

## Independent Auditors Report

To,  
The Members of  
**Mangalore Liquid Impex Pvt Ltd**

### Report on the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of **Mangalore Liquid Impex Pvt Ltd** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows 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 Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
<b>Adoption of Ind AS 116 – Leases</b>  The Company has adopted Ind AS 116, which is effective from April 1, 2019 and applied the standard to its leases, using Modified Retrospective Approach.  Accordingly, the Company has not restated comparative information, instead the	Our audit procedures on adoption of Ind AS 116 include:  • Assessed the Company's procedure and evaluation on the identification of leases. It was based on the contractual agreements and our knowledge of the business. We have also considered and evaluate the reasonableness of the discount rates applied in determining the lease liabilities;

<p>cumulative effect of initial applicable standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract / arrangement.</p> <p>Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p>	<ul style="list-style-type: none"> <li>• Verified the entries related to transition and adjustments as at 1 April 2019:</li> <li>• Tested completeness of the lease by reconciling the Company's operating lease commitments to computing ROU asset and the lease liabilities.</li> <li>• On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> <li>• assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>• evaluated computation of lease liabilities and the key estimates such as, discount rates and the lease term.</li> </ul> </li> <li>• Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>
--	--

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity 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.

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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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:

- a. Identify and assess the risks of material misstatement of the standalone 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.
- b. Obtain an understanding of internal financial controls 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 standalone 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.
- e. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11
- h. did not have any long term of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigation.
- ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company-
- i. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

**For Prakash H Shah & Co**  
**Chartered Accountants**

**Place : Indore**  
**Date: 25.06.2020**  
**UDIN : 20037448AAAAAT6876**

**CA Prakash Shah**  
**(Proprietor)**  
  
M.No.37448

### **Annexure A to Independent Auditor's Report**

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Mangalore Liquid Impex Private Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2020.

i. In respect of its Fixed Assets :

- a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The company has a program of verification to cover all the items of fixed assets in a phased manner which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company .

ii. In respect of its Inventories:

The inventories has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed.

- iii. According to the information and explanations given to us, the Company has not granted unsecured loans to any party in the register maintained under section 189 of the Companies Act, 2013. The company has not granted any loans secured or unsecured to firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantee given. The company has not provided any security in terms of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules, framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues :
  - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed statutory dues in arrears,

as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.

- viii. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not borrowed any amount from financial institution, bank or government as on the balance sheet date. The Company has not issued any debenture.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and In our opinion and according to the information and explanations given to us, the company has not raised any term loan during the year.
- x. According to the information and explanations given to us and to the best of our knowledge, no material fraud by the Company or on the company by the officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration .
- xii. In our opinion and according to information and explanation given to us, the company is not a Nidhi Company therefore, the provision of para 3 (xii) of the Order is not applicable to the company.
- 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, therefore the provision of para 3 (xiv) of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them during the year, hence the provision of para 3 (xv) of the Order is not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, the provision of para 3 (xvi) of the Order is not applicable to the company for the year under audit.

**For PRAKASH H SHAH & CO**  
**Chartered Accountants**

Date : 25.06.2020  
Place : Indore  
**UDIN : 20037448AAAAAT6876**

**CA Prakash Shah**  
**(Proprietor)**

M.No. 37448

**Annexure B To the Independent Auditor's Report of even date on the Standalone Financial Statements of Mangalore Liquid Impex Pvt Ltd**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") x**

We have audited the internal financial controls over financial reporting of Mangalore Liquid Impex Pvt Ltd ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 March 31, 2020, based on the criteria for internal financial control over financial reporting 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 PRAKASH H SHAH & CO**  
**Chartered Accountants**

Date : 25.06.2020  
Place : Indore  
**UDIN : 20037448AAAAAT6876**

**CA Prakash Shah**  
**(Proprietor)**

M.No. 37448

Particulars		Notes	As at MARCH 31, 2020	As at MARCH 31, 2019
<b>I.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	3	57.02	67.06
	(b) Capital work-in-progress		141.71	141.71
	(c) Right of Use assets	4	443.19	-
	(d) Deferred tax assets (net)	5	30.48	7.94
	(e) Other non-current assets	6	4.55	11.33
	<b>Total Non-current assets</b>		<b>676.95</b>	<b>228.04</b>
<b>(2)</b>	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Trade receivables	7	16.29	51.20
	(ii) Cash and cash equivalents	8	8.31	6.21
	(iii) Loans	9	371.07	131.07
	(b) Other Current Assets	10	36.77	46.92
	<b>Total Current assets</b>		<b>432.44</b>	<b>235.40</b>
	<b>Total Assets</b>		<b>1,109.39</b>	<b>463.44</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity share capital	11	1.00	1.00
	(b) Other Equity	12	(6.66)	31.88
	<b>Total Equity</b>		<b>(5.66)</b>	<b>32.88</b>
<b>(1)</b>	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Other financial liabilities	13	554.35	-
	<b>Total Non-Current Liabilities</b>		<b>554.35</b>	<b>-</b>
<b>(2)</b>	<b>LIABILITIES</b>			
	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14	530.50	375.00
	(ii) Trade payables	15	5.80	44.72
	(iii) Other financial liabilities	16	20.89	9.26
	(b) Other current liabilities	17	3.51	1.58
	<b>Total Current liabilities</b>		<b>560.70</b>	<b>430.56</b>
	<b>Total Equity and Liabilities</b>		<b>1,109.39</b>	<b>463.44</b>

Company Background and Significant Accounting Policies 1 - 2

See accompanying Notes to the financial statements 3 - 34

As per our report of even date attached  
For Prakash H Shah & Co  
Chartered Accountants

For Mangalore Liquid Impex Pvt. Ltd.

(Prakash H Shah)  
Proprietor  
Membership no. 37448  
Place: Indore  
Date: June 25, 2020

Narendra Shah  
Director  
DIN:02143172  
Place: Indore  
Date: June 25, 2020

Parag Choudhary  
Director  
DIN:07845977

**MANGALORE LIQUID IMPEX PVT. LTD.**  
**CIN : U85110KA1997PTC021887**  
**PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020**

(Rs. in lacs)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>INCOME</b>			
<b>I</b> Revenue from Operations	18	316.07	291.17
<b>II</b> Other Income	19	4.98	0.76
<b>III Total Income ( I+II )</b>		<b>321.05</b>	<b>291.93</b>
<b>IV EXPENSES</b>			
Employee Benefits Expense	20	1.29	1.57
Finance Costs	21	116.33	47.48
Depreciation, amortisation and impairment Expenses	3	28.44	11.94
Other Expenses	22	132.76	257.20
<b>Total Expenses</b>		<b>278.82</b>	<b>318.19</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>42.23</b>	<b>(26.26)</b>
<b>VI</b> Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>42.23</b>	<b>(26.26)</b>
<b>VIII Tax expense</b>			
Current Tax		9.15	-
Deferred Tax		1.94	(7.57)
Tax for earlier years		-	-
<b>IX Profit/(loss) after tax for the year (VII-VIII)</b>		<b>31.14</b>	<b>(18.69)</b>
<b>X (A) Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to statement of profit or loss</b>		-	-
Tax relating to above items		-	-
<b>(ii) Items that will be reclassified to statement of profit or loss</b>		-	-
Tax relating to above items		-	-
<b>XI Total comprehensive income for the year</b>		-	-
<b>XII Earnings per equity share of face value of Rs. 10 each</b>			
<b>Basic and Diluted earnings per share for continuing operation</b>			
a Basic (in Rs)		311.40	(186.90)
b Diluted (in Rs)		311.40	(186.90)

**Company Background and Significant Accounting Policies**

**See accompanying Notes to the financial statements**

As per our report of even date attached

1 -2

**3 - 34**

For Prakash H Shah & Co  
Chartered Accountants

For Mangalore Liquid Impex Pvt. Ltd.

(Prakash H Shah)  
Proprietor  
Membership no. 37448  
Place: Indore  
Date: June 25, 2020

Narendra Shah  
Director  
DIN:02143172  
Place: Indore  
Date: June 25, 2020

Parag Choudhary  
Director  
DIN:07845977

MANGALORE LIQUID IMPEX PVT LTD

Statement of Changes in Equity (SOCIE)

Rs. in lacs

a. Equity share capital

Balance at the beginning of the reporting period  
Changes in Equity share capital during the year  
- Shares issued under Employee Stock Option during the year  
Balance at the end of the reporting period

March 31, 2020		March 31, 2019	
No. of Shares	Amount	No. of Shares	Amount
10,000	1.00	10,000	1.00
-	-	-	-
-	-	-	-
10,000	1.00	10,000	1.00

b. Other Equity		
(i) As at March 31, 2020	Retained Earnings	Total
Particulars		
Balance at the beginning of the reporting period	31.88	31.88
Changes in accounting policy or prior period errors		
Restated balance at the beginning of the reporting period		
Profit/( Loss) for the year	31.14	31.14
Other Comprehensive Income for the year ( net of tax)	-	-
Total comprehensive income for the year	63.02	63.02
Less : Adjustment on account of IND AS 116	(69.68)	(69.68)
Balance at the end of the reporting period	(6.66)	(6.66)
(ii) As at March 31, 2019		
Particulars	Retained Earnings	Total
Balance at the beginning of the reporting period	50.57	50.57
Profit/( Loss) for the year	(18.69)	(18.69)
Total comprehensive income for the year	31.88	31.88
Balance at the end of the reporting period	31.88	31.88

Company Background and Significant Accounting Policies

1 -2

See accompanying Notes to the financial statements

3 - 34

As per our report of even date attached

For Prakash H Shah & Co  
Chartered Accountants

For Mangalore Liquid Impex Pvt. Ltd.

(Prakash H Shah)  
Proprietor  
Membership no. 37448  
Place: Indore  
Date: June 25, 2020

Narendra Shah  
Director  
DIN:02143172  
Place:Indore  
Date: June 25, 2020  
  
Parag Choudhary  
Director  
DIN:07845977

MANGALORE LIQUID IMPEX PVT LTD CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020		Rs. lacs
	For the year ended March 31st, 2020	For the year ended March 31st, 2019
<b>Cash Flow from operating activities</b>		
Profit / (Loss) before tax	42.23	(26.26)
Adjustments for :		
Depreciation	28.44	11.94
Provision for doubtful debts	(1.49)	2.87
Interest Income	(0.68)	(0.76)
Finance Costs	116.33	47.48
Amounts charged directly to Retained earnings	(94.16)	
<b>Operating Profit Before Working Capital Changes</b>	<b>90.67</b>	<b>35.27</b>
<b>Working Capital Adjustments</b>		
(Increase)/Decrease in Trade and other receivables	45.06	(4.65)
Increase/(Decrease) in Trade and other payables	(26.33)	4.27
<b>Cash Generated from operations</b>	<b>109.40</b>	<b>34.89</b>
Income Tax Paid	(2.37)	(6.11)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>107.03</b>	<b>28.78</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment (Including Capital WIP and Capital advance)	-	(0.59)
Acquisition of Right of Use Assets	(461.59)	-
Interest Income	0.68	0.85
Changes in Other bank balances	-	30.00
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>(460.91)</b>	<b>30.26</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from borrowings	155.50	(35.00)
Lease Liability	555.32	-
Loans	(240.00)	-
Finance Costs	(116.33)	(47.48)
<b>NET CASH FLOWS FROM/(USED) FINANCING ACTIVITIES</b>	<b>354.49</b>	<b>(82.48)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>0.61</b>	<b>(23.44)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>6.21</b>	<b>29.65</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>6.82</b>	<b>6.21</b>
<b>Cash &amp; Cash Equivalents comprises :</b>		
Balance with Banks in Current Accounts	8.31	6.21
	<b>8.31</b>	<b>6.21</b>

Company Background and Significant Accounting Policies

1 - 2

See accompanying Notes to the financial statements

3 - 34

As per our report of even date attached

For Prakash H Shah & Co  
Chartered Accountants

For Mangalore Liquid Impex Pvt Ltd

(Prakash H Shah)  
Proprietor  
Membership no. 37448  
Place: Indore  
Date: June 25, 2020

Narendra Shah  
Director  
DIN:02143172

Parag Choudhary  
Director  
DIN:07845977

Place: Indore  
Date: June 25, 2020

**BACKGROUND**

MANGALORE LIQUID IMPEX PRIVATE LIMITED ('the Company') is a Private Limited Company incorporated on 28th February 1987. The company is engaged in the business of storage of Oil & other commodities. The registered office of the company is situated at Opp Customs House, Panambur, New Mangalore ,Dakshina Kamatata , Karnataka-575010. The Company's CIN Number is U85110KA1997PTC021887.

**1 SIGNIFICANT ACCOUNTING POLICIES**

**a Statement of Compliance**

The separate financial statements have been prepared in accordance with and comply in all material aspects with Indian Accounting Standards ("Ind AS"), including the rules notified under the relevant provisions of the Companies Act, 2013 ('Act').

These financial statements are the company's first Ind AS standalone financial statements.

The significant accounting policies set out in Note 2 have been applied in preparing the financial statements of the Company.

The Board of Directors have approved the issuance of these financial statements on 25th June, 2020 .

**b Functional and presentation currency**

These financial statements are presented in Indian rupees , which is the Company's functional currency.

**c Basis of Measurement**

These separate financial statements have been prepared on the historical cost basis except for the following items

Items	Measurement Basis
Assets held for Sale	Measured at Cost less cost to sell
Investments (other than subsidiary, associates and joint ventures)	Fair Value
Net defined benefits (assets)/liabilities	Fair Value of Plan assets less present value of defined benefit obligations

**d Use of Estimates and Judgement**

The preparation of financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods if affected. The most significant estimates and assumptions are described below:

**(i) Judgements**

Information about judgements made in applying accounting policies that have the most significant effect on amounts recognised in the financial statement are as below:

- Leases identification- Whether an agreement contains a lease
- Classification of lease - Whether Operating or Finance

**(ii) Assumptions and Estimations**

Information about assumption and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended March 31, 2020 are as below:

**1 Impairment test of non financial assets**

For the purpose of assessing recoverability of non-financial assets, assets are grouped at the lower levels for which there are individually identifiable cash flows (Cash Generating Units).

**2 Allowance for bad debts**

The Management makes estimates related to the recoverability of receivables, whose book values are adjusted through an allowance for Expected losses. Management specifically analyzes accounts receivable, customers' creditworthiness, current economic trends and changes in customer's collection terms when assessing the adequate allowance for Expected losses, which are estimated over the lifetime of the debts.

**3 Recognition and measurement of Provisions and Contingencies**

The Company's Management estimates Key assumptions about the likelihood and magnitude of an outflow of resources based on available information and the assumptions and methods deemed appropriate. Wherever required, these estimates are prepared with the assistance of legal counsel. As and when additional information becomes available to the Company, estimates are revised and adjusted periodically.

**4 Recognition of Deferred Tax Assets**

The Management makes estimates as regards to availability of future taxable profits against which unabsorbed depreciation/ tax losses carried forward can be used for setoff.

**5 Measurements of Defined benefit obligations**

Based on key actuarial assumptions

## 6 Measurements of certain Items at Fair Value

The Company's accounting policies and disclosures require the measurement of equity settled share based payments, biological assets, Investments (other than subsidiary, associates and joint ventures) and other financial instruments at fair value.

The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant observable inputs and valuation adjustments. If third party information such as broker quotes or pricing services is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values for below mentioned items are in respective notes

- Property, Plant and Equipment.
- Asset held for sale
- Financial instruments; Certain financial assets and liabilities (including derivatives)
- Stock-in-Trade Inventories & Biological assets;
- Investments (other than subsidiary, associates and joint ventures) and
- Net defined benefits (assets)/liabilities
- Equity Share based payments

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a PROPERTY, PLANT AND EQUIPMENT:

#### (i) Recognition and measurement

Property, Plant and equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of profit or loss.

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### (iii) Depreciation

Depreciation is calculated using the Written Down Value Method, pro rata to the period of use, taking into account useful lives and residual value of the assets. The useful life of assets & the estimated residual value, are as prescribed under Schedule II to the Companies Act, 2013.

Depreciation is computed with reference to cost.

### b INTANGIBLE ASSETS

(i) **Recognition and measurement**

Computer softwares have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. As on transition date i.e. April 1, 2017 the same are measured at carrying value adjusted for Ind AS.

(ii) **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, when incurred is recognised in statement of profit or loss.

(iii) **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in statement of profit or loss. Computer software are amortised over their estimated useful life or 5 years, whichever is lower.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if required.

**c FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

(i) **Financial assets**

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income-[FVTOCI], or through profit and loss-[FVTPL]; and
- those measured at amortised cost.[AC]

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

In case of investments

In Equity instruments

- For subsidiaries , associates and Joint ventures - The same are measured at cost in separate financial statements and are tested for impairment periodically.
- For Other than subsidiaries , associates and Joint venture - The same are measured at Fair value through Other Comprehensive Income [FVTOCI].

In Mutual fund

The same are measured at Fair value through Profit and Loss (FVTPL).

Initial recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss by adding transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments

The Company measures the debts instruments under the following measurement category

At Amortised Cost [AC]

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest [SPPI] are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of the hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the Effective interest rate method.

Embedded derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from financial asset , or

- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred an financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained the control of the financial asset. Where the Company retains the control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

- For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

## (ii) Financial liabilities

#### Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit and loss-[FVTPL]; and
- those measured at amortised cost[AC].

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Financial liabilities at fair value through profit or loss [FVTPL]

Financial liabilities at fair value through profit or loss [FVTPL] include financial liabilities and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to interest-bearing loans and borrowings.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair

### d INVENTORIES

Inventories are measured at the lower of cost and net realisable value after providing for obsolescence, if any, and Realisable-by-products [which are measured at net realisable value]. The cost of inventories is determined using the weighted average method and includes expenditure incurred in acquiring inventories, production or conversion and other costs incurred in bringing them to their respective present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. The comparison of cost and Net Realisable value is made on an item by item basis.

Net realisable value is estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work in progress is determined with reference to selling prices of finished products.

### e TRADE RECEIVABLES

Trade receivable are recognised initially at fair value and subsequently measured at amortised cost [AC] using the effective interest method less provision for impairment. As per Ind AS 109 the Company has

### f CASH AND CASH EQUIVALENT

For the purpose of presentation in the statement of the cash flows, cash and cash equivalent includes the cash on hand, deposits held at call with financial institutions other short term, highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### g CONTRIBUTED EQUITY

Equity shares are classified as equity. Incidental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (aa) Dividends

Provision is made for the amount of any dividend declared, being appropriately approved by shareholders, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### (ab) Earnings per share

##### (i) Basic earnings per share

Basic earnings per shares is calculated by dividing Profit/(Loss) attributable to equity holders (adjusted for amount directly charged to Reserves) before/after Exceptional Items by Weighted average number of shares, (excluding treasury shares).

(ii) Diluted earnings per share

Diluted earnings per shares is calculated by dividing Profit/(Loss) attributable to equity holders (adjusted for amount directly charged to Reserves) before/after Exceptional Items divided by Weighted average number of shares (excluding treasury shares) considered for basic earning per shares including dilutive potential equity shares.

(ac) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees in lacs , unless otherwise stated.

**h BORROWINGS**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds ( net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest method. Processing/Upfront fee is capitalised as prepaid asset netted of from borrowings. The same is amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non cash assets transferred or liability assumed, is recognised in profit or loss as other gains or (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of liabilities for at least twelve months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as a consequence of the breach.

**i TRADE AND OTHER PAYABLES**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid at the period end. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**j FOREIGN CURRENCY**

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies of the Company at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Investments in companies registered outside India are converted at rate prevailing at the date of acquisition. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Difference on account of changes in foreign currency are charged to the statement of profit & loss. The Company has availed the exemption available under Para D13AA of Ind AS - 101 of "First time adoption of Indian Accounting Standards". Accordingly, exchange gains and losses on foreign currency borrowings taken prior to April 1, 2017 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such asset.

**k REVENUE**

(i) Sale of goods

Revenue is recognised when the significant risk and rewards of the ownership have been transferred to the buyer, recovery of consideration is probable, the associated cost and possible return of goods can be measured reliably, there is no continuing effective control/managerial involvement in respect of the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivables net of returns, trade discount, volume rebates and taxes and duties on behalf of government. This inter alia involves discounting of the consideration due to the present value if the payment extends beyond normal credit terms.

The timing of the transfer of control varies depending on the individual terms of the sale.

Income from sale of power is recognised on the basis of units wheeled during the period. Income from carbon credits are recognised on credit of Carbon Emission Reduction (CER) by the approving authority in a manner it is unconditionally available to the generating entity.

(ii) Sale of Services

Revenue from services is recognised when agreed contractual task has been completed.

(iii) Other Income

a) Dividend income is recognised when right to receive dividend is established.

b) Interest and other income are recognised on accrual basis on time proportion basis and measured on effective interest rate.

**l GOVERNMENT GRANTS**

Grants from the Government are recognised at their fair value where there is an reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

- (i) Government grant relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the cost that they are intended to compensate and presented within "Other operating income".

- (ii) Government grant relating to purchase of Property, Plant and Equipment are included in "Other current/ non-current liabilities" as Government Grant - Deferred Income and are credited to Profit or loss on the basis of costs associated with the acquisition of the asset.

**m EMPLOYEE BENEFITS**

- (i) During Employment benefits

- (a) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- (b) Share-based payment transactions

Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding equity settled share based transactions are set out in Note 13m (ii).

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimate, if any, is recognised in Statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserves.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**TRANSITION PROVISIONS**

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2016.

- (ii) Post Employment benefits

- (a) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay future amounts. The Company makes specified monthly contributions towards government administered Provident Fund scheme.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

- (b) Defined benefit plans

The company pays gratuity to the employees who have completed five years of service with the company at the time of resignation. The gratuity is paid @ 15 days salary for every completed year of service as per the payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the periods during which the benefits are expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post employment are charged to Other Comprehensive Income.

- (c) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of reporting period are discounted to the present value.

**n INCOME TAX**

Income tax expense comprises current and deferred tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in the other comprehensive income or in equity.

- (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or subsequently enacted at the Balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- (ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax are recognised to the extent that it is probable that future taxable profit will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**o BORROWING COSTS**

General and specific Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

**p LEASES**

- (i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

As a lessee

Leases of property plant and equipment where the Company, as lessee, has substantially all the risks and rewards of the ownership are classified as finance leases. Finance lease are capitalised at the lease's inception at the fair value of the lease property or, if lower, the present value of minimum lease payments. The corresponding rental obligations, if any net of finance charges are included in borrowing or other financial liabilities as appropriate. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

Leases in which a significant portion of risk and rewards of ownership are not transferred to the Company as a lessee are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) are charged to Profit and Loss on a straight line basis over the period of lease except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

As a lessor

Lease Income from operating leases where the Company is a lessor is recognised as income on a straight line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases.

**q NON-CURRENT ASSETS FOR SALE**

Non Current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less cost to sell. Non current asset are not depreciated or amortised while they are classified as held for sale.

Notes forming part of financial statements

**Note - 3**

Rs. lacs

**Property, plant and equipment**

Particulars	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Total

**Gross Carrying Amount**

Gross carrying amount as at March 31, 2018	39.51	-	0.11	0.08	0.66	40.36
Add : Additions		0.35			0.24	0.59
Less : Disposals						
Gross carrying amount as at March 31, 2019	<b>39.51</b>	<b>0.35</b>	<b>0.11</b>	<b>0.08</b>	<b>0.90</b>	<b>40.95</b>
Add : Additions						
Less : Disposals						
Gross carrying amount as at March 31, 2020	<b>39.51</b>	<b>0.35</b>	<b>0.11</b>	<b>0.08</b>	<b>0.90</b>	<b>40.95</b>

**Accumulated depreciation and impairment**

Balance as at March 31, 2018	7.31	-	0.05	0.04	0.34	7.74
Add : Depreciation charge during the year	3.13	0.01	0.01	0.01	0.24	3.40
Less : Disposals/ Adjustments						
Balance as at March 31, 2019	<b>10.44</b>	<b>0.01</b>	<b>0.06</b>	<b>0.05</b>	<b>0.58</b>	<b>11.14</b>
Add : Depreciation charge during the year	<b>2.83</b>	<b>0.06</b>	<b>0.01</b>	<b>0.01</b>	<b>0.19</b>	3.10
Less : Disposals/ Adjustments						
Balance as at March 31, 2020	<b>13.27</b>	<b>0.07</b>	<b>0.07</b>	<b>0.06</b>	<b>0.77</b>	<b>14.24</b>

**Net carrying amount**

As at March 31, 2019	<b>29.07</b>	<b>0.34</b>	<b>0.05</b>	<b>0.03</b>	<b>0.32</b>	<b>29.81</b>
As at March 31, 2020	<b>26.24</b>	<b>0.28</b>	<b>0.04</b>	<b>0.02</b>	<b>0.13</b>	<b>26.71</b>

**ASSETS GIVEN ON LEASE**

**Gross Carrying Amount**

Gross carrying amount as at March 31, 2018	-	69.14	-	-	-	69.14
Add : Additions						
Less : Disposals						
Gross carrying amount as at March 31, 2019	-	<b>69.14</b>	-	-	-	<b>69.14</b>
Add : Additions		-				-
Less : Disposals		-				-
Gross carrying amount as at March 31, 2020		<b>69.14</b>				<b>69.14</b>

**Accumulated depreciation and impairment**

Balance as at March 31, 2018	-	23.35	-	-	-	23.35
Add : Depreciation charge during the year		8.54				8.54
Less : Disposals/ Adjustments		-				-
Balance as at March 31, 2019	-	<b>31.89</b>	-	-	-	<b>31.89</b>
Add : Depreciation charge during the year		<b>6.94</b>				6.94
Less : Disposals/ Adjustments		-				-
Balance as at March 31, 2020		<b>38.83</b>				<b>38.83</b>

**Net carrying amount**

As at March 31, 2019	-	<b>37.25</b>	-	-	-	<b>37.25</b>
As at March 31, 2020	-	<b>30.31</b>	-	-	-	<b>30.31</b>

**TOTAL**

<b>As at March 31, 2019</b>	29.07	37.59	0.05	0.03	0.32	67.06
<b>As at March 31, 2020</b>	<b>26.24</b>	<b>30.59</b>	<b>0.04</b>	<b>0.02</b>	<b>0.13</b>	<b>57.02</b>

**Note - 4**

**Right of Use Assets**

Particulars	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
-------------	------	-----------	-------------------	----------------------	-------------------	----------	-------

Gross carrying amount as at March 31, 2018	-		-	-	-		-
Add : Additions							
Less : Disposals							
Gross carrying amount as at March 31, 2019	-	-	-	-	-	-	-
Add : Additions	<b>552.07</b>	-					552.07
Less : Disposals		-					-
Gross carrying amount as at March 31, 2020	<b>552.07</b>	-	-	-	-	-	<b>552.07</b>

Balance as at March 31, 2018	-	-	-	-	-	-
Add : Depreciation charge during the year					-	-
Less : Disposals/ Adjustments						-
Balance as at March 31, 2019		-	-	-		-
Add : Depreciation charge during the year	<b>18.40</b>					18.40
Less : Disposals/ Adjustments	<b>(90.48)</b>					(90.48)
Balance as at March 31, 2020	<b>108.88</b>				-	108.88

<b>Net carrying amount</b>						
As at March 31, 2019	-	-	-	-	-	-
As at March 31, 2020	<b>443.19</b>	-			-	<b>443.19</b>

**Note 5****Deferred Tax Assets ( Net )****Deferred Tax Assets**

On Account of Depreciation	
On account of Provision for Doubtful Debts	
On account of Business Loss	
On account of Right to use of assets	

**Deferred Tax Liabilities****Deferred Tax Assets(Net)**

	(Rs. in lacs)	(Rs. in lacs)
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	0.97	0.74
	0.36	0.75
	-	6.45
	29.15	-
	<b>30.48</b>	<b>7.94</b>
	-	-
	<b>30.48</b>	<b>7.94</b>

**Note - 6****Other non-current assets**

Unsecured, considered good (unless otherwise stated)

- Advance Income-Tax including tax deducted at source (Net)

<b>4.55</b>	<b>11.33</b>
<b>4.55</b>	<b>11.33</b>

**Note - 7****Trade Receivables**

Trade Receivables  
Unsecured, considered good

**Total Receivables**

Less: Allowance for bad and doubtful debts

16.29	51.20
1.39	2.88
17.68	54.08
<b>1.39</b>	<b>2.88</b>
<b>16.29</b>	<b>51.20</b>

**Note -8****Cash and cash equivalents**

Balances with Banks  
i) In Current Accounts  
Cash on hand

8.31	6.21
-	-
<b>8.31</b>	<b>6.21</b>

**MANGALORE LIQUID IMPEX PVT. LTD.****Notes forming part of financial statements**

Particulars	(Rs. in lacs)	(Rs. in lacs)
	As at MARCH 31,2020	As at MARCH 31, 2019

**Note- 9****Loans**

Unsecured, considered good (unless otherwise stated):

Security and Other Deposits	131.07	131.07
Loans to Related parties	240.00	-
	<b>371.07</b>	<b>131.07</b>

**Note - 10****Other Current Assets**

Other Receivable	17.69	13.00
Balance with Government Authorities	19.08	33.92
	<b>36.77</b>	<b>46.92</b>

**MANGALORE LIQUID IMPEX PVT. LTD.**

Notes forming part of financial statements

Particulars	As at MARCH 31,2020	As at MARCH 31, 2019
<b>Note - 11</b>		
<b>Equity share capital</b>	(Rs. in lacs)	(Rs. in lacs)
(a) <b>Authorised</b>		
i) <b>Equity Shares</b>		
10,000 Equity Shares face value of Rs. 10/- each	1.00	1.00
	<b>1.00</b>	<b>1.00</b>
(b) <b>Issued, Subscribed and paid-up</b>		
Equity Shares		
10,000 (P.Y.10000) Equity Shares of Rs. 10/- each	1.00	1.00
	<b>1.00</b>	<b>1.00</b>

**1.1 Terms / Rights attached to Equity Shares :**

The company has one class of equity shares having a par value of Re.10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors. In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding/stake.

1.2 The company is a subsidiary of Ruchi Infrastructure Ltd.

1.3 The details of shareholders' holding more than 5 % Shares

	As at 31st March 2020	
	No of Shares	% age of holding
<b>EQUITY SHARES</b>		
Ruchi Infrastructure Limited Including Nominees (Holding Company)	9,800	98%

	As at 31st March 2019	
	No of Shares	% age of holding
<b>EQUITY SHARES</b>		
Ruchi Infrastructure Limited Including Nominees (Holding Company)	9,800	98%

1.4 For the period of five years immediately preceeding the date at which the Balance Sheet is prepared, i.e. 31.03.2020, the Company has not allotted any shares pursuant to Contract(s) without payment being received in Cash or by way of bonus shares or bought back any shares / class of shares.

**Note - 12****Other Equity**

	(Rs. in lacs)	(Rs. in lacs)
Retained Earnings		
<b>TOTAL</b>	<b>(6.66)</b>	<b>31.88</b>

**Retained Earnings****Balance as at the beginning of the year**

Add: Net Profit/(Loss) for the year

Less: Adjustment on account of IND As 116 ( Net of Tax )

**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
31.88	50.57
31.14	(18.69)
(69.68)	-
<b>(6.66)</b>	<b>31.88</b>

**Nature & Purpose of Reserves****Retained Earnings**

The same is created out of profits over the years and shall be utilised as per the provisions of the Companies Act, 2013.

Particulars	Rs. in lacs	
	As at	As at
	March 31, 2020	March 31, 2019

**Note - 13**

**(b) Financial Liabilities - Non Current**

Lease Liability	554.35	-
	<b>554.35</b>	<b>-</b>

**Note - 14**

**Borrowings**

**A Loans repayable on demand**

From Others	530.50	375.00
	<b>530.50</b>	<b>375.00</b>

**Note -15**

**Trade Payables**

- Due to Micro, Small and Medium Enterprises	-	-
- Due to others	5.80	44.72
	<b>5.80</b>	<b>44.72</b>

**Note - 16**

**Other Financial liabilities**

Lease Liability	0.97	-
Other Liabilities	19.92	9.26
	<b>20.89</b>	<b>9.26</b>

**Note - 17**

**Other current liabilities**

Statutory Dues	3.51	1.58
	<b>3.51</b>	<b>1.58</b>

**MANGALORE LIQUID IMPEX PVT. LTD.**  
**Notes forming part of financial statements**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Note - 18</b>	Rs. in lacs	Rs. in lacs
<b>Revenue from operations</b>		
<b>A</b> Sale of Services		
Carqo Handling Income	48.26	52.79
<b>B</b> Rental Income from Storage	266.50	237.69
<b>C</b> Other Operating revenue	1.31	0.69
	<b>316.07</b>	<b>291.17</b>
<b>Note - 19</b>		
<b>Other Income</b>		
<b>Interest Income (at amortised cost)</b>		
- On Fixed Deposits	0.10	0.45
- Others	0.58	0.10
Reversal of Provision for Doubtful Debts	1.49	-
Other Non Operating Income	2.81	0.21
	<b>4.98</b>	<b>0.76</b>
<b>Note - 20</b>		
<b>Employee benefits expense</b>		
Salary, Waqes and Bonus	0.84	0.91
Staff Welfare Expenses	0.45	0.66
	<b>1.29</b>	<b>1.57</b>
<b>Note - 21</b>		
<b>Finance costs</b>		
Interest Expense	116.33	47.48
	<b>116.33</b>	<b>47.48</b>
<b>Note - 22</b>		
<b>Other Expenses</b>		
Material Handling Expenses	94.68	152.46
Lease Rent	1.21	68.29
Rates & taxes	2.31	2.14
Audit fees	0.69	0.57
Repair & Maintance	1.42	15.74
Provision for Doubtful Debts	-	2.87
Other expenses (Net of recoveries)	32.45	15.13
	<b>132.76</b>	<b>257.20</b>

**Note-23 - Contingent Liabilities & Commitments**

Nil

**Note-24-Payments to Auditor ( Inclusive of Service Tax )**

	Rs in lacs	Rs in lacs
	2019-2020	2018-2019
a. For Statutory Audit	<b>0.56</b>	<b>0.57</b>
b. For Other Services	<b>0.16</b>	<b>0.31</b>
	<b>0.72</b>	0.88

**Note-25-Earning per Share****Basic and diluted earning per share :**

Net Profit after tax	31.14	(18.69)
Weighted Average No of equity shares	10,000	10,000
Nominal value of ordinary share	10	10
Basic and diluted earning per share	311.40	(186.90)

**Note-26- Segment Reporting**

All activities of the Company are Storage Tank Renting and allied services .  
Hence the Company does not have any Reportable segment

**Note-27- Related Party disclosure as per IND AS - 24**

List of Related parties with whom transactions have taken place

Name of Entity	Relation
Ruchi Infrastructure Ltd	Holding Company
Peninsular Tankers Pvt Ltd	Subsidiary of Holding Company

Related Party Transactions	2019-2020 Rs. in lacs	2018-2019 Rs. in lacs
<b>Ruchi Infrastructure Ltd</b>		
Cargo Handling Expenses Paid	<b>73.67</b>	133.19
Interest Paid	-	44.56
<b>Peninsular Tankers Pvt Ltd</b>		
Loan Given	<b>240.00</b>	-
Interest Received	<b>0.84</b>	-
<b>Balance as at the end of the year</b>		
<b>Ruchi Infrastructure Ltd</b>		
Trade Payable	<b>5.80</b>	44.72
<b>Peninsular Tankers Pvt Ltd</b>		
Loans Given	<b>240.00</b>	-
Interest Receivable	<b>0.76</b>	-

**Note 28**

a. The Company has adopted Ind AS 116, which is effective from April 1, 2019 and applied the standard to its leases, using Modified Retrospective Approach. Accordingly the Company has not restated comparative information. Instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Accordingly the Company has debited Rs . 69.07 lacs ( Net of Tax ) to Retained earnings.

The Impact on the Profit and Loss account for the year ended March 31, 2020 is as follows :

Particulars	Amount without Ind As 116 application	Amount with Ind AS 116 application	Impact on Profit /(loss) before taxes
Rent Expense	67.12	1.21	65.91
Depreciation	10.04	28.44	(18.40)
Finance Cost	49.64	116.33	(66.69)

b. As at April 1, 2019 The Company has accounted Rs.4,61.59 lacs ( Net ) as Right of Use assets and created Lease Liability of Rs, 555.75 lacs. The difference amount of Rs.94.16 lacs has been accounted by way of debit to Retained earnings of Rs.69.07 lacs net of deferred tax impact of Rs. 24.48 lacs

C. The details of Maturity of lease liabilities as at March 31, 2020 are as under :

Particulars	Rs. in lacs
Less than one year	0.97
One to Five years	10.89
More than Five years	543.45
Total ...	<b>555.31</b>

D. Movement of Lease liabilities during the year ended March 31, 2020 :

Particulars	Rs. in lacs
Balance as at the beginning of the year	-
Additions	555.75
Repayment	0.43
Balance as at the end of the year	555.32

**Note -29- Tax Reconciliation**

**Tax expense**

**(A) Amounts recognised in Statement of profit and loss**

(Rs. in lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current income tax</b>	9.15	-
<b>Changes in estimates related to prior period - Tax for earlier years</b>	-	-
	<b>9.15</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>1.94</b>	<b>(7.57)</b>
<b>Deferred tax expense</b>	1.94	(7.57)
<b>Tax expense for the year</b>	<b>11.09</b>	<b>(7.57)</b>

**(B) Reconciliation of effective tax rate**

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Profit before tax</b>	<b>42.23</b>	<b>(26.26)</b>
Applicable Tax Rate	26%	26%
Computed Tax Expense	10.98	-
<b>Tax effect of :</b>		
Exempted income	-	-
Expenses disallowed	4.63	-
Additional allowances	(6.45)	-
<b>Current Tax</b>	<b>9.16</b>	<b>-</b>
<b>Current Tax Provision (A)</b>	<b>9.16</b>	<b>-</b>
Incremental Deferred Tax Asset on account of Tangible and Intangible Assets	(0.23)	(0.37)
Incremental Deferred Tax Asset on account of Financial Assets and Other Items	0.38	(0.75)
Incremental Deferred Tax Asset on account of carried forward business lossess	6.45	(6.45)
Incremental Deferred Tax Asset on account of Right of use assets	(4.67)	-
<b>Deferred tax Provision (B)</b>	<b>1.93</b>	<b>(7.57)</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>11.09</b>	<b>(7.57)</b>
<b>Effective Tax Rate</b>	<b>26.26</b>	<b>28.83</b>

**(C) Movement in deferred tax balances**

	As at April 1, 2019	For the F.Y. 2019-20		As at March 31, 2020	
		Recognised in profit or loss	Recognised in Reserves	Net (Assets) /Liabilities	Deferred tax (asset)
<b>Deferred Tax Liabilities</b>					
Depreciation					
<b>Deferred Tax Assets</b>					
Depreciation	(0.75)	(0.23)	-	-	(0.98)
Provision for Doubtful debts	(0.74)	0.39	-	-	(0.35)
Carry Forward Business Loss	(6.45)	6.45	-	-	-
On Account of Right of Use assets	-	(4.67)	(24.48)	-	(29.15)
<b>Tax (Assets)/Liabilities</b>	<b>(7.94)</b>	<b>1.94</b>	<b>(24.48)</b>	<b>-</b>	<b>(30.48)</b>
<b>Net tax (Assets)/Liabilities</b>	<b>(7.94)</b>	<b>1.94</b>	<b>(24.48)</b>	<b>-</b>	<b>(30.48)</b>

**Movement in deferred tax balances**

	As at 1st April 2018	For the F.Y. 2018-19		As at March 31, 2019	
		Recognised in profit or loss	Recognised in OCI	Net (Assets) /Liabilities	Deferred tax (asset)
<b>Deferred Tax Liabilities</b>					
Depreciation	-	-	-	-	-
<b>Deferred Tax Assets</b>					
Depreciation	(0.38)	(0.37)	-	(0.75)	(0.75)
Provision for Doubtful debts	-	(0.74)	-	(0.74)	(0.74)
Carry Forward Business Loss	-	(6.45)	-	(6.45)	(6.45)
<b>Tax (Assets)/Liabilities</b>	<b>(0.38)</b>	<b>(7.56)</b>	<b>-</b>	<b>(7.94)</b>	<b>(7.94)</b>
<b>Net tax (Assets)/Liabilities</b>	<b>(0.38)</b>	<b>(7.56)</b>	<b>-</b>	<b>(7.94)</b>	<b>(7.94)</b>

**Note-30 - Financial Instruments - Fair values and measurement hierarchy****A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value. A substantial portion of the Company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such long-term debt approximates fair value.

**March 31st, 2020****Rs.in lacs**

Financial Assets	Carrying Amount		Fair Value			
	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
(i) Trade receivables	16.29	16.29	-	-	-	-
(ii) Cash and cash equivalents	8.31	8.31	-	-	-	-
(iii) Bank balances ther than (ii) above	-	-	-	-	-	-
(v) Others	371.07	371.07	-	-	-	-
Total ...	<b>395.67</b>	<b>395.67</b>	-	-	-	-

Financial Liabilities	Carrying Amount		Fair Value			
	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
(i) Lease Liability	555.32	555.32	-	-	-	-
(ii) Borrowings	530.50	530.50	-	-	-	-
(iii) Trade payables	5.80	5.80	-	-	-	-
(iv) Other financial liabilities	19.92	19.92	-	-	-	-
Total ...	<b>1,111.54</b>	<b>1,111.54</b>	-	-	-	-

**March 31st, 2019**

Financial Assets	Carrying Amount		Fair Value			
	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
(i) Trade receivables	51.20	51.20	-	-	-	-
(ii) Cash and cash equivalents	6.21	6.21	-	-	-	-
(iii) Others	371.07	371.07	-	-	-	-
Total ...	<b>428.48</b>	<b>428.48</b>	-	-	-	-

Financial Liabilities	Carrying Amount		Fair Value			
	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
(i) Borrowings	375.00	375.00	-	-	-	-
(ii) Trade payables	44.72	44.72	-	-	-	-
(iii) Other financial liabilities	9.26	9.26	-	-	-	-
Total ...	<b>428.98</b>	<b>428.98</b>	-	-	-	-

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e.**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Note - 31 Financial Instruments – Fair Values and Risk Management****Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Market risk
  - (a) Currency risk
  - (b) Interest rate risk
- (ii) Credit risk and
- (iii) Liquidity risk

**Risk management framework**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of risks on its financial performance. The Company's risk management assessment policies and processes are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. These policies and processes are reviewed by management regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee are responsible for overseeing these policies and processes.

**(i) Market risk**

Market risk is the risk of changes the market prices on account of foreign exchange rates, interest rates and demand for the Company's services, which shall affect the Company's income or the value of its holdings of its financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the returns.

**(i) (a) Currency risk**

The Company does not have any foreign currency exposure.

**(i) (b) Interest Rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the borrowing from bank and financial institution. Currently Company is not using any mitigating factor to cover interest rate risk.

**Interest rate risk exposure -variable rate****Rs.in lacs**

	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Borrowings ( from others )	530.50	375.00
<b>Total</b>	<b>530.50</b>	<b>375.00</b>

**Interest rate sensitivity**

A reasonably possible change of 1% in interest rates at the reporting date would have increased /(decreased) equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**March 31, 2020****Rs.in lacs**

<b>Particulars</b>	<b>Impact on Profit/(loss) before tax</b>	
	<b>1% Increase</b>	<b>1% Decrease</b>
On account of Borrowing from Others	(5.31)	5.31
<b>Sensitivity</b>	<b>(5.31)</b>	<b>5.31</b>

**March 31, 2019**

<b>Particulars</b>		
On account of Borrowing from Holding Company	(3.75)	3.75
<b>Sensitivity</b>	<b>(3.75)</b>	<b>3.75</b>

**(ii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customer. The Company establishes an allowance for doubtful debts and impairment that represents its estimate on expected loss model.

**A. Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

**Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:**

Particulars	Rs. in lacs	
	As at March 31, 2020	As at March 31, 2019
<b>Past due but not impaired</b>		
Past due 0–90 days	16.29	51.20
Past due 91–180 days	-	-
Past due more than 180 days	-	-
	<b>16.29</b>	<b>51.20</b>

**Expected credit loss assessment for customers as at March 31, 2020 and March 31, 2019**

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Impaired amounts are based on lifetime expected losses based on the best estimate of the management. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

**The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.**

	Rs. in lacs
	March 31, 2020
<b>Balance as at April 1, 2018</b>	2.88
Impairment loss recognised	(1.49)
Amounts written off	-
<b>Balance as at March 31, 2019</b>	<b>1.39</b>

  

	March 31, 2019
<b>Balance as at April 1, 2018</b>	0.01
Impairment loss recognised	2.87
Amounts written off	-
<b>Balance as at March 31, 2019</b>	<b>2.88</b>

**B. Cash and cash equivalents**

The Company holds cash and cash equivalents with credit worthy banks and financial institutions of Rs.8.31 lacs as at March 31, 2020, (Rs.6.21 lacs as at 31st March 2019).The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

**C Investments**

The Company does not have any investments as at March 31, 2020 ( Rs.Nil as at March 31, 2019)

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund based lines from various banks. The Company also constantly monitors various funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Exposure to liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturities groupings based on their contractual maturities for:

\* all non derivative financial liabilities

		Rs. in lacs				
As at March 31, 2020	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings	530.50	530.50	530.50	-	-	-
(ii) Trade payables	5.80	5.80	5.80	-	-	-
(iii) Other financial liabilities	575.24	575.24	20.90	1.58	9.30	543.46
<b>Total ...</b>	<b>1,111.54</b>	<b>1,111.54</b>	<b>557.20</b>	<b>1.58</b>	<b>9.30</b>	<b>543.46</b>

  

		Rs. in lacs				
As at March 31, 2019	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings	375.00	375.00	375.00	-	-	-
(ii) Trade payables	44.72	44.72	44.72	-	-	-
(iii) Other financial liabilities	9.26	9.26	9.26	-	-	-
<b>Total ...</b>	<b>428.98</b>	<b>428.98</b>	<b>428.98</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note -32- Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company's policy is to keep the ratio at optimum level. The Company's adjusted net debt to equity ratio was as follows.

Particulars	Rs. in lacs	
	As at March 31, 2020	As at March 31, 2019
Total liabilities	1,109.39	463.44
Less : Cash and cash equivalent	8.31	6.21
Adjusted net debt	<b>1,101.08</b>	<b>457.23</b>
<b>Total equity</b>	(5.66)	32.88
Adjusted net debt to adjusted equity ratio	(194.54)	13.91

**Dividends****Amount of Dividends approved during the year by shareholders**

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Figures In Rs.	No. of Shares	Figures In Rs.
Equity Shares	10,000	-	10,000	-

**Note 33: Impact of Covid 19**

Subsequent to the lockdown the company does not see any major impact arising out of COVID-19 such as drastic drop in demand for its services , employee downsizing etc . The Company's storage facilities are mainly used by industries deemed as essential services and hence the disruption if any to the business of the Company will not be material.

The Company was able to successfully run its operations and was able to generate revenue with certainty of receipt.

Accordingly in assessing the recoverability of Company's Current and Non Current assets, the Company has considered internal and external information upto the date of approval of these financial results. On the basis of such assessment of the future economic conditions Company expects to recover the carrying amount of its assets.

**Note : 34**

Previous year's figures have been regrouped , reclassified, recast to make them comparable with current year's figures.

As per our report of even date attached

For Prakash H Shah & Co  
Chartered Accountants

For Mangalore Liquid Impex Pvt. Ltd.

(Prakash H Shah)  
Proprietor  
Membership no. 37448  
Place: Indore  
Date: June 25, 2020

Narendra Shah  
Director  
DIN:02143172  
Place: Indore  
Date: June 25, 2020

Parag Choudhary  
Director  
DIN:07845977