Independent Auditors Report

To,
The Members of
Mangalore Liquid Impex Private Limited

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 2019, 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 31st March, 2019, and its loss, 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 Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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.

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.

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves some key points which includes Identification of contract with customer, identification of	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We evaluated the internal controls relating to implementation of the new revenue accounting standard, selected some continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	We have performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

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 Annexures to Board's Report. 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, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;

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.

For Prakash Shah & Co
Chartered Accountants

CA Prakash Shah
(Propritor)
M.No.37448

Place Mumbai
Date: 30/04/2019

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 Pvt Limited on the standalone financial statements for the year ended 31st March, 2019.

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. As explained to us, the fixed assets of the Company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. 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. 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. In respect of the aforesaid loans granted :

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans , guarantees or made investments and 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. The Company is not required to maintain cost records pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 .

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, service tax, duty of customs, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31st March, 2019 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 defaulted in repayment of loans and borrowings to a 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. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the company by the officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

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 any 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 him 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 Shah & Co
Chartered Accountants

CA Prakash Shah
(Propritor)
M.No.37448

Place Mumbai
Date: 30/04/2019

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

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

We have audited the internal financial controls over financial reporting of Mangalore Liquid Impex Limited ("the Company") as of March 31, 2019 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 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Prakash Shah & Co

Chartered Accountants

CA Prakash Shah

Place Mumbai

(Propritor)

Date: 30/04/2019

M.No.37448

MANGALORE LIQUID IMPEX PVT. LTD.
Balance Sheet as on 31.03.2019 **(Amount in Rs.)**

Particulars		Notes	As at MARCH' 31, 2019	As at March 31, 2018
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	3	67.06	78.41
	(b) Capital work-in-progress		141.71	141.71
	(c) Deferred tax assets (net)	4	7.94	0.38
	(d) Other non-current assets	5	11.33	5.21
	Total Non-current assets		**228.04**	**225.71**
(2)	**Current assets**			
	(a) Financial Assets			
	(i) Trade receivables	6	51.20	40.68
	(ii) Cash and cash equivalents	7	6.21	29.65
	(iii) Bank balances Other than (ii) above	8	-	30.00
	(iv) Loans	9	131.07	130.25
	(v) Others	10	-	0.09
	(b) Other Current Assets	11	46.92	56.48
	Total Current assets		**235.40**	**287.15**
	Total Assets		**463.44**	**512.86**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	12	1.00	1.00
	(b) Other Equity	13	31.89	50.58
	Total Equity		**32.89**	**51.58**
(1)	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Other financial liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred tax liabilities (Net)	4	-	-
	Total Non-Current Liabilities		**-**	**-**
	LIABILITIES			
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14	375.00	410.00
	(ii) Trade payables	15	44.72	38.74
	(iii) Other financial liabilities	16	9.26	12.15
	(b) Other current liabilities	17	1.57	0.39
	Total Current liabilities		**430.55**	**461.28**
	Total Equity andl Liabilities		**463.44**	**512.86**

Company Background and Significant Accounting Policies **1 - 2**

See accompanying Notes to the financial statements **3 - 31**

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: Mumbai
Date: April 30, 2019

Narendra Shah
Director

Parag Choudhary
Director

MANGALORE LIQUID IMPEX PVT. LTD.
Statement of Profit and Loss as on 31.03.2019

(Amount in Rs.)

	Particulars	Notes	31 st MARCH 2019	For the year ended March 31, 2018
INCOME				
I	Revenue from Operations	18	291.17	301.99
II	Other Income	19	0.76	0.51
III	**Total Income (I+II)**		**291.93**	**302.50**
IV	**EXPENSES**			
	Employee Benefits Expense	20	1.57	2.97
	Finance Costs	21	47.48	16.91
	Depreciation, amortisation and impairment Expenses	3	11.94	14.15
	Other Expenses	22	257.20	258.19
	Total Expenses		**318.19**	**292.22**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**(26.26)**	**10.28**
VI	Exceptional Items			-
VII	**Profit/(loss) before tax (V-VI)**		**(26.26)**	**10.28**
VIII	**Tax expense**			
	Current Tax		-	3.17
	Deferred Tax		(7.57)	(0.55)
	Tax for earlier years		-	-
IX	**Profit/(loss) after tax for the year (VII-VIII)**		**(18.69)**	**7.66**
X	**(A) Other Comprehensive Income**			
	(i) Items that will not be reclassified to statement of profit or loss		-	-
	Tax relating to above items		-	-
	(ii) Items that will be reclassified to statement of profit or loss		-	-
	Tax relating to above items		-	-
XI	**Total comprehensive income for the year**	-	-	-
XII	**Earnings per equity share of face value of `1 each**			
	Basic and Diluted earnings per share for continuing operation			
	a Basic (in `)		(186.90)	76.60
	b Diluted (in `)		(186.90)	76.60

Company Background and Significant Accounting Policies 1 -2
See accompanying Notes to the financial statements **3 - 31**
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: Mumbai
Date: April 30, 2019

Narendra Shah
Director

Parag Choudhary
Director

MANGALORE LIQUID IMPEX PVT. LTD.
Statement of Changes in Equity (SOCIE)

a. Equity share capital

	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	10,000	1	10,000	1
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	10,000	1	10,000	1

b. Other Equity

(i) As at March 31, 2019	**Retained Earnings**	**Total**
Particulars		
Balance at the beginning of the reporting period	51	**51**
Changes in accounting policy or prior period errors		
Restated balance at the beginning of the reporting period		
Profit/(Loss) for the year	(19)	**(19)**
Other Comprehensive Income for the year (net of tax)	-	**-**
Total comprehensive income for the year	32	**32**
Balance at the end of the reporting period	32	**32**

(ii) As at March 31, 2018

Particulars	**Retained Earnings**	Total
Balance at the beginning of the reporting period	43	*43*
Profit/(Loss) for the year	8	*8*
Total comprehensive income for the year	51	*51*
Balance at the end of the reporting period	51	*51*

Company Background and Significant Accounting Policies 1 -2
See accompanying Notes to the financial statements **3 - 31**
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: Mumbai
Date: April 30, 2019

Narendra Shah, Director
Parag Choudhary, Director

RUCHI INFRASTRUCTURE LTD CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019		
	For the Year ended March 31st, 2019	**For the Year ended March 31st, 2018**
Cash Flow from operating activities		
Profit / (Loss) before tax	**(26.26)**	*10.28*
Adjustments for :		
Depreciation	11.94	*14.15*
Provision for doubtful debts	2.87	*0.01*
Interest Income	(0.76)	*(0.51)*
Finance Costs	47.48	*16.91*
Operating Profit Before Working Capital Changes	**35.27**	*40.84*
Working Capital Adjustments		
(Increase)/Decrease in Trade and other receivables	(4.65)	*(51.59)*
Increase/(Decrease) in Trade and other payables	4.27	*(320.36)*
Cash Generated from operations	**34.89**	*(331.11)*
Income Tax Paid	(6.11)	*(7.40)*
NET CASH FLOW FROM OPERATING ACTIVITIES	**28.78**	*(338.51)*
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment (Including Capital WIP and Capital advance)	(0.59)	*(0.14)*
Interest Income	0.85	*0.51*
Changes in Other bank balances	30.00	*(30.00)*
NET CASH FLOW USED IN INVESTING ACTIVITIES	**30.26**	*(29.63)*
Cash Flow from Financing Activities		
Proceeds from borrowings	(35.00)	*410.00*
Finance Costs	(47.48)	*(16.91)*
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(82.48)**	*393.09*
Net increase/(decrease) in Cash and Cash Equivalents	**(23.44)**	*24.95*
Cash & Cash Equivalents at the beginning of the year	29.65	*4.70*
Cash & Cash Equivalents at the end of the year	**6.21**	*29.65*
Cash & Cash Equivalents comprises :		
Balance with Banks in Current Accounts	6.21	*29.65*
	6.21	*29.65*

Company Background and Significant Accounting Policies 1 -2

See accompanying Notes to the financial statements **3 - 31**

As per our report of even date attached

For Prakash H Shah & Co
Chartered Accountants

For Mangalore Liquid Impex Pvt Ltd

Narendra Shah — **Director**

Parag Choudhary — **Director**

(Prakash H Shah)
Proprietor
Membership no. 37448
Place: Mumbai
Date: April 30, 2019

MANGALORE LIQUID IMPEX PVT LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE-1

General Information

MANGALORE LIQUID IMPEX PRIVATE LIMITED ('the Company') is a Private Limited Company incorpoarted on 28th February 1997. The company is engaged in the business of Oil & other comodity Storage Tank.The registered office of the company is situated at opp Customas House Pannambur New Mangaluru - 575010. The Company has CIN Number U85110KA1997PTC021887.

NOTE-2

Significant accounting policies

i. Statement of compliance

The separate financial statements have been prepared in accordance with Indian Accounting standards ("Ind AS") notified, under section 133 of the Companies Act, 2013 ('Act') read with the rules notified under the relevant provisions of the Act.

ii. Basis of Preparation

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Functional and presentation currency

These separate financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest Rupees in lacs unless otherwise indicated.

iii. Use of Estimates, Judgments and Assumptions

The preparation of financial statements in accordance with Ind AS requires management to make judgments, 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 affected.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on amount recognized in the financial statements are:

i. Allowance for bad and doubtful trade receivable.
ii. Recognition and measurement of provision and contingencies.
iii. Depreciation/ Amortisation and useful lives of Property, plant and equipment / Intangible Assets.
iv. Recognition of deferred tax.
v. Income Taxes.
vi. Measurement of defined benefit obligation.
vii. Impairment of Non-financial assets and financial assets.

iv. Revenue

Recognition

The company recognised revenue i.e. account for a contract with a customer only when all of the following criteria are met:

(a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

(b) the entity can identify each party's rights regarding the goods or services to be transferred;

(c) the entity can identify the payment terms for the goods or services to be transferred;

(d) the contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and

(e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the 3 customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Measurement

When (or as) a performance obligation is satisfied, company recognise as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained) that is allocated to that performance obligation.

The transaction price is the amount that the entity expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration promised may include fixed amounts, variable amounts, or both.

i) Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to the short nature of credit period given to customers, there is no financing component in the contract.

ii) Sale of Services

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/arrangements with the concerned parties.

iii) **Interest and Dividend**

Interest income is recognized on accrual basis using the effective interest method. Dividend income is recognised in profit or loss on the date on which the company's right to receive payment is established.

v. Inventories

Inventories are valued at lower of cost and net realizable value, except by-product/scrap is valued at net realizable value. Cost of inventory is arrived at by using Moving Average Price Method. Cost of inventory is generally comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

vi. Property, Plant and Equipment

a. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (if any). Freehold land is measured at costs.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, acquisition or construction cost including borrowing costs, 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 management, 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.

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

b. 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.

c. Depreciation

Depreciation on property, plant and equipment is provided using Written down value method (WDV) on depreciable amount as per the useful life of the assets in the manner as specified in Schedule II to the Companies Act, 2013. The estimated useful life of assets and estimated residual value is taken as prescribed under Schedule II to the Companies Act, 2013.

Depreciation on additions during the year is provided on pro rata basis with reference to date of addition/installation. Depreciation on assets disposed/discarded is charged up to the date on which such asset is sold.

The estimated useful lives, residual value and depreciation method are reviewed at the end of each balance sheet date, any changes therein are considered as changes in estimate and accordingly accounted for prospectively.

d. Biological Assets

Biological assets are classified as Bearer biological assets and Consumable biological assets. Bearer Biological Assets which are held to bear agricultural produce are classified as Bearer plants. Consumable biological assets are those that are to be harvested.

Bearer plants are recognised under Property, Plant and Equipment on fulfilment of the following condition :

1. Is used in the production or supply of agricultural produce;

2. Is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Promogranate Plants are recognised as Bearer biological assets. These are classified as mature Bearer Plants and Immature Bearer Plants. Mature Bearer Plants are those that have attained harvestable stage. Cost incurred for new plantations and immature areas are capitalised. Cost includes cost of land preparation, new planting and maintenance till maturity. The cost of areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful lives. Promogranate Plants attain a harvestable stage in about 1.5 years.

Bearer biological assets are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Mature bearer plants are depreciated over their estimated useful life. Immature bearer plants are tested for impairment / obsolescence. The estimated useful life of mature bearer plants are approx.. 24 years.

e. Capital Work In progress

Assets under erection/installation are shown as "Capital work in progress", Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection/installations of the assets.

vii. Intangible Assets

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Recognition and measurement

Computer softwares and Jetty rights 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.

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.

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 of 3 years. Jetty Rights are amortised over the life mentioned in the agreement entered with Maritime

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

viii. Employee benefits

i. 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.

ii. Defined benefit plans

The liability for gratuity a defined benefit plan is determined annually by a qualified actuary using the projected unit credit method.

The company pays gratuity to the employees who have completed five years of service with company at the time when the employee leaves the company 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.

Remeasurement of the net defined benefit plans in respect of post-employment are charged to other comprehensive income. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. Other employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of obligation as at the Balance sheet date determined based on an actuarial valuation.

iv. **Defined Contribution Plan**

The company's payments to the defined contribution plans are recognized as expenses during the period in which the employees perform the services that payment covers. Defined contribution plan comprise of contribution to the employees' provident fund with government, Employees' State Insurance and Pension Scheme.

ix. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to other comprehensive income or a business combination, or items recognised directly in equity.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

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 are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets and liabilities are reviewed at the end of each reporting period.

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 been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

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.

x. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Difference arising on settlement of monetary items are recognised in statement of profit and loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets..

Non-monetary items that are measured based on historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. 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. Exchange difference arising out of these transactions are generally recognised in statement of profit and loss.(Reference for OCI to be given).)

xi. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale.

qualifying asset are the assets that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

xii. Cash and Cash Equivalent

In cash flow statement, Cash and cash equivalent includes the cash and Cheques in hand, bank balances, demand deposits with bank and 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.

Bank overdraft are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

xiii. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/ (loss) before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flow. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

xiv. Earning Per Share

i. Basic earnings per shares is arrived at based on net profit / (loss) after tax available to equity shareholders divided by Weighted average number of equity shares , adjusted for bonus elements in equity shares issued during the year (if any) and excluding treasury shares.

ii. Diluted earnings per shares is calculated by dividing Profit attributable to equity holders after tax divided by Weighted average number of shares considered for basic earning per shares including potential dilutive equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

xv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized, but its existence is disclosed in the financial statements

xvi. Leases

As a Lessee

A lease is classified at the inception date as finance lease or an operating lease. Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

Other leases are treated as operating leases, with payments are recognized as expense in the statement of profit and loss on a straight line basis over the lease term.

As a Lessor

Rental Income from operating leases is recognized on straight - line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the period in which such benefits accrue.

xvii. Impairment of Non-Financial Assets

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the company estimates the amount of impairment loss.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as cash generating unit.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in statement of profit and loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been in place had there been no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss, taking into account the normal depreciation/amortization.

xviii. 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 financial assets in the following measurement categories :

a. Those measured at amortised cost and
b. Those measured subsequently at fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Financial Asset at fair value through profit and loss (FVTPL)

FVTPL is a residual category for financial asset. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the group company may elect to classify a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

i. The rights to receive cash flows from the asset have expired, or

ii. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iii. When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

iv. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

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:

i. 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.

ii. 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 all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

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

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, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading 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 group 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, and 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 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.

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 value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when,and when the company has a legally enforceable right to set off the amount and it intends either to settle then an a net basis or to realize the asset and settle the liability simultaneously.

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable 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.

xix. Government Grants

Government Grants and subsidies from Government are recognised when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with. Government grant received are recognised in the Statement of Profit & Loss on a systematic basis over the period in which the Company recognizes as expenses the related costs for which the grant is intended to compensate.

xx. Guarantee Commission

In respect of Corporate Guarantees given by the Company on behalf of its Subsidiaries as on the Ind As transitional date, notional income is booked at rate prevalent in market for similar guarantee and the income is amortised over the period of the guarantee . The notional income for guarantees given in subsequent periods is treated as deemed investment, added to the carrying cost of investment in Subsidiary and amortised over the period of the guarantee.

xxi. Mandatory exceptions applied – Standard Issued but not yet effective

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: • Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Notes forming part of financial statements

Note - 3
Property, plant and equipment

Particulars	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross Carrying Amount						
Gross carrying amount as at March 31, 2017	39.51		0.11	0.08	0.52	40.22
Add : Additions					0.14	0.14
Less : Disposals						
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	**39.51**	**0.35**	**0.11**	**0.08**	**0.90**	**40.95**
Accumulated depreciation and impairment						
Balance as at March 31, 2017	3.84		0.03	0.02	0.17	4.06
Add : Depreciation charge during the year	3.47		0.02	0.02	0.16	3.67
Less :Disposals/ Adjustments						
Balance as at March 31, 2018	7.31	-	0.05	0.04	0.33	7.73
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	**10.44**	**0.01**	**0.06**	**0.05**	**0.57**	**11.13**
Net carrying amount						
As at March 31, 2018	32.20	-	0.06	0.04	0.33	32.63
As at March 31, 2019	**29.07**	**0.34**	**0.05**	**0.03**	**0.33**	**29.82**
ASSETS GIVEN ON LEASE						
Gross Carrying Amount						
Gross carrying amount as at March 31, 2017		69.14				69.14
Add : Additions						-
Less : Disposals						-
Gross carrying amount as at March 31, 2018	-	69.14	-	-	-	69.14
Add : Additions						
Less : Disposals						
Gross carrying amount as at March 31, 2019	**-**	**69.14**	**-**	**-**	**-**	**69.14**
Accumulated depreciation and impairment						
Balance as at March 31, 2017		12.88				12.88
Add : Depreciation charge during the year		10.48				10.48
Less :Disposals/ Adjustments						
Balance as at March 31, 2018	-	23.36	-	-	-	23.36
Add : Depreciation charge during the year		8.54				8.54
Less :Disposals/ Adjustments						
Balance as at March 31, 2019	**-**	**31.90**	**-**	**-**	**-**	**31.90**
Net carrying amount						
As at March 31, 2018	-	45.78	-	-	-	45.78
As at March 31, 2019	**-**	**37.24**	**-**	**-**	**-**	**37.24**

Note 4

Deferred Tax Assets (Net)

	(Amount in Rs) As at March 31, 2019	(Amount in Rs) As at March 31,2018
Deferred Tax Assets		
On Account of Depreciation	0.74	*0.37*
On account of Provision for Doubtful Debts	0.75	*0.01*
On account of Business Loss	6.45	
	7.94	*0.38*
Deferred Tax Liabilities	-	-
Deferred Tax Assets	**7.94**	*0.38*

Note - 5

Other non-current assets

Unsecured, considered good (unless otherwise stated)

- Advance Income-Tax including tax deducted at source (Net)	**11.33**	*5.21*
	11.33	*5.21*

Note - 6

Trade Receivables

Trade Receivables		
Secured, considered good	**54.08**	*40.69*
Unsecured, considered good	54.08	40.69
Less: Allowance for bad and doubtful debts	**2.88**	*0.01*
	51.20	*40.68*

Note -7

Cash and cash equivalents

Balances with Banks		
i) In Current Accounts	6.21	*29.65*
ii) In Deposit Accounts with less than or equal to 3 months maturity	-	-
Cash on hand	-	-
	6.21	***29.65***

Particulars	(Amount in Rs) As at MARCH' 31, 2019	(Amount in Rs) As at March 31, 2018
Note - 8		
Bank balances Other than cash and cash equivalents above		
In Deposit Accounts		
Original Maturity less than or equal to 3 months		
- Against Margin Money [Under lien]		
More than 3 months but less than or equal to 12 months maturity.	-	*30.00*
	-	***30.00***
Note- 9		
Loans		
Unsecured, considered good (unless otherwise stated):		
Security and Other Deposits	131.07	*130.25*
Loans to Related parties	-	-
Others	-	-
	131.07	***130.25***
Note - 10		
Other Financial assets		
Unsecured considered good		
Other Receivables	-	-
Interest Accrued but not due		
On Investments		
On Fixed Deposits with Banks	-	*0.09*
	-	***0.09***
Note - 11		
Other Current Assets		
a) Advances recoverable in cash or in kind or for value to be received		
Other Receivable	13.00	*12.64*
Balance with Government Authorities	33.92	*43.84*
	46.92	***56.48***

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

Particulars	As at MARCH' 31, 2019	As at March 31, 2018
Note - 12		
Equity share capital		
(a) **Authorised**		
i) Equity Shares		
1,00,000 face value of Rs. 10/- each	1.00	*1.00*
	1.00	***1.00***
(b) **Issued, Subscribed and paid-up**		
Equity Shares		
10,000 (P.Y.10000) Equity Shares of Rs. 10/- each	1.00	*1.00*
	1.00	***1.00***

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

EQUITY SHARES	As at 31st March 2019	As at 31st March 2018
	No of Shares	% age of holding
Ruchi Infrastructure Limited Including Nominees (Holding Company)	98,000	98%

1.4 For the period of five years immediately preceeding the date at which the Balance Sheet is prepared, i.e. 31.03.2019, 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

	As at March 31, 2019	As at March 31, 2018
Retained Earnings	31.89	*50.58*
TOTAL	**31.89**	***50.58***

B Retained Earnings		
Balance as at the beginning of the year	50.58	*42.92*
Add: Net Profit/(Loss) for the year	(18.69)	*7.66*
Less: Items of OCI directly Reconised in Retained Earnings [Refer Note 24]	-	-
Less: Transaction costs arising on share issue, net of tax	-	-
Less: Appropriations	-	-
Balance as at the end of the year	31.89	*50.58*

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	As at March 31, 2019	As at March 31, 2018
Note - 14		
Borrowings		
A Loans repayable on demand		
From Others	375.00	*410.00*
	375.00	***410.00***
Note -15		
Trade Payables		
- Due to Micro, Small and Medium Enterprises	-	-
- Due to Related parties	-	-
- Due to others	44.72	*38.74*
	44.72	***38.74***
Note - 16		
Other Financial liabilities		
Other Liabilities	9.26	*12.15*
	9.26	***12.15***
Note - 17		
Other current liabilities		
Customers' Advances	-	*0.12*
Other liabilities		
Statutory Dues	1.57	*0.27*
	1.57	***0.39***

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note - 18		
Revenue from operations		
A Sale of Services		
Cargo Handling Income	52.79	*62.54*
B Rental Income from Storage	237.69	*238.63*
C Other Operating revenue	0.69	*0.82*
	291.17	***301.99***
Note - 19		
Other Income		
Interest Income (at amortised cost)		
- On Fixed Deposits	0.45	*0.30*
- Others	0.10	*0.21*
Other Non Operating Income	0.21	-
	0.76	***0.51***
Note - 20		
Employee benefits expense		
Salary, Wages and Bonus	0.91	*0.77*
Staff Welfare Expenses	0.66	*2.20*
	1.57	***2.97***
Note - 21		
Finance costs		
Interest Expense	47.48	16.91
	47.48	**16.91**
Note - 22		
Other Expenses		
Material Handling Expenses	152.46	171.09
Lease Rent	68.29	65.61
Rates & taxes	2.14	2.89
Audit fees	0.57	0.23
Repair & Maintance	15.74	1.82
Bank Commission & charges	-	0.01
Provision for Doubtful Debts	2.87	0.01
Other expenses (Net of recoveries)	15.13	16.53
	257.20	**258.19**

Note-23 - Contingent Liabilities & Commitments Nil

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

	2018-2019	2017-2018
a. For Statutory Audit	**0.57**	*0.24*
b. For Other Services	**0.30**	*0.60*
	0.87	0.84

Note-25-Earning per Share

Basic and diluted earning per share :

Net Profit after tax	**(18.69)**	*7.66*
Weighted Average No of equity shares	10,000	*10,000*
Nominal value of ordinary share	10	*10*
Basic and diluted earning per share	(186.90)	*76.60*

Note-26- Segment Reporting

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

Related Party Transactions	2018-2019	2017-2018
Cargo Handling Expenses Paid	**133.19**	*150.41*
Interest Paid	**44.56**	*6.23*
Loan Received	**-**	*410.00*
Balance as at the end of the year		
Trade Payable	**44.72**	*38.74*
Loan	**-**	*410.00*
Interest Payable	**-**	*5.60*

Note -28- Tax Reconciliation

Tax expense

(A) Amounts recognised in Statement of profit and loss

(Amount in Rs.Lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax	-	3.17
Changes in estimates related to prior period - Tax for earlier years	-	-
	-	**3.17**
Deferred tax		
Origination and reversal of temporary differences	**(7.57)**	**(0.55)**
Deferred tax expense	(7.57)	(0.55)
Tax expense for the year	**(7.57)**	**2.62**

(B) Reconciliation of effective tax rate

	For the year ended March 31, 2019 INR	For the year ended March 31, 2018 INR
Profit before tax	**(26.26)**	**10.28**
Applicable Tax Rate	-	0.26
Computed Tax Expense	-	2.65
Tax effect of :		
Exempted income	-	-
Expenses disallowed	-	3.65
Additional allowances	-	(3.13)
Current Tax	**-**	**3.17**
Current Tax Provision (A)	-	**3.17**
Incremental Deferred Tax Asset on account of Tangible and Intangible Assets	(0.37)	(0.55)
Incremental Deferred Tax Asset on account of Financial Assets and Other Items	(0.74)	(0.01)
Incremental Deferred Tax Asset on account of carried forward business lossess	(6.45)	-
Deferred tax Provision (B)	**(7.56)**	**(0.56)**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**(7.56)**	2.61
Effective Tax Rate	28.79%	25.36%

(C) Movement in deferred tax balances

	As at April 1, 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)
Deferred Tax Liabilities					
Depreciation					
Deferred Tax Assets					
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)
Tax (Assets)/Liabilities	**(0.38)**	**(7.56)**	**-**	**(7.94)**	**(7.94)**
Net tax (Assets)/Liabilities	**(0.38)**	**(7.56)**	**-**	**(7.94)**	**(7.94)**

Movement in deferred tax balances

	As at 1st April 2017	For the F.Y. 2017-18		As at March 31, 2018	
		Recognised in profit or loss	Recognised in OCI	Net (Assets) /Liabilities	Deferred tax (asset)
Deferred Tax Liabilities					
Depreciation	0.17	(0.55)	-		(0.38)
Deferred Tax Assets					
Provision for Doubtful debts	-	-	-		-
Tax (Assets)/Liabilities	**0.17**	**(0.55)**	**-**	**-**	**(0.38)**
Net tax (Assets)/Liabilities	**0.17**	**(0.55)**	**-**	**-**	**(0.38)**

Note-29 - Financial Instruments - Fair values and measurement hirarchy

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, 2019

(Amount in Rs.Lacs)

	Carrying Amount		Fair Value			
Financial Assets	**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) Bank balances ther than (ii) above	-	-	-	-	-	-
(v) Others	131.07	131.07	-	-	-	-
Total ...	**188.48**	**188.48**	-	-	-	-

	Carrying Amount		Fair Value			
Financial Liabilities	**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 ...	**428.98**	**428.98**	-	-	-	-

March 31st, 2018

	Carrying Amount		Fair Value			
Financial Assets	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
(i) Trade receivables	40.68	40.68	-	-	-	-
(ii) Cash and cash equivalents	29.65	29.65	-	-	-	-
(iii) Bank balances ther than (ii) above	30.00	-	-	-	-	-
(v) Others	130.34	130.34	-	-	-	-
Total ...	**230.67**	**200.67**	-	-	-	-

	Carrying Amount		Fair Value			
Financial Liabilities	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
(i) Borrowings	410.00	410.00	-	-	-	-
(ii) Trade payables	38.74	38.74	-	-	-	-
(iii) Other financial liabilities	12.15	12.15	-	-	-	-
Total ...	**460.89**	**460.89**	-	-	-	-

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. derived from

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

Note - 30 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) **(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) **(i) (a) Currency risk**

The Company does not have any foreign currency exposure.

i(b) **(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

	As at 31st March 2019	As at 31st March 2018
Borrowings (from others)	375.00	-
Borrowings (from Holding Company)	-	410.00
Total	**375.00**	**410.00**

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, 2019	**(Amount in `)**	
	Impact on Profit/(loss) before tax	
Particulars	**1% Increase**	**1% Decrease**
On account of Borrowing from Others	(3.75)	3.75
Sensitivity	**(3.75)**	**3.75**
March 31, 2018		
Particulars		
On account of Borrowing from Holding Company	(4.10)	4.10
Sensitivity	**(4.10)**	**4.10**

(ii) **(i) (c) 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	As at March 31, 2019	As at March 31, 2018
Past due but not impaired		
Past due 0–90 days	51.20	40.68
Past due 91–180 days	-	-
Past due more than 180 days	-	-
	51.20	**40.68**

Expected credit loss assessment for customers as at March 31, 2019 and March 31, 2018

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.

(Amount in `)

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

	March 31, 2018
Balance as at April 1, 2017	-
Impairment loss recognised	0.01
Amounts written off	-
Balance as at March 31, 2018	**0.01**

B. **Cash and cash equivalents**

The Company holds cash and cash equivalents with credit worthy banks and financial institutions of Rs.6.21 lacs as at March 31, 2019, (Rs.29.65 lacs as at 31st March 2018).The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

D. **Investments**

The Company does not have any investments as at March 31, 2019 (Rs.Nil as at March 31, 2018)

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

	Carrying amount	Contractual cash flows				
As at March 31, 2019		**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
(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	-	-	-
Total ...	428.98	428.98	428.98	-	-	-

	Carrying amount	Contractual cash flows				
As at March 31, 2018		**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
(i) Borrowings	410.00	410.00	410.00	-	-	-
(ii) Trade payables	38.74	38.74	38.74	-	-	-
(iii) Other financial liabilities	12.15	12.15	12.15	-	-	-
Total ...	**460.89**	**460.89**	**460.89**	**-**	**-**	**-**

Note -31- 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.

A.

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Total liabilities	430.55	461.28
Less : Cash and cash equivalent	6.21	29.65
Adjusted net debt	**424.34**	**431.63**
Total equity	32.89	51.58
Adjusted net debt to adjusted equity ratio	12.90	8.37

B. Dividends

Amount of Dividends approved during the year by shareholders

Particulars	**March 31, 2019**		**March 31, 2018**	
	No. of Shares	**Figures In Rs.**	**No. of Shares**	**Figures In Rs.**
Equity Shares	10,000	-	10,000	-

As per our report of even date attached

For Prakash H Shah & Co
Chartered Accountants

For Mangalore Liquid Impex Pvt Ltd

Narendra Shah **Parag Choudhary**
Director **Director**

(Prakash H Shah)
Proprietor
Membership no. 37448
Place: Mumbai
Date: April 30, 2019