterprises (refer note 2.25)	1,799,232	-
- to others	649,856	2,268,367
	2,449,088	2,268,367
2.7 - Other current liabilities		
<i>Others</i>		
Current Maturities of Long Term Debts	6,000,000	-
Salaries payable	432,039	248,319
Payables on Purchase of Fixed Assets	510,472	112,861
Payable to Related Parties	69,732,590	27,537,700
Advance from Customers	165,531	35,511
Audit fees payable	60,674	60,674
Statutory liabilities	173,046	740,153
Expenses payable	23,076	185,729
	77,097,428	28,920,947
2.8 - Short Term Provisions		
Provision for Employee Benefits	7,309	-
	7,309	-

Simhapuri Agro Products Private Limited

2. Notes on accounts (continued)

2.10 - Long-term loans and advances

	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
Security deposits	901,250	568,000
Other loans and advances		
- MAT credit entitlement	1,661,191	1,661,191
	2,562,441	2,229,191

2.11 - Inventories

(valued at lower of cost and net realisable value)

Work in Progress	4,817,563	-
Stores & Spares	810,621	-
Finished goods		
Crude palm oil	4,016,531	-
Palm nuts	141,255	-
	9,785,970	-

2.12 - Trade receivables

Unsecured

Trade receivables outstanding for a period exceeding six months		
- considered good	1,249,905	1,314,458
Other debts, considered good	1,141,344	627,854
	2,391,249	1,942,312

2.13 - Cash and cash equivalents

Balance with banks	818,462	1,071,550
Cash on hand	48,679	87,729
	867,141	1,159,278

2.12 - Short-term loans and advances

Unsecured, considered good

Other loans and advances		
- to suppliers	370,874	6,666,581
- others	243,726	125,827
	614,599	6,792,408

Simhapuri Agro Products Private Limited

2. Notes on accounts (continued)

	(Amount in Rs)	
2.13 - Income from operations	For the year ended 31 March 2015	For the year ended 31 March 2014
Sale of crude palm oil	3,128,405	-
Sale of fresh fruit bunches	35,780,090	50,037,433
Sale of palm nuts	842,460	-
	<u>39,750,955</u>	<u>50,037,433</u>
Other operating revenues		
Nursery income	548,818	819,334
Sale of fertilisers & pesticides	2,053,345	1,790,761
Sale of by-products	26,475	-
	<u>2,628,638</u>	<u>2,610,095</u>
	<u>42,379,593</u>	<u>52,647,528</u>
2.14 - Other income		
Dividend income		-
Interest on security deposits	1,473	12,396
Profit on sale of		
- shares		
- land and buildings		
Other miscellaneous income	10,199	1,613,225
	<u>11,672</u>	<u>1,625,621</u>
2.15 - Cost of materials consumed		
Opening stock of FFB	-	-
Add: purchased during the year	43,505,600	40,402,073
Less: closing stock of FFB	-	-
	<u>43,505,600</u>	<u>40,402,073</u>
2.16 - Changes in inventories of finished goods		
Crude palm oil		
Opening stocks	-	-
Closing stocks	<u>4,016,531</u>	<u>-</u>
	<u>(4,016,531)</u>	<u>-</u>
Palm nuts		
Opening stocks	-	-
Closing stocks	141,255	-
	<u>(141,255)</u>	<u>-</u>
Saplings		
Opening stocks	-	-
Closing stocks	4,817,563	-
	<u>(4,817,563)</u>	<u>-</u>
	<u>(8,975,349)</u>	<u>-</u>

Simhapuri Agro Products Private Limited**2. Notes on accounts (continued)****2.17 - Employee benefits**

	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries, wages and bonus	4,697,107	3,061,814
Contribution to provident and other funds	406,797	244,340
Staff welfare expenses	140,201	86,638
	5,244,105	3,392,792

2.18 - Finance costs

Interest expense	2,663,709	-
Other Borrowing Costs	68,975	240
	2,732,684	240

2.19 - Other expenses

Power and fuel	849,676	739,519
Repairs and maintenance		
- plant and machinery	278,374	980
- others	22,465	9,803
Freight/ transportation inward	619,107	155,160
Loading charges	76,210	778,756
Insurance charges	134,848	34,473
Nursery expenses	5,558,655	1,161,670
Audit Fee	67,416	69,202
Other manufacturing expenses	348,333	219,965
Bank charges	-	8,429
Professional charges	25,500	77,229
Loss on sale of asset	-	-
Rates and taxes	295,198	95,078
Travelling and conveyance	1,431,152	1,031,360
Security charges	626,696	85,815
Vehicle maintenance	597,904	319,826
Miscellaneous expenses	541,143	417,046
	11,472,677	5,204,312

Simhapuri Agro Products Private Limited**Notes on accounts (continued)**

(All amount in Indian rupees, except share data)

2.20. There are no capital commitments and contingent liabilities as at 31 March 2015.

2.21. Earnings/ loss per share

The computation of earnings/ loss per share is set out below:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<i>Earnings (Rs.)</i>		
Profit/(Loss) for the year attributable to equity share holders	(1,44,87,547)	23,26,597
<i>Shares</i>		
Weighted average number of equity shares outstanding during the year	750,200	750,200
Profit/(Loss) per share of par value Rs.10 – Basic and diluted	(19.31)	3.10

The Company does not have any potentially dilutive shares

2.22. Deferred taxes

In view of accumulated losses and the absence of the virtual certainty supported by convincing evidence required under – “Accounting for taxes on income” of Companies (Accounting Standards) Rules 2006, issued by the Central Government, net deferred tax asset on carried forward losses has not been recognized as there are no timing differences, the reversal of which, will result in sufficient taxable income.

2.23. Related party disclosures**A. List of related parties****i. Key management personnel**

- Sanjay Goenka - Director
- Sushil Goenka - Director

ii. Enterprises where key managerial personnel have control or significant influence (“Significant interest entities”):

- 3F Oil Palm Agrotech Private Limited - Holding Company
- 3F Industries Limited - Ultimate Holding Company

B. The following are the significant related party transactions

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
3F Oil Palm Agrotech Private Limited		
• Sale of Crude Palm Oil	31,28,180	-
• Sale of fresh fruit bunches	3,57,80,090	5,00,37,433
• Sale of palm nuts	8,42,460	-

Simhapuri Agro Products Private Limited**Notes on accounts (continued)**

(All amount in Indian rupees, except share data)

C. Particulars of related party balances:

Particulars	As at 31 March 2015	As at 31 March 2014
3F Oil Palm Agrotech Private Limited		
• Unsecured loans (Long Term)	-	1,36,05,973
• Trade receivables	-	-
• Unsecured Loan (Short Term)	6,97,32,590	2,75,37,694
		-

2.24. Auditors remuneration, excluding service tax (included in professional charges)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Audit fees		
- Statutory audit	30,000	30,000
- Tax audit	30,000	30,000
Total	60,000	60,000

2.25. Payable to Micro, Small and Medium Enterprises

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise.	Nil	Nil

The list of undertakings covered under “Micro, Small and Medium Enterprises Development Act, 2006” (“MSMED”) was determined by the Company on the basis of information available with the Company.

Simhapuri Agro Products Private Limited**Notes on accounts (continued)**

(All amount in Indian rupees, except share data)

2.26. Segment reporting:

The Company is engaged in the business of extracting palm oil from fresh fruit bunches and sale of crude palm oil. Accordingly, pursuant to the explanation given in Accounting Standard – 17 “Segment Reporting”, no segment disclosure has been made in the financial statements as the Company has only one primary business segment i.e., manufacturing and one geographical segment i.e., India.

2.27. Additional information required pursuant to the provisions of paragraphs 5 of Revised Schedule VI to the Companies Act, 1956:**(a) Purchase of raw material**

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Fresh fruit bunches	4,35,05,600	4,04,02,073
Total	4,35,05,600	3,90,50,451

(b) Details of opening stock, closing stock and sales of finished goods for year ending 31st March,2015

Particulars	Sales, net		Opening inventory		Closing inventory	
	Qty	Value	Qty	Value	Qty	Value
Crude palm oil	66.28	31,28,405	-	-	85.10	40,16,531
Palm nuts	80.06	8,42,460	-	-	15.70	1,41,255
Fresh fruit bunches	4,823.39	3,57,80,090	-	-	-	-
Total	4,910.08	5,00,37,433	-	-	100.80	41,57,786

(c) Details of raw materials consumed

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Fresh fruit bunches	4,35,05,600	4,04,02,073
Total	4,35,05,600	4,04,02,073

**The value of consumption of raw materials, parts and components has been arrived at on the basis of opening stock plus purchases less closing stock. Consumption, therefore, includes adjustment for shortage / excess, write-off, etc.

Simhapuri Agro Products Private Limited

Notes on accounts (continued)

(All amount in Indian rupees, except share data)

2.28 The Company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 ('the schedule') issued by Ministry of Corporate Affairs. Previous year's figures have been recast/ restated to conform to the current years classification.

for K. H. Rao & Co.,
Chartered Accountants
Firm Registration No: 005507S

for Simhapuri Agro Products Private Limited

K. Hanumantha Rao
Proprietor
Membership No.: 024951

Director

Director

Place: Hyderabad
Date: 01 September 2015

Place: Hyderabad
Date: 01 September 2015

12. Fixed Assets

12.1. Tangible Assets

Description	Gross Block				Depreciation						Net Block	
	As On 01.04.2014	Additions During the Period	Deletions	Upto As On 31.03.15	Upto 31.03.2014	Charged to P&L	Charged to Reserves & Surplus	Depreciation On Additions For the Period	Depreciation On Deletions	Upto 31.03.15	As on 31.03.15	As on 31.03.14
Land	14,291,510	7,500		14,299,010	-						14,299,010	14,291,510
Plant and Machinery	18,168,567			18,168,567	13,071,373	524,871				13,596,244	4,572,323	5,097,194
Effluent Treatment Plant	3,018,215			3,018,215	2,003,475	84,407				2,087,882	930,333	1,014,740
Office Equipment	785,250	54,045		839,295	485,033	10,266	243,060	1,401		739,760	99,535	300,217
Furniture and Fixtures	800,267	-		800,267	674,408	10,890	67,908	-		753,207	47,060	125,859
Vehicles	647,963	556,389		1,204,352	451,378	158,396		39,451		649,225	555,127	196,585
Computers & Printers	5,550	72,950		78,500	121	1,810		14,257		16,187	62,313	5,429
Total	37,717,322	690,884	0	38,408,206	16,685,788	790,641	310,968	55,108	0	17,842,506	20,565,700	21,031,534
Previous Year	23,420,262	14,297,060	0	37,717,322	15,529,781	1,156,006	0	0	0	16,685,787	21,031,535	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIMHAPURI AGRO PRODUCTS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SIMHAPURI AGRO PRODUCTS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2015**, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 thereunder.

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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance sheet ,of the state of affairs of the Company as at 31st March, 2015, and ;
- b) In case of the Statement of Profit and Loss, of the Loss for the year ended on that date.
- c) In case of the Cash Flow Statement, cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order ,2015 ("the order"), issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Companies Act,2013 ,we give in the Annexure a statement on the matters specified in paragraphs 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 and the Statement of Profit and Loss 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f)With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014 ,in our opinion and to the best of our information and according to the explanations given to us:

- a. the Company does not have any pending litigations which would impact its financial position
- b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

Place : Hyderabad
Date: 01-09-2015

For **K.H.Rao & Co**
Chartered Accountants
Firm Registration No.005507S

(K.Hanumantha Rao)
(Proprietor)
Membership No. 024951

ANNEXURE TO AUDITOR'S REPORT
(Referred in paragraph 3 of our Report of even data)

1. The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the Management periodically and no discrepancies have been noticed on such verification.
2. I) The stocks of finished goods stores and spares and raw materials have been physically verified by the management during the period at reasonable intervals.

II) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

III) No material discrepancies have been noticed on physical verification of stock as compared to books/record.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained U/S. 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventory and Fixed assets and for the sale of goods & services.
5. The company has not accepted any deposits from the public.
6. The company under audit does not come within the classes of companies which are required to have Internal Audit under section 138 of the Companies Act, 2013.
7. The company under audit does not come within the classes of companies which are required to maintain compulsorily cost records under section 148(1) of the Companies Act, 2013.
8. According to the information and explanations given to us, Income Tax, Sales Tax, Wealth Tax, Customs Duty and Excise Duty, Service Tax, Cess and other statutory dues have been regularly deposited with the appropriate Authorities
9. The Company has incurred a cash loss during the year of Rs.1,36,41,798/- (Previous year Rs.Nil/-)

10. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or Banks and debenture holders.
11. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the Banks or financial institutions.
12. According to the information and explanations given to us, the Company has taken a term loans from Axis Bank.
13. As represented by the Management no frauds have been detected during the year.

For K.H.Rao & Co
Chartered Accountants
Firm Registration No.005507S

Place: Hyderabad
Date: 01-09-2015

(K.Hanumantha Rao)
Proprietor
Membership No.024951