

Jagatjit Industries Limited

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May 30, 2018

To,

The BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P J Towers, Dalal Street,
Fort, Mumbai - 400 001
022-2272 3121, 2037, 2061
corp.relations@bseindia.com

Security Code No. 507155

- Subject :**
- 1. Regulation 30 : Outcome of the Board Meeting and disclosure of material events under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and**
 - 2. Regulations 33: Audited Financial Results of the Company, both on Standalone and Consolidated basis, for the Financial Year ended March 31, 2018.**
- =====

Dear Sir/Madam,

The Board of Directors at their meeting held today (started at 5.00 p.m. and concluded at 7.45 p.m.) considered and approved the Audited, Standalone and Consolidated, Financial Results of the Company for the Financial Year ended March 31, 2018. Copy of the same along-with Audit Report issued by M/s. Madan & Associates, Chartered Accountants, Statutory Auditors of the Company, alongwith a Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) are attached and the same are being uploaded on the website of the Company at www.jagatjit.com.

In view of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it may be noted that the Company shall submit the Standalone Financial Results during Financial Year 2018-19 and shall comply with the requirement given under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take the above on record.

Yours faithfully,

For Jagatjit Industries Limited



K.K. Kohli
Sr. Vice President Legal & Company Secretary

Encl: as above

JAGATJIT INDUSTRIES LIMITED

Regd. Office: Jagatjit Nagar – 144 802, Distt. Kapurthala (Punjab)

Corporate Identity Number : L15520PB1944PLC001970

Phones: (0181) 2783117 Fax: (0181) 2783118 E-mail: jil @jagatjit.com Website: www.Jagatjit.com

AUDITED FINANCIAL RESULTS (BOTH STANDALONE AND CONSOLIDATED)

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

Particulars	STANDALONE					CONSOLIDATED	
	Quarter Ended			Year Ended		Year Ended	
	31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
	1	2	3	4	5	6	7
1 Income from operations							
(a) Revenue from operations	13,638	13,423	19,026	53,811	81,955	53,811	81,956
(b) Other income	1,152	595	1,130	2,899	2,803	2,899	2,803
Total income	14,790	14,018	20,156	56,710	84,758	56,710	84,759
2 Expenses							
(a) Cost of materials consumed	3,748	3,661	5,809	15,695	23,189	15,695	23,189
(b) Purchase of stock in trade	309	450	280	1,374	1,613	1,374	1,613
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,085	268	99	470	1,095	470	1,095
(d) Excise duty	3,960	3,936	7,279	16,993	32,825	16,993	32,825
(e) Employee benefits expense	2,573	1,709	2,175	7,650	7,241	7,650	7,241
(f) Finance cost	1,331	1,810	1,749	5,509	4,904	5,509	4,904
(g) Depreciation and amortisation expense	289	299	317	1,212	1,272	1,212	1,272
(h) Other expenses	4,263	3,739	7,284	15,170	22,264	15,171	22,266
Total expenses	17,558	15,873	24,993	64,073	94,403	64,074	94,405
3 Profit/(Loss) before exceptional items and Taxes (1-2)	(2,768)	(1,855)	(4,837)	(7,363)	(9,645)	(7,364)	(9,646)
4 Exceptional Items	-	-	-	-	-	-	-
5 Profit/(Loss) after exceptional items (3-4)	(2,768)	(1,855)	(4,837)	(7,363)	(9,645)	(7,364)	(9,646)
6 Tax expense (Including deferred tax)							
Deferred Tax	(370)		233	(357)	372	(357)	372
MAT credit reversal			99		99		99
Previous year tax adjustment	5		(447)	5	(447)	5	(447)
7 Net Profit / (Loss) after Tax (5+6) from continuing operations	(2,403)	(1,855)	(4,722)	(7,011)	(9,669)	(7,012)	(9,670)
8 Net Profit / (Loss) after Tax (5+6) from discontinuing operations	(26)	(17)	65	(76)	(1,756)	(76)	(1,756)
9 Tax expenses of discontinuing operations			3		3		3
10 Net Profit / (Loss) after Tax (9+8) from discontinuing operations	(26)	(17)	62	(76)	(1,759)	(76)	(1,759)
11 Share of Profit/(Loss) of associates						(48)	(148)
12 Minority Interest							-
13 Net Profit / (Loss) after Tax, minority interest and share of Profit/(Loss) from associates	(2,429)	(1,872)	(4,660)	(7,087)	(11,428)	(7,136)	(11,577)
14 Other Comprehensive Income / (Loss)							
Items that will not be reclassified to profit or loss	266	(102)	(101)	(39)	(406)	(39)	(406)
Income Tax related to above				13	139	13	139
	266	(102)	(101)	(26)	(267)	(26)	(267)
15 Total Comprehensive Income for the period	(2,163)	(1,974)	(4,761)	(7,112)	(11,695)	(7,161)	(11,844)
16 Paid-up Equity Share Capital (Face Value of the Share is Rs.10/- each)	4615	4615	4615	4615	4615	4615	4615
17 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(14,901)	(7,690)	(14,901)	(7,592)



18.i	Earnings per share (for continuing operations) (of Rs. 10/- each) (not annualised):							
(a)	Basic	(4.90)	(4.48)	(11.05)	(16.12)	(22.76)	(16.23)	(23.11)
(b)	Diluted	(4.90)	(4.48)	(11.05)	(16.12)	(22.76)	(16.23)	(23.11)
18.ii	Earnings per share (for discontinuing operations) (of Rs. 10/- each) (not annualised):							
(a)	Basic	(0.06)	(0.04)	0.14	(0.17)	(4.03)	(0.17)	(4.03)
(b)	Diluted	(0.06)	(0.04)	0.14	(0.17)	(4.03)	(0.17)	(4.03)
18.iii	Earnings per share (of Rs. 10/- each) (not annualised):							
(a)	Basic	(4.96)	(4.52)	(10.91)	(16.29)	(26.79)	(16.41)	(27.14)
(b)	Diluted	(4.96)	(4.52)	(10.91)	(16.29)	(26.79)	(16.41)	(27.14)

(Rs. in lacs)

Balance Sheet as at 31 March, 2018		STANDALONE		CONSOLIDATED	
		31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
Particulars					
A	ASSETS				
1	Non-current assets				
	Property, Plant and Equipment	41,296	42,327	41,296	42,327
	Capital work in progress	33	57	33	57
	Other Intangible Assets	5	8	1,254	1,257
	Biological Assets	0	0	0	0
	Investment Properties	1,763	1,802	1,763	1,802
	Financial assets				
	- Investments	1,290	1,290	300	395
	- loans	3,477	3,454	3,286	3,268
	- Other Financial Assets	732	771	732	771
	Other non-current assets	1,654	1,215	1,665	1,226
	Total Non - Current Assets	50,250	50,924	50,330	51,103
2	Current assets				
	Inventories	5,611	7,917	5,611	7,917
	Financial assets				
	- Investments		15		15
	- Trade receivables	13,452	14,066	13,452	14,066
	- Others	505	298	505	298
	- Loans	830	1,198	830	1,198
	- Cash and cash equivalents	1,321	786	1,323	788
	Other current assets	4,713	2,680	4,714	2,680
	Assets Classified as held for sale	45	45	45	45
	Total Current Assets	26,477	27,005	26,479	27,006
	TOTAL ASSETS	76,727	77,929	76,809	78,110
B	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	Equity Share capital	4,615	4,615	4,615	4,615
	Other Equity	11,878	19,089	11,878	19,187
	Total Equity attributable to Equity holders of the company	16,493	23,704	16,493	23,802
	Non Controlling Interest			-4	-4
	Total Equity	16,493	23,704	16,489	23,798
2	Non-current liabilities				
	Financial liabilities				
	- Borrowings	23,802	22,010	23,885	22,095
	- Other financial liabilities	706	735	706	735
	Other Long Term Liabilities	66	121	66	121
	Deffered Tax Liabilities	499	869	499	869
	Provisions	2,169	2,302	2,169	2,302
	Total Non - Current Liabilities	27,242	26,037	27,325	26,122
3	Current liabilities				
	Financial liabilities				
	- Borrowings	3,212	3,063	3,213	3,063
	- Trade payables	11,906	12,971	11,906	12,971
	- Other financial liabilities	12,426	9,118	12,426	9,118
	Other current liabilities	4,973	2,562	4,974	2,564
	Provisions	475	474	475	474
	Total Current Liabilities	32,992	28,188	32,995	28,189
	TOTAL EQUITY & LIABILITIES	76,727	77,929	76,809	78,110



Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

Particulars	Standalone					Consolidated	
	Quarter Ended 31.03.2018 (Audited)	Quarter Ended 31.12.2017 (Unaudited)	Quarter Ended 31.03.2017 (Audited)	Year Ended 31.03.2018 (Audited)	Year Ended 31.03.2017 (Audited)	Year Ended 31.03.2018 (Audited)	Year Ended 31.03.2017 (Audited)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Segment Revenue(net of Excise Duty)							
A. Beverages	6,770	5,838	8,715	23,872	36,951	23,872	36,951
B. Food	3,165	3,285	3,305	12,142	10,710	12,142	10,710
C. Rental Income	675	576	780	2,499	2,695	2,499	2,695
D. Others	223	287	7	981	1,448	981	1,448
Total	10,834	9,986	12,807	39,495	51,805	39,495	51,805
2. Segment Results							
A. Beverages	-1,287	-396	-785	-2,108	-4,272	-2,108	-4,272
B. Food	433	683	(296)	1897	1298	1897	1298
C. Rental Income	570	482	468	2005	1995	2005	1995
D. Others	5	37	(290)	11	26	11	25
Total	(279)	806	-903	1806	-953	1,805	-954
Less : i) Interest (net)	1,398	1,722	1,593	5,363	4,776	5,363	4,776
ii) Other un-allocable expenditure Net of un- allocable income (Included Losses of discontinuing operations)	856	1,057	2,272	3,927	6,079	3,927	6,079
Total Profit/(Loss) Before Tax	-2,533	-1,973	-4,768	-7,484	-11,808	-7,485	-11,809
3. Capital Employed (Segment Assets-Segment Current Liabilities)							
A. Beverages	12,790	14,246	15,295	12,790	15,295	12,790	15,295
B. Food	7,548	7,857	8,357	7,548	8,357	7,548	8,357
C. Rental	1,765	1,793	1,762	1,765	1,762	1,765	1,762
D. Others Unallocable	21,631	25,085	24,327	21,631	24,327	21,711	24,508
Total Capital Employed	43,734	48,981	49,741	43,734	49,741	43,814	49,922

Note : Revenue from discontinuing operation is not considered in above segment revenue



- The above results for the quarter and year ended 31.03.2018 are reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30.05.2018.
- The Statutory Auditors of the Company have carried out audit of the Financial Results for the quarter and year ended 31.03.2018.
- Contingent Liabilities - Claims against the Company not acknowledged as debts - Rs. 144.29 Crores as at the end of the year 31.03.2018.
- Unallocable expenditure net of unallocable income for the year ended 31.03.2018 includes income of Rs. 6 lac & expenses of Rs. 82 lacs on account of discontinued operation of packaging business. Capital employed on account of discontinuing operations is (Rs. 57) lacs as on 31.03.2018.
- Figures for the quarter ended 31.03.2018 are the balancing figures between audited figures in respect of full Financial Year and published year to date figures upto the third quarter for the current financial year.
- These financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Ind AS has been made applicable to the Company with effect from 01.04.2017 and accordingly comparative figures for the corresponding period of the previous year (transition date being 01.04.2016) have been restated.
- In terms of Gas Sales Agreement dated 27.12.2008 between GAIL (India) Ltd. (Supplier) and the Company, for the supply of RLNG by former, the Company has not utilized the minimum stipulated quantity of RLNG, due to closure of Glass unit situated at Sahibabad (U.P). The supplier has raised demand towards annual take or pay deficiency basis for the contract year 2014, amounting to Rs. 1746 Lacs and for contract year 2015, amounting to Rs. 5269 Lacs and for contract year 2016, amounting to Rs. 2918 Lacs, aggregating to Rs. 9933 Lacs. The company has represented to the supplier that due to reasons beyond their control the Glass unit had to be closed down permanently and production discontinued. Consequently, as there is no longer any requirement of gas the parties may be treated as discharged in this regard. Further, management is confident that there will not be any material amount of financial obligations on resolution/settlement.
- Reconciliation of net loss as previously reported on account of transition from the previous Indian GAAP to IND AS for the quarter & Year ended 31.03.2017 is as follows:

Particulars	(Rs. In Lacs)	
	Year ended 31.03.2017	Quarter ended 31.03.2017
Net profit /(loss) for the Year/Quarter under previous Indian GAAP	(11,909)	(4656)
Adjustment related to financial instruments	256	(95)
Actuarial Gain on employees defined benefit plan recognised	406	101
Others (Depreciation on account of FMV of PPE as on 01.04.2016)	(42)	(10)
Net loss for the quarter & year under IND AS	(11,289)	(4,660)
Deferred tax impact on above adjustment		-
Other comprehensive income / (Loss)	(406)	(101)
Deferred tax impact on above adjustment		-
Total comprehensive loss for the quarter & year ended	(11,695)	(4,761)

- Reconciliation of equity , as previously reported under Indian GAAP as on year ended 31.03.2017 is as follows:

Particulars	(Rs. In Lacs)	
	Year ended 31.03.2017	
Equity as reported under previous GAAP	18,724	
Adjustment related to financial instruments for transitional impact	109	
Income related to financial Instruments FY 2016-17	256	
Equity as per IND AS	19,089	

For JAGATJIT INDUSTRIES LIMITED


(Ravi Manchanda)
Director
DIN.00152760



Place: New Delhi
Date: 30.05.2018





MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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Auditor's Report On Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015.

To
The Board of Directors,
Jagatjit Industries Limited,

1. We have audited the Consolidated financial results of **Jagatjit Industries Ltd.** ("the Company"), its subsidiaries and an associate ("the group") for the year ended 31st March, 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.

These Consolidated financial results are based on the Consolidated financial statements for the year ended 31st March, 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act'), read with Companies (Accounts) Rules, 2015 prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2015 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30th November, 2015 and CIR/CFD/FAC/62/2016 dated 5th July, 2016, which are the responsibility of the Company's management.

Our responsibility is to express an opinion on these Consolidated financial results based on our audit of the Consolidated financial statements for the year ended 31st March, 2018

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. Basis for qualified opinion

- i) In the opinion of management, Trades Receivable & Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance sheet.

During the financial year ended 31st March , 2018 confirmatory letters had been sent to the sundry creditors, suppliers and Trade Receivables requesting them to confirm and reconcile the account balances as on 31st March , 2018. A significant number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements. Company has a policy of providing for doubtful debts outstanding beyond 3 years/outstanding for which recovery proceedings have been initiated. However debts outstanding beyond 1 year to the extent of Rs. 7.5 crores for which confirmations and reconciliations are not available and have not been provided for as these are considered recoverable by the management.

Further, Trade Payables, Loans and Advances and balances appearing under Trade Receivables (upto 1 year) are subject to reconciliation & confirmation. The financial impact of all this is not ascertainable and to that extent we do not have any information in respect of such balances.

- ii) An amount of Rs.2,977 lacs is outstanding in the books of accounts of the company, being an advance to its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd, since 2010-2011. No recovery of this amount has been made since disbursal of advance, to the aforementioned subsidiary.

The Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no provision for diminution of advances is necessary as at 31st March, 2018.

The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary , as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the period ended at 31st March, 2018.

Consequently, the consolidated loss for the period ended 31st March, 2018 is understated and reserves and surplus as at 31st March, 2018 are overstated to the extent of Rs. 2,977 lacs.

Opinion of erstwhile Auditor was also qualified for the year ended 31st March, 2017.

4. We did not audit the annual financial results of five subsidiaries included in the consolidated financial results, whose financial results reflect total revenue (after eliminating intra-group transactions) of Rs. Nil for the year ended 31st March, 2018 and total assets (after eliminating intra-group transactions) of Rs. 4327 lacs as at 31st March, 2018. The consolidated financial results also includes the Group's share of net loss of Rs. 48 Lacs for the year ended 31st March, 2018 as considered in the consolidated financial results in respect of one associate, whose financial results have not been audited by us. These annual financial results have been audited by other auditors whose audit reports have been furnished to us, and our opinion



in respect thereof is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of above matter.

5. In our opinion and to the best of our information and according to the explanations given to us these Standalone financial results, except for the possible effects of the matters described in paragraph 3 above 'Basis of our opinion' and based on the consideration of the reports of other auditors on separate financial statements and on other financial information of these subsidiaries and an associate company referred to in paragraph 4 above, the consolidated financial results for the year:

(i) Include the financial results of following entities:

Subsidiary Company

- a. JIL Trading Pvt. Ltd.
- b. S.R.K Investments Pvt. Ltd.
- c. Sea Bird Securities Pvt. Ltd.
- d. L.P. Investments Ltd.
- e. Yoofy Computed Pvt. Ltd.

Associate Company

- a. Hyderabad Distilleries and Wineries Pvt. Ltd.

(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30th November, 2015 and CIR/CFD/FAC/62/2016 dated 5th July, 2016 in this regard; and

(iii) give a true and fair view of the consolidated net loss (including other comprehensive income) and other financial information for the quarter ended 31st March, 2018

5. Emphasis of Matter

1. We draw attention to Note 6 to the financial results regarding Gas Sales Agreement with GAIL (India) Limited, for non utilization of RLNG for contract year 2014, 2015, 2016 and 2017. Against these, the company received demand from supplier aggregating to Rs. 13,335 Lacs towards Annual Take or Pay Deficiency basis. The company has denied the liability in this regard to the supplier and the management is confident that there will not be any material amount of financial obligations on resolution/settlement. In view of this, no effect of the same has been given in these results. Opinion of erstwhile Auditor on the financial statements for the year ended 31st March, 2017 was also emphasized in this regard. Our opinion is not modified in respect of this matter.
2. Attention is drawn to Note no. 3 regarding Contingent Liabilities. Current status of some of the amounts is being ascertained and therefore is subject to the same. We have relied upon the assertions of the management.



3. Bifurcation of few of Loans & Advances due from employees (where recovery is not being affected) into current/non-current is based upon the assertions of management and we have relied upon the same.
4. During the year the company has received a part amount of Rs. 25 crores towards part sale of property of UG Division pending approval from UPSIDC. The amount has been shown as current liability. We have relied upon the assertions of management.
5. Loans & Advances (Current) includes Rs. 1.31 crores due from Supplier adjustable within 12 months of reporting date as certified by the management.

Place: New Delhi
Date: 30th May, 2018



For Madan & Associates
Chartered Accountants
(FRN: 000185N)

M.K. Madan

(CA M.K. Madan)
Proprietor
(Membership No. 82214)



MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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PAN: AAAPM5122B
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Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015.

To
The Board of Directors,
Jagatjit Industries Limited,

1. We have audited the standalone financial results of **Jagatjit Industries Ltd.** ("the Company") for the quarter ended 31st March, 2018 and the year ended 31st March, 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.

Attention is drawn to note 5 in the financial results regarding the figures for the quarter ended 31st March, 2018 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures upto the end of the third quarter of the financial year. Also the figures upto the end of the third quarter has only been reviewed and not subject to audit.

These standalone financial results are based on the standalone financial statements for the year ended 31st March, 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act'), read with Companies (Accounts) Rules, 2015 and published standalone year to date figures upto the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2015 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30th November, 2015 and CIR/CFD/FAC/62/2016 dated 5th July, 2016, which are the responsibility of the Company's management.

Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31st March, 2018 and our review of standalone financial results for the nine months ended 31st December, 2017



2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. Basis for qualified opinion

i) In the opinion of management, Trades Receivable & Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance sheet.

During the financial year ended 31st March , 2018 confirmatory letters had been sent to the sundry creditors, suppliers and Trade Receivables requesting them to confirm and reconcile the account balances as on 31st March , 2018. A significant number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements. Company has a policy of providing for doubtful debts outstanding beyond 3 years/outstanding for which recovery proceedings have been initiated. However debts outstanding beyond 1 year to the extent of Rs. 7.5 crores for which confirmations and reconciliations are not available and have not been provided for as these are considered recoverable by the management.

Further, Trade Payables, Loans and Advances and balances appearing under Trade Receivables (upto 1 year) are subject to reconciliation & confirmation. The financial impact of all this is not ascertainable and to that extent we do not have any information in respect of such balances.

ii) An amount of Rs.2,977 lacs is outstanding in the books of accounts of the company, being an advance to its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd, since 2010-2011. No recovery of this amount has been made since disbursement of advance, to the aforementioned subsidiary.

The Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no provision for diminution of advances is necessary as at 31st March, 2018.

The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the period ended at 31st March, 2018.

Consequently, the loss for the period ended 31st March, 2018 is understated and reserves and surplus as at 31st March, 2018 are overstated to the extent of Rs. 2,977 lacs.

Opinion of erstwhile Auditor was also qualified for the year ended 31st March, 2017.

4. In our opinion and to the best of our information and according to the explanations given to us these Standalone financial results, except for the possible effects of the matters described in paragraph 3 above 'Basis of our opinion':

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 read with SEBI Circulars



CIR/CFD/CMD/15/2015 dated 30th November, 2015 and CIR/CFD/FAC/62/2016 dated 5th July, 2016 in this regard; and

- (ii) give a true and fair view of the net profit (including other comprehensive income) and other financial information for the quarter ended 31st March, 2018 as well as the year to date results for the period from 1st April, 2017 to 31st March, 2018.

5. Emphasis of Matter

1. We draw attention to Note 7 to the financial results regarding Gas Sales Agreement with GAIL (India) Limited, for non utilization of RLNG for contract year 2014, 2015, 2016 and 2017. Against these, the company received demand from supplier aggregating to Rs. 13,335 Lacs towards Annual Take or Pay Deficiency basis. The company has denied the liability in this regard to the supplier and the management is confident that there will not be any material amount of financial obligations on resolution/settlement. In view of this, no effect of the same has been given in these results. Opinion of erstwhile Auditor on the financial statements for the year ended 31st March, 2017 was also emphasized in this regard. Our opinion is not modified in respect of this matter.
2. Attention is drawn to Note no. 3 regarding Contingent Liabilities. Current status of some of the amounts is being ascertained and therefore is subject to the same. We have relied upon the assertions of the management.
3. Bifurcation of few of Loans & Advances due from employees (where recovery is not being affected) into current/non-current is based upon the assertions of management and we have relied upon the same.
4. During the year the company has received a part amount of Rs. 25 crores towards part sale of property of UG Division pending approval from UPSIDC. The amount has been shown as current liability. We have relied upon the assertions of management.
5. Loans & Advances (Current) includes Rs. 1.31 crores due from Supplier adjustable within 12 months of reporting date as certified by the management.

For Madan & Associates
Chartered Accountants
(FRN: 000185N)

M.K. Madan

(CA M.K. Madan)
Proprietor

(Membership No. 82214)



Place: New Delhi
Date: 30th May, 2018

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion)

(Rupees in lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018

I.	Sl. No.	Particulars	STANDALONE		CONSOLIDATED	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	56710	56710	56709	56709
	2	Total Expenditure	64073	64073	64074	64074
	3	Net Profit/(Loss) After Tax	(7113)	(7113)	(7163)	(7163)
	4	Earnings Per Share	(16.30)	(23.12)	(16.41)	(23.23)
	5	Total Assets	76727	73750	76809	73832
	6	Total Liabilities	60234	60234	60320	60320
	7	Net Worth	16493	13516	16489	13512
	8	Any other financial item(s) (as felt appropriate by the	-	-	-	-
II.	Audit Qualifications (each audit qualification separately):					
	Sl. No. 1					
	a. Details of Audit Qualification :					
	<p>In the opinion of the management, Accounts Receivable & Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance sheet.</p> <p>During the financial year ended March 31, 2018 confirmatory letters have been sent to the sundry creditors, suppliers and sundry debtors requesting them to confirm and reconcile the account balances as on March 31, 2018. A number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements.</p> <p>Accordingly, Trade Payables, Loans and Advances and balances appearing under Trade Receivables are subject to reconciliation & confirmation. The financial impact of this is not ascertainable and to that extent we do not have any information in respect of such balances.</p>					
	b. Type of Audit Qualification : Qualified Opinion					
	c. Frequency of qualification : Yearly					
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : Unable to estimate					
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :					
	(i) Management's estimation on the impact of audit qualification : Unable to ascertain					



- (ii) **If management is unable to estimate the impact, reasons for the same :**
The impact, if any, can be quantified only after receipt of confirmation/ reconciliation from balance parties.
- (iii) **Auditors' Comments on (i) or (ii) above :**
The above comments of the management are self explanatory and satisfactory.

Sl. No. 2

a. Details of Audit Qualification :

An amount of Rs.2,977 lacs is outstanding in books of accounts of the Company, being an advance to its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd, since 2010-11. No recovery of this amount has been made since disbursal of advance, to the aforementioned subsidiary.

The management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no accrual for diminution of advances is necessary as at balance sheet date. The Company has received confirmation from the aforementioned subsidiary on March 31, 2018.

The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the year ended March 31, 2018.

Consequently, the loss for the year ended March 31, 2018 is understated and reserves as at March 31, 2018 are overstated to the extent of Rs.2,977 lacs.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification : Appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

The advance referred to by the Auditors pertains to an amount of Rs. 2977 lacs advanced by the Company to its wholly owned subsidiary company M/s S.R.K. Investments Private Limited (SRK) for purchase of a property in Mumbai. SRK has advanced the amount to the builder towards purchase of the property, who has agreed to handover the property on completion of the construction. The construction of the said property is not yet completed. The Management is continuously pursuing the matter with the builder and a suitable arrangement has been arrived at vide which construction will be completed as per the revised arrangement. The parties are in the process of converting this revised arrangement into a legally binding contract.

Accordingly, the Management is of the view that the outstanding advances are recoverable and that no diminution of the advances is necessary as the balance sheet date .

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) **Management's estimation on the impact of audit qualification :**
Not Applicable
- (ii) **If management is unable to estimate the impact, reasons for the same:**
Not Applicable
- (iii) **Auditors' Comments on (i) or (ii) above :**
Not Applicable



III.

Signatories :

Managing Director

[Handwritten signature]

CFO

[Handwritten signature]

Audit Committee Chairman

[Handwritten signature]

Statutory Auditor

[Handwritten signature]



Place : New Delhi
Date : 30.05.2018