

KUMAKA INDUSTRIES LIMITED

**ANNUAL ACCOUNTS
F Y 2017 - 18**

**AUDITOR
SCA AND ASSOCIATES
CHARTERED ACCOUNTANTS**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUMAKA INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of **KUMAKA INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in this standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by M/s. M. B. Majmudar & Co., for which they expressed an unmodified opinion dated 30th May, 2017 and 30th May, 2016 which has been accepted by us. The adjustments to those financial statements for the differences in the accounting principles adopted by the Company on transition to Ind AS have been audited by us.

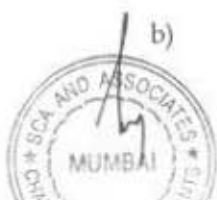
Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

As required by Companies (Auditor's Report) order 2016, issued by the Central Government of India in terms of sub-section (11) of section 143(3) of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the order; to the extent applicable

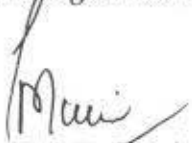
As required by sec 143 (3) of the Act, we report that:-

- 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 appears from our examination of those books.



- c) the Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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 control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our 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 standalone Ind AS financial statements note no: 24.
 - ii. The Company does not have any long-term contracts including derivatives contracts 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 during the year ended 31st March, 2018.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W


Prakash R. Muni
PARTNER
Membership No: 30544



Place: Mumbai
Date: 27th April, 2018

Annexure "A" to the Independent Auditor's Report

Re: Kumaka Industries Limited

The Annexure referred to in our Independent Auditor's Report to the members of the company on the standalone Ind AS financial statements for the year ended 31st March 2018, we report that :-

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(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.
2. Since, the company is not having inventory therefore the para 3(ii) of the order relating to physical verification of inventories is not applicable.
3. The Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. As per the explanation given by the company, because of the stringent financial condition of the former subsidiary and firm. Company has neither charged nor received any interest. In our opinion, the terms and conditions are prejudicial to the interest of the company. Scope of recovery are also remote. There is neither recovery of principal amount nor interest during the year. No steps for recovery of principal amount and interest have been taken by the company during the year.
4. In our opinion and according to the information and explanations given to us, During the year the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans given. During the financial year ended 31st March, 2018, The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act. However, in the past years, the company had given unsecured loan and had acquired equity shares in former subsidiary company in which the key managerial personnel are directors and has given advance in the past years to a partnership firm in which relatives of a director are partners within the meaning of section 185 and 186 of the Companies Act, 2013.
5. The company has not accepted the deposits from public as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.



6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
7. (a) In our opinion and according to explanation given to us the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and the records of the company of the company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, gst, excise duty, custom duty, and cess as at March 31, 2018 which have not been deposited on account of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2018 which has not been deposited on account of dispute is as follows :-

Nature of Dues	Amount (Rs.)	Period to which amount related	Forum where the dispute is pending
Income Tax	36,97,936	AY 1995-96	Mumbai High Court
Income Tax	7,14,567	AY 1996-97	ITAT
Income Tax	30,51,500	AY 2012-13	DY.Commissioner of Income Tax
Excise Matters	90,00,000	1996-97	CESTAT
Income Tax	44,51,160	AY 2014-15	CIT (APPEALS)

8. As per the Information & explanation given to us, the company has not borrowed money from banks/financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.



13. 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 (IND AS -24) Related Party Transaction.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W



Prakash R. Muni
PARTNER
Membership No: 30544



Place: Mumbai
Date: 27th April, 2018

Annexure "B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of KUMAKA INDUSTRIES 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 KUMAKA INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". 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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 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 Accountant of India.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W



Prakash R. Muni
PARTNER
Membership No: 30544




Place: Mumbai
Date: 27th April, 2018

KUMAKA INDUSTRIES LIMITED
CIN - L99999MH1973PLC016315
BALANCE SHEET AS AT 31ST MARCH, 2018


Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
1) Non-Current Assets				
(a) Property, Plant and Equipment	3	13,76,12,658	12,39,59,579	20,13,83,537
(b) Financial Assets				
(i) Investment	4	82,750	82,750	82,750
(ii) Other Financial Assets	5	1,40,04,228	1,42,13,252	1,42,13,252
(iv) Loans	6	-	-	-
(d) Other Non Current Assets (Taxes)	7	3,67,920	3,26,192	22,405
Total Non Current Assets		15,20,67,556	13,85,81,773	21,57,01,944
Current Assets				
(a) Inventories	8	-	1,02,346	1,99,426
(b) Financial Assets				
(i) Trade Receivables	9	-	25,30,447	25,64,282
(ii) Cash and Cash Equivalents	10A	7,28,213	16,73,564	4,65,699
(iii) Other Bank Balances	10B	31,09,227	96,51,000	-
(c) Other Current Assets	11	7,56,96,000	7,58,28,845	1,48,56,536
Total Current Assets		7,95,33,440	8,97,86,202	1,80,85,942
TOTAL ASSETS		23,16,00,997	22,83,67,975	23,37,87,886
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	12	12,08,56,250	12,08,56,250	12,08,56,250
(b) Other Equity	13	7,22,86,827	6,97,24,895	7,42,76,750
Total Equity		19,31,43,077	19,05,81,145	19,51,33,000
Liabilities				
Non Current Liabilities				
Current Liabilities				
Financial Liabilities				
(a) Borrowings	14	-	-	1,03,71,252
Other Current Liabilities	15	3,84,57,919	3,77,86,830	2,82,83,634
Total Current Liabilities		3,84,57,919	3,77,86,830	3,86,54,886
TOTAL LIABILITIES		23,16,00,997	22,83,67,975	23,37,87,886
Significant accounting policies and notes on financial statements	1 to 36			

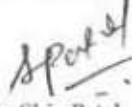
As per our Report of even date
For SCA And Associates
Chartered Accountants
Firm Registration No 101174 W



Prakash R. Muni
Partner
Membership No 30544

Place : Mumbai
Date : 27th April, 2018

For and on behalf of the Board


Mr. Pankaj M. Kadakia
Managing Director
DIN- 00166339


Mr. Shiv Patel
Chief Financial Officer


Mr. (Dr.) Niranjan M. Pandya
Director
DIN- 00385689

