

Independent Auditors' Report

To
The Members of
MFL TRADING PRIVATE LIMITED
5th Floor Bhandari House 91
Nehru Place, New Delhi-110019

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **MFL TRADING PRIVATE LIMITED** ("the company"), which comprises the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the statement of changes in Equity, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 thereunder.

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



CHARTERED ACCOUNTANTS

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its Loss including other comprehensive Income for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. 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 Act, we give in the **Annexure – 'A'** statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.



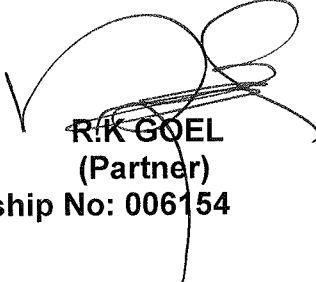
CHARTERED ACCOUNTANTS

- 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, we report that:
- i. There is no pending litigations and as such no impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.



Place: New Delhi
Date :17th May 2018

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N


R.K GOEL
(Partner)
Membership No: 006154

CHARTERED ACCOUNTANTS

Annexure – A to the Independent Auditors Report

Referred to in paragraph (1) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- i) Since the company does not own any fixed assets, the clause (i) of the paragraph 3 of the Order related to maintenance of proper records, physical verification and valuation of fixed assets are not applicable.
- ii) The company does not hold any inventory; accordingly the provisions of the clause (ii) of the paragraph of the order, related to inventory, are not applicable.
- iii) The Company has not granted unsecured loan to a company covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) The company is having Commission Agency Business. Therefore, the provisions referred to in sub-section (1) of the section 148 of the Companies Act, 2013, does not apply;
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2018 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, no disputed amounts in respect of Income Tax, Service Tax, Sales Tax, Custom Duty & Excise Duty were outstanding as at 31st March, 2018;
- viii) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institution. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the company and hence not commented upon;
- ix) Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon;



CHARTERED ACCOUNTANTS

- x) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year;
- xi) Based upon the audit procedures performed and the information and explanation given by the management, the managerial remuneration has not been provided. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the company;
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- xiv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N

R. K. Goel
(Partner)
M. No.:- 006154



Place: New Delhi
Date: 17th May 2018

CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report

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 **MFL TRADING PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 ('ICAI'). 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, both applicable to an audit of Internal Financial Controls and, 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.



CHARTERED ACCOUNTANTS

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 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 Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N**

Place: New Delhi

Date : 17th May 2018


**R.K GOEL
(PARTNER)**

Membership No: 006154

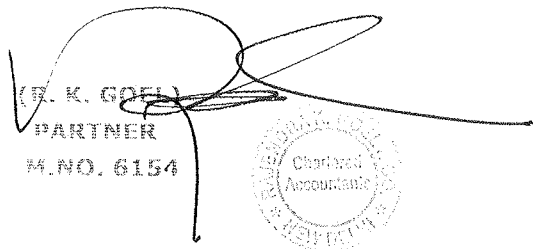
MFL TRADING PVT. LTD.
BALANCE SHEET AS AT MARCH 31, 2018

| S. NO. | PARTICULARS | NOTE NO. | AS AT 31.03.2018 | AS AT 31.03.2017 | AS AT 01.04.2016 |
|--------|--|----------|----------------------|----------------------|----------------------|
| I | ASSETS | | | | |
| 1 | NON-CURRENT ASSETS (A) FINANCIAL ASSETS (B) DEFERRED TAX ASSETS (NET) (C) OTHER NON-CURRENT ASSETS | | | | |
| 2 | CURRENT ASSETS (A) FINANCIAL ASSETS (I) CASH AND CASH EQUIVALENTS (B) OTHER CURRENT ASSETS | 1 | 1,555 | 2,612 | 15,426 |
| | | | 1,555 | 2,612 | 15,426 |
| | TOTAL (1+2+3) :- | | 1,555 | 2,612 | 15,426 |
| II | EQUITY & LIABILITIES | | | | |
| 1 | EQUITY (A) EQUITY SHARE CAPITAL (B) OTHER EQUITY | 2 3 | 100,000 (144,560) | 100,000 (129,856) | 100,000 (106,424) |
| | | | (44,560) | (29,856) | (6,424) |
| 2 | LIABILITIES NON-CURRENT LIABILITIES (A) FINANCIAL LIABILITIES (B) PROVISIONS (C) DEFERRED TAX LIABILITIES (NET) (D) OTHER NON-CURRENT LIABILITIES | | | | |
| 3 | CURRENT LIABILITIES (A) FINANCIAL LIABILITIES (1) OTHER FINANCIAL LIABILITIES (B) OTHER CURRENT LIABILITIES (C) PROVISIONS (D) CURRENT TAX LIABILITIES (NET) | 4 | 46,115 | 32,468 | 21,850 |
| | | | 46,115 | 32,468 | 21,850 |
| | TOTAL (1+2) :- | | 1,555 | 2,612 | 15,426 |

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 1 to 6

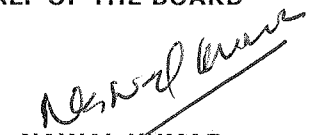
AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR RAJENDRA K. GOEL & CO
CHARTERED ACCOUNTANTS
FIRM No. 001457N

FOR AND ON BEHALF OF THE BOARD


(R. K. GOEL)
PARTNER
M.NO. 6154




RAKESH THAKUR
DIRECTOR
DIN : 07743523


NAWAL KUMAR
DIRECTOR
DIN : 07719264

PLACE : NEW DELHI
DATE: 17-05-2018

MFL TRADING PVT. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

| S.NO. | PARTICULARS | NOTE NO. | FOR THE YEAR ENDED 31.03.2018 | FOR THE YEAR ENDED 31.03.2017 |
|-------|---|----------|-------------------------------|-------------------------------|
| I | REVENUE FROM OPERATION | | - | - |
| II | OTHER INCOME | | - | - |
| III | TOTAL REVENUE (I+ II) | | - | - |
| IV | EXPENSES: | | | |
| | - OTHER EXPENSES | 5 | 14,704 | 23,432 |
| | TOTAL EXPENSES | | 14,704 | 23,432 |
| V | PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV) | | (14,704) | (23,432) |
| VI | EXCEPTIONAL ITEMS | | - | - |
| VII | PROFIT BEFORE TAX (V - VI) | | (14,704) | (23,432) |
| VIII | TAX EXPENSE | | | |
| | - CURRENT TAX | | - | - |
| | - EARLIER YEAR TAX | | - | - |
| | - DEFERRED TAX | | - | - |
| | TOTAL TAX EXPENSES | | - | - |
| IX | PROFIT/(LOSS) FOR THE PERIOD (VII-VIII) | | (14,704) | (23,432) |
| X | OTHER COMPREHENSIVE INCOME | | | |
| | A (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS | | - | - |
| | (ii) INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS | | - | - |
| | B (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS | | - | - |
| | (ii) INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS | | - | - |
| | TOTAL OTHER COMPREHENSIVE INCOME | | - | - |
| XI | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (IX+X) | | (14,704) | (23,432) |
| XII | EARNINGS PER EQUITY SHARE: | | | |
| | - BASIC | 6.27 | (1.47) | (2.34) |
| | - DILUTED | 6.27 | (1.47) | (2.34) |

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR RAJENDRA K. GOEL & CO
 CHARTERED ACCOUNTANTS
 FIRM No- 001457N

(Signature)
 R. K. GOEL
 PARTNER
 M.NO. 006154



(Signature)
 RAKESH THAKUR
 DIRECTOR
 DIN : 07743523

(Signature)
 NAWAL KUMAR
 DIRECTOR
 DIN : 07719264

PLACE : NEW DELHI
 DATED : 17-05-2018

MFL TRADING PVT. LTD.
STATEMENT OF CHANGE IN EQUITY AS ON MARCH 31, 2018

A. EQUITY SHARE CAPITAL

| PARTICULARS | BALANCE AS AT 1ST APRIL 2016 | CHANGES DURING THE YEAR 2016-17 | BALANCE AS AT MARCH 31 2017 | CHANGES DURING THE YEAR 2017-18 | BALANCE AS AT 31ST MARCH 2018 |
|-------------------------------------|------------------------------|---------------------------------|-----------------------------|---------------------------------|-------------------------------|
| ISSUED, SUBSCRIBED AND PAID UP | | | | | |
| 10000 EQUITY SHARES OF RS.10/- EACH | 100,000 | - | 100,000 | - | 100,000 |
| TOTAL | 100,000 | - | 100,000 | - | 100,000 |

B. OTHER EQUITY

| | RESERVES & SURPLUS | | | OTHER COMPREHENSIVE | | TOTAL OTHER EQUITY |
|--|-----------------------------|------------------|------------------|--|--|--------------------|
| | SECURITIES PREMIUM RESERVES | RETAINED EARNING | CAPITAL RESERVES | ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF TAXES) | ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS (NET OF TAXES) | |
| BALANCE AS OF APRIL 1, 2016 | - | (106,424) | - | - | - | (106,424) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR 2016-17 | - | (23,432) | - | - | - | (23,432) |
| BALANCE AS OF MARCH 31, 2017 | - | (129,856) | - | - | - | (129,856) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR 2017-18 | - | (14,704) | - | - | - | (14,704) |
| BALANCE AS OF MARCH 31, 2018 | - | (144,560) | - | - | - | (144,560) |

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR RAJENDRA K. GOEL & CO
CHARTERED ACCOUNTANTS
FRN No- 001457N

(R. K. GOEL)
PARTNER
M.NO. 6154



Rakesh
RAKESH THAKUR
DIRECTOR
DIN : 07743523

Nawal
NAWAL KUMAR
DIRECTOR
DIN : 07719264

PLACE : NEW DELHI

DATED: 17-05-2018

MFL TRADING PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

| S. NO. | PARTICULARS | FOR THE YEAR ENDED 31.03.2018 | FOR THE YEAR ENDED 31.03.2017 |
|--------|--|-------------------------------|-------------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | NET PROFIT/LOSS BEFORE TAX & EXTRA ORDINARY ITEM | (14,704) | (23,432) |
| | ADD:- NON CASH INEREST EXPENSE ON AMORTISED COST | - | - |
| | ADD:- GRATUITY PROVISION | - | - |
| | LESS: INTEREST & OTHER INCOME | - | - |
| | OPERATING LOSS BEFORE WORKING CAPITAL CHANGES | (14,704) | (23,432) |
| | ADJUSTMENTS FOR | | |
| | INCREASE/DECREASE IN OTHER CURRENT ASSETS | - | - |
| | INCREASE/DECREASE IN OTHER CURRENT LIABILITIES | 13,647 | 10,618 |
| | CASH GENERATED /LOST FROM OPERATIONS | (1,057) | (12,814) |
| | LESS: TAXES PAID | - | - |
| | NET CASH FLOW FROM OPERATING ACTIVITIES | (1,057) | (12,814) |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | LOAN TO SUBSIDIARY COMPANY | - | - |
| | LOAN REPAYMENT BY SUBSIDIARY COMPANY | - | - |
| | INTEREST RECEIVED | - | - |
| | PURCHASES OF DEBT FUND | - | - |
| | INVESTMENT IN FIXED DEPOSIT | - | - |
| | PROCEEDS FROM SALE OF DEBT FUND | - | - |
| | PROFIT ON SALE OF DEBT FUND | - | - |
| | NET CASH FLOW FROM INVESTING ACTIVITIES | - | - |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | ISSUE OF EQUITY SHARES WITH PREMIUM | - | - |
| | NET CASH FLOW FROM FINANCING ACTIVITIES | - | - |
| | NET INCREASE/DECREASE IN CASH & CASH EQUIVALENT | (1,057) | (12,814) |
| | OPENING CASH & CASH EQUIVALENT | 2,612 | 15,426 |
| | CLOSING CASH & CASH EQUIVALENT | 1,555 | 2,612 |

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR RAJENDRA K. GOEL & CO
 CHARTERED ACCOUNTANTS
 FRIN No- 001457N

Rhakar
 RAKESH THAKUR
 DIRECTOR
 DIN : 07743523

Nawal Kumar
 NAWAL KUMAR
 DIRECTOR
 DIN : 07719264

Rajendra K. Goel
 R. K. GOEL
 PARTNER
 M.NO. 6154



PLACE : NEW DELHI
 DATE: 17-05-2018

MFL TRADING PVT. LTD.

NOTES FORMING PART OF THE BALANCE SHEET

| PARTICULARS | AS AT 31.03.2018 | AS AT 31.03.2017 | AS AT 01.04.2016 |
|--|-------------------|-------------------|-------------------|
| NOTE NO- 1 | | | |
| CASH & CASH EQUIVALENTS | | | |
| - BALANCE WITH BANK | | | |
| IN CURRENT ACCOUNT | 1,555 | 2,612 | 15,426 |
| - CASH ON HAND | - | - | - |
| IN FIXED DEPOSITS (MORE THAN 12 MONTHS) | - | - | - |
| | 1,555 | 2,612 | 15,426 |
| NOTE NO-2 | | | |
| SHARE CAPITAL | | | |
| AUTHORISED: | | | |
| 10000 EQUITY SHARES (PREVIOUS YEAR 10000 EQUITY SHARES) OF Rs. 10/- EACH | 100,000.00 | 100,000.00 | 100,000.00 |
| ISSUED, SUBSCRIBED & PAID UP: | | | |
| 10000 EQUITY SHARES (PREVIOUS YEAR 10000 EQUITY SHARES) OF Rs. 10/- EACH | 100,000 | 100,000 | 100,000 |

RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE PERIOD

| EQUITY SHARES AT RS. 10 EACH | AS AT 31.03.2018 | AS AT 31.03.2017 | AS AT 01.04.2016 |
|---|------------------|------------------|------------------|
| SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR | 10,000 | 10,000 | 100,000 |
| SHARES ISSUED DURING THE YEAR | - | - | - |
| SHARES BOUGHT BACK DURING THE YEAR | - | - | - |
| ANY OTHER MOVEMENT (PLEASE SPECIFY) | - | - | - |
| SHARES OUTSTANDING AT THE END OF THE YEAR | 10,000 | 10,000 | 100,000 |

DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

| | AS AT 31.03.2018 | AS AT 31.03.2017 | AS AT 01.04.2016 |
|----------------------|--|--|--|
| NAME OF SHAREHOLDERS | No. of shares / % holding in the class | No. of shares / % holding in the class | No. of shares / % holding in the class |
| MILK FOOD LTD | 9999 / 99.99 % | 9999 / 99.99 % | 9999 / 99.99 % |

TERMS/RIGHTS ATTACHED TO EQUITY SHARES

CLASS OF EQUITY SHARES, PAR VALUE, VOTE PER SHARE, DIVIDEND PROPOSED, DISTRIBUTION AT THE TIME OF LIQUIDATION OF CO.

THE COMPANY HAS ONLY ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF RS.10 PER SHARE. EACH HOLDER OF EQUITY SHARES IS ENTITLED TO ONE VOTE PER SHARE. THE COMPANY DECLARES AND PAYS DIVIDEND IN INDIAN RUPEES.

IN THE EVENT OF LIQUIDATION OF THE COMPANY, THE HOLDERS OF EQUITY SHARES WILL BE ENTITLED TO RECEIVE REMAINING ASSETS OF THE COMPANY, AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS. THE DISTRIBUTION WILL BE IN PROPORTION TO THE NUMBER OF EQUITY SHARES HELD BY THE SHAREHOLDERS.



MFL TRADING PVT. LTD.

NOTES FORMING PART OF THE BALANCE SHEET

| PARTICULARS | AS AT 31.03.2018 | AS AT 31.03.2017 | AS AT 01.04.2016 |
|-------------------------------------|------------------|------------------|------------------|
| NOTE NO-3 | | | |
| OTHER EQUITY | | | |
| - CAPITAL RESERVES | - | - | - |
| - SECURITIES PREMIUM RESERVE | - | - | - |
| - RETAINED EARNING | (144,560) | (129,856) | (106,424) |
| - OTHER COMPREHENSIVE INCOME/(LOSS) | - | - | - |
| | (144,560) | (129,856) | (106,424) |
| NOTE NO- 4 | | | |
| OTHER FINANCIAL LIABILITIES | | | |
| -AUDIT FEES PAYABLE | 33,750 | 21,550 | 21,450 |
| - EXPENSES PAYABLE | 10,518 | 10,918 | 400 |
| -DIRECTORS REIMBURSEMENT PAYABLE | 1,847 | | |
| | 46,115 | 32,468 | 21,850 |
| | | | |



MFL TRADING PVT. LTD.

NOTES FORMING PART OF THE PROFIT AND LOSS STATEMENT

| PARTICULARS | FOR THE YEAR ENDED 31.03.2018 | FOR THE YEAR ENDED 31.03.2017 |
|--------------------------------|-------------------------------|-------------------------------|
| NOTE NO- 5 | | |
| OTHER EXPENSES | | |
| - BANK CHARGES | 1,057 | 1,414 |
| - LEGAL & PROFESSIONAL CHARGES | - | 9,500 |
| - FILING FEES | 1,847 | 1,018 |
| PAYMENT TO AUDITORS | | |
| - STATUTORY AUDIT FEES | 11,800 | 11,500 |
| | 14,704 | 23,432 |



NOTE NO. 19 : - PRINCIPAL DIFFERENCES BETWEEN IND AS AND INDIAN GAAP

THE FOLLOWING RECONCILIATIONS PROVIDE A QUANTIFICATION OF THE EFFECT OF SIGNIFICANT DIFFERENCES ARISING AS A RESULT OF TRANSITION FROM PREVIOUS YEAR TO IND AS IN ACCORDANCE WITH IND AS 101:

- A. OTHER EQUITY AS AT APRIL 01, 2016
- B. OTHER EQUITY AS AT MARCH 31, 2017
- C. PROFIT/(LOSS) FOR THE YEAR ENDED MARCH 31, 2017
- D. BALANCE SHEET AS AT APRIL 01, 2016
- E. BALANCE SHEET AS AT MARCH 31, 2017

(A) OTHER EQUITY RECONCILIATION

| PARTICULARS | REFERENCE | MARCH 31, 2017 | APRIL 01, 2016 |
|--|-----------|------------------|------------------|
| OTHER EQUITY UNDER PREVIOUS GAAP | | (129,856) | (106,424) |
| FINANCIAL ASSETS/ FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST/ FAIR VALUE | a) | - | - |
| ACTUARIAL GAIN/(LOSS) ON DEFINED OBLIGATION TRANSFER TO OCI | b) | - | - |
| DEFERRED TAX ON ABOVE ADJUSTMENTS | b) | - | - |
| OTHER COMPREHENSIVE INCOME (NET OF DEFERRED TAX) | b) & c) | - | - |
| OTHER EQUITY AS PER IND AS | | (129,856) | (106,424) |

(B) RECONCILIATION OF PROFIT & LOSS

| PARTICULARS | REFERENCE | YEAR ENDED MARCH 31, 2017 |
|--|-----------|---------------------------|
| PROFIT/(LOSS) AFTER TAX REPORTED IN PREVIOUS INDIAN GAAP | | (23,432) |
| FINANCIAL ASSETS/ FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST/ FAIR VALUE | a) | - |
| ACTUARIAL GAIN/(LOSS) ON DEFINED OBLIGATION TRANSFER TO OCI | b) | - |
| DEFERRED TAX ON ABOVE ADJUSTMENTS | b) | - |
| PROFIT/(LOSS) AFTER TAX AS PER IND AS | | (23,432) |
| OTHER COMPREHENSIVE INCOME (NET OF DEFERRED TAX) | b) & c) | - |
| TOTAL COMPREHENSIVE INCOME AS PER IND AS | | (23,432) |



(C) RECONCILIATION OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

| PARTICULARS | REFERENCE | AS PER IGAAP | IND AS ADJUSTMENTS | AS PER IND AS |
|---|-----------|-----------------|--------------------|-----------------|
| REVENUE FROM OPERATION | | - | - | - |
| OTHER INCOME | | - | - | - |
| TOTAL INCOME | | - | - | - |
| EXPENSES: | | | | |
| - EMPLOYEE BENEFIT EXPENSES | | - | - | - |
| - FINANCE COSTS | | - | - | - |
| - OTHER EXPENSES | | 14,704 | - | 14,704 |
| TOTAL EXPENSES | | 14,704 | - | 14,704 |
| PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX | | (14,704) | - | (14,704) |
| EXCEPTIONAL ITEMS | | - | - | - |
| PROFIT/(LOSS) BEFORE TAX | | (14,704) | - | (14,704) |
| TAX EXPENSE | | | | |
| - CURRENT TAX | | - | - | - |
| - EARLIER YEAR TAX | | - | - | - |
| - DEFERRED TAX | b) | - | - | - |
| TOTAL TAX EXPENSES | | - | - | - |
| PROFIT/(LOSS) FOR THE PERIOD | | (14,704) | - | (14,704) |
| OTHER COMPREHENSIVE INCOME | | | | |
| A (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF TAX) | b) | - | - | - |
| (ii) INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS | b) | - | - | - |
| B (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS (NET OF TAX) | c) | - | - | - |
| (ii) INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS | c) | - | - | - |
| TOTAL OTHER COMPREHENSIVE INCOME | | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | (14,704) | - | (14,704) |



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(D) RECONCILIATION OF BALANCE SHEET AS AT 1ST APRIL 2016

| PARTICULARS | REFERENCE | AS PER IGAAP AT APRIL 01, 2016 | IND AS ADJUSTMENTS | AS PER IND AS AT APRIL 01, 2016 |
|-----------------------------------|-----------|-----------------------------------|-----------------------|---------------------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| (A) FINANCIAL ASSETS | | | | |
| (I) INVESTMENTS | a) | - | - | - |
| (II) LOANS | a) | - | - | - |
| (B) DEFERRED TAX ASSETS (NET) | | - | - | - |
| CURRENT ASSETS | | | | |
| (A) FINANCIAL ASSETS | | | | |
| (I) CASH AND CASH EQUIVALENTS | | 15,426 | - | 15,426 |
| (II) OTHERS | | - | - | - |
| (B) CURRENT TAX ASSETS (NET) | | - | - | - |
| (C) OTHER CURRENT ASSETS | | - | - | - |
| | | 15,426 | - | 15,426 |
| TOTAL | | 15,426 | - | 15,426 |
| EQUITY & LIABILITIES | | | | |
| EQUITY | | | | |
| (A) EQUITY SHARE CAPITAL | | 100,000 | - | 100,000 |
| (B) OTHER EQUITY | | (106,424) | - | (106,424) |
| | | (6,424) | - | (6,424) |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| (A) PROVISIONS | | - | - | - |
| CURRENT LIABILITIES | | | | |
| (A) FINANCIAL LIABILITIES | | 21,450 | - | 21,450 |
| (B) OTHER CURRENT LIABILITIES | | 400 | - | 400 |
| (C) PROVISIONS | | - | - | - |
| (D) CURRENT TAX LIABILITIES (NET) | | - | - | - |
| | | 21,850 | - | 21,850 |
| TOTAL | | 15,426 | - | 15,426 |



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(E) RECONCILIATION OF BALANCE SHEET AS AT MARCH 31, 2017

| PARTICULARS | REFERENCE | AS PER IGAAP AT MARCH 31, 2017 | IND AS ADJUSTMENTS | AS PER IND AS AT MARCH 31, 2017 |
|--|-----------|--------------------------------|--------------------|---------------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| (A) FINANCIAL ASSETS | | | | |
| (I) INVESTMENTS | a) | - | - | - |
| (II) LOANS | a) | - | - | - |
| (B) DEFERRED TAX ASSETS (NET) | | - | - | - |
| CURRENT ASSETS | | | | |
| (A) FINANCIAL ASSETS | | | | |
| (I) CASH AND CASH EQUIVALENTS | | 2,612 | - | 2,612 |
| (II) OTHERS | | - | - | - |
| (B) OTHER CURRENT ASSETS | | - | - | - |
| TOTAL | | 2,612 | - | 2,612 |
| EQUITY & LIABILITIES | | | | |
| EQUITY | | | | |
| (A) EQUITY SHARE CAPITAL | | 100,000 | - | 100,000 |
| (B) OTHER EQUITY | | (129,856) | - | (129,856) |
| | | (29,856) | - | (29,856) |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| (A) PROVISIONS | | - | - | - |
| CURRENT LIABILITIES | | | | |
| (A) FINANCIAL LIABILITIES | | 21,550 | - | 21,550 |
| (B) OTHER CURRENT LIABILITIES | | 10,918 | - | 10,918 |
| (C) PROVISIONS | | - | - | - |
| (D) CURRENT TAX LIABILITIES (NET) | | - | - | - |
| | | 32,468 | - | 32,468 |
| TOTAL | | 2,612 | - | 2,612 |

REFERENCE

a) Under Indian GAAP, Financial Assets and Financial Liabilities were measured at transaction cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expenses or finance income in the statement of profit and Loss for Financial liabilities and financial assets respectively. Under Ind AS 109 - Financial Instruments are required to be value at fair value and difference between cost and fair value is to be amortised and consequently interest income or interest expense to be booked effective interest method in the statement of Profit & Loss.

b) Fair valuation of investments: Under the Previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, investments are measured at fair value and the mark-to-market gains/ losses are recognized either through profit or loss (FVTPL) or through other comprehensive income (FVTOCI) based on the business model test. Effect of Ind AS adoption on total comprehensive income represents the mark-to-market gains/ losses on investment.

c) Under previous GAAP, discounting of provisions was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discounted amounts. The effect of these are reflected in total equity and profit or loss.

d) Under Ind AS, deferred taxes are recognised relating to Ind AS adjustments including deferred taxes measured using balance sheet approach. The effect of these are reflected in total equity and profit or loss.

e) Under previous GAAP, there was no separate record in the financial statements for Other Comprehensive Income (OCI). Under Ind AS, specified items of income, expense, gains and losses are presented under OCI.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

Note No. – 6

A. SIGNIFICANT ACCOUNTING POLICIES.

6.1 Company Information

MFL Trading Private Limited (the Company) is a private limited company with registered office situated at 5th Floor, Bhandari House 91, New Delhi -110019.

6.2 Basis for preparation of Accounts

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Upto financial year ended on 31st March 2017, the company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with IND AS. Opening balance sheet as on 1st April 2016 and 31st March 2017 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2016, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes. 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 revised Schedule – III to the Companies Act, 2013.

6.3 Use of Estimates

Ind AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

6.4 First Time Adoption of Ind AS

- a) Being first time adoption of IND AS, the company has availed the following exemptions as granted under Appendix C & D of IND AS 101 :-
- Carrying value for all of its investment in subsidiaries, Joint Ventures and Associates as at the date of transition to IND AS, measured as per previous GAAP are treated as their deemed costs as at the date of transition.
 - The Company elects not to apply Ind AS - 103 retrospectively, pertaining to business combinations occurred before transition date.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

- b) Retrospective impacts of transition from previous GAAP to IND AS on assets and liabilities have been adjusted against "Other Equity" on 1st April 2016.

6.5 Recognition of Income and Expenses

- a) Revenue from services are recognized in proportion to the stage of completion of transaction at the end of reporting period, and cost incurred in the transaction including same to complete the transaction and revenue (representing economic benefit associated with the transaction) can be measured reliably.
- b) Interest income from a financial asset has been recognised using effective interest rate method.
- c) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

6.6 Financial instruments

(i) Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:-

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of Profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.

- **Business Model Test:** The objective of the company's business model is to hold the financial Asset to collect the contractual cash flows.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

• **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Investment in associates, joint venture and subsidiaries

The company has accounted for its investment in subsidiaries, associates and joint venture at cost.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial Liabilities

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

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines Whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

6.8 **Employee Benefits**

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Notes Forming Part of The Balance Sheet and Profit & Loss Statement
Liabilities in respect of employee benefits to employees are provided for as follows:

Post Separation Employee Benefit Plan

i) Defined Benefit Plan

• Post separation benefits of Directors on the basis of actuarial valuation as per IND AS-19.

• Gratuity Liability on the basis of actuarial valuation as per IND AS-19. Liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

• Company contributes its share of contribution to Employees Provident Fund Scheme Administered by a separate trust with its obligation to make good the shortfall, if any, in trust fund arising on account of difference between the return on investments of the trust and the interest rate on provident fund dues notified periodically by Central Government.

• Actuarial gain / loss pertaining to i & ii above and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

6.9 Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed considering the provisions of the Income Tax Act, 1961.

Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other Comprehensive income or in equity).

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of Investments in subsidiaries and interest in joint arrangements where



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

6.10 Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax Excise etc.) Pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability.

No contingent asset is recognized but disclosed by way of notes to accounts.

6.11 Foreign Currency Translation

The company's financial statements are presented in INR, which is also the company's functional currency.

- a) Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.
- b) Monetary Assets in foreign currencies are translated into functional currency at the exchange rate ruling at the Reporting Date and the resultant gain or loss, is accounted for in the Statement of Profit & Loss.
- c) Non-Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- d) Impact of exchange fluctuation is separately disclosed in notes to accounts.

6.12 Earnings per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

6.13 Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

6.14 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities 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.

6.15 Property, Plant and Equipment

Cost:-

Property, Plant & Equipment held for use in the production or supply of goods or services, or for administration purposes, are stated in the balance sheet at cost (net of duty/tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commence when the assets are ready for their intended use.

Depreciation/Amortization:

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

Fixed assets are stated at cost of acquisition and subsequent improvement thereto, including taxes, duties, freight and other incidental expenses related to acquisition and installation.

Depreciation is provided on the written down value at the rates and in the manner specified in Schedule II of the Companies Act, 2013. Schedule II prescribes useful lives for fixed assets.

However, allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

6.16 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

6.17 Impairment

(i) Impairment of Financial Assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

6.18 Current versus Non-Current Classification

The company presents assets and liabilities in the Balance Sheet based on current/non-current classification.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement
An Asset is current when it is:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- b) Held primarily for the purpose of trading.
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non- Current

A Liability is current when it is:

- a) Expected to be settled in the normal operating cycle.
- b) Held primarily for the purpose of trading.
- c) Expected to be realised within twelve months after the reporting period, or
- d) There is no conditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non- Current.

6.19 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

B. NOTES ON ACCOUNTS.

- 6.20 Sundry Debtors, Loans & Advances are subject to confirmation.
- 6.21 Previous year figures have been re-grouped and recast wherever necessary to make them comparable with those of the current year.
- 6.22 **Director Remuneration**

| | <u>2017-18</u> | <u>2016-17</u> |
|------------------------|----------------|----------------|
| Directors Remuneration | NIL | NIL |

- 6.23 **Disclosure under Micro, small and Medium Enterprises Development (MSMED) Act, 2006:**

As per the information available with the Company and as certified by the management, there are no dues outstanding including interest as on 31st March,2018 to Micro, Small and Medium Enterprises as defined under the Micro, small and Medium Enterprises Development (MSMED) Act, 2006.



6.24 Related Parties Disclosure:-

1. Related Parties

a) Key Management Personnel

- Mr. Rakesh Thakur - Director
- Mr. Nawal Kumar- Director
- Mr. Hemant Kumar - Director

2. Transaction with Related Parties

There are no transactions with the related parties during the year as well as in previous year

6.25 Financial risk management objectives and Policies

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk, credit risk and liquidity risk. The company's overall risk management policy seeks to minimize potential adverse effects on company's financial performance.

(i) Market Risk: Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate because of change in market prices. Market risk comprises mainly three types of risk: interest rate, currency risk and other price risk such as equity price risk and commodity price risk.

(a) Foreign Currency Risk: The Company's transactions do not expose the company to exchange rate fluctuations. The operations of the Company are INR based. INR is its functional currency.

Interest rate risk:- Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any change in the interest rates environment may impact future rates of borrowing. The company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiation with the lenders for ensuring the cost effective method of financing.

(b) Interest Rate Sensitivity: Interest rate risk is the risk that the fair value of future cash flow of financial instruments will fluctuate because of change in market interest rates. The Company has not taken any loan from bank & financial institutions; hence there is not any interest rate risk.

(c) Equity Price Risk: The Company has not equity investment except investment in Subsidiary Company. The Subsidiary company investment to be shown at Carrying value as at the date of transition to IND AS, measured as per previous GAAP are treated as their deemed costs as at the date of transition.

(ii) Credit Risk:

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, Inter Corporate deposit, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counter parties are banks and recognised financial institutions with high credit ratings.



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MFL TRADING PRIVATE LIMITED
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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Balance with banks & fixed Deposits
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Others

Trade Receivables: Customer credit risk is managed through the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the security held in his account. Outstanding customer receivables are regularly monitored. At the year end, the company does not have any outstanding trade receivable.

Balance & fixed Deposits with banks: Credit Risk from balances & Fixed Deposits with banks is managed by the Company's Finance Department in accordance with the company's policy. Investments of surplus funds are made only with banks as fixed deposits.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31.03.2018 & 31.03.2017 is the carrying amounts as summarized in Note No. 4 & 5.

Other Assets: The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. Subsequently, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for financial instruments is described below:

Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(iii) Liquidity Risk: Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds using future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash & cash equivalent. The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- 3) Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.
- 4) Fair value of Investments in quoted non-current Equity Shares are based on quoted market price at the reporting date.
- 5) The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorized within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

The following table presents the fair value measurement hierarchy of financial assets and liabilities, which have been measured subsequent to initial recognition at fair value as at 31st March, 2018, 31st March 2017 and 1st April 2016:

6.27 Earnings per share

| | <u>2017-18</u> | <u>2016-17</u> |
|--|----------------|----------------|
| Profit After Taxation (Rs.) | (14,704) | (23,432) |
| Number of equity shares as on 31 st March (Nos) | 10,000 | 10,000 |
| Weighted average number of Share (Nos) | 10,000 | 10,000 |
| Nominal Values of Shares Outstanding (Rs.) | 10 | 10 |
| Basic & Diluted Earnings per Share | (1.47) | (2.34) |

6.28 Notes 1 to 7 form an integral part of the Balance Sheet and Profit & Loss Statement of the Company.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement
AS PER REPORT OF EVEN DATE FOR & ON BEHALF OF THE BOARD

RAJENDRA K. GOEL & CO.
CHARTERED ACCOUNTANTS
FRN No- 001457N


R.K. GOEL
PARTNER
M.NO. 6154




RAKESH THAKUR
DIRECTOR
DIN : 07743523


NAWAL KUMAR
DIRECTOR
DIN : 07719264

PLACE: NEW DELHI
DATED :17-05-2018

MFL TRADING PRIVATE LIMITED
CIN NO. U51109DL2010PTC208069

Notes Forming Part of The Balance Sheet and Profit & Loss Statement

References:-

- a) Under Indian GAAP, Financial Assets and Financial Liabilities were measured at transaction cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expenses or finance income in the statement of profit and Loss for Financial liabilities and financial assets respectively. Under Ind AS 109 - Financial Instruments are required to be value at fair value and difference between cost and fair value is to be amortised and consequently interest income or interest expenses to be booked effective interest method in the statement of Profit & Loss.
- b) Under Previous GAAP, actuarial gains and losses on employees defined benefits obligations (i.e. gratuity) were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income & corresponding tax impact on the same. This resulted in a reclassification between profit or loss and other comprehensive income. Due to this, actuarial gains and Losses Rs. 17,360/- & deferred tax Rs. 5,185 /- for the period ended March 31, 2017 shown in OCI and reversal in statement of profit and Loss.
- c) Fair valuation of investments: Under the Previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, investments are measured at fair value and the mark-to-market gains/ losses are recognized either through profit or loss (FVTPL) or through other comprehensive income (FVTOCI) based on the business model test. Effect of Ind AS adoption on total comprehensive income represents the mark-to-market gains/ losses on investment.
- d) Under previous GAAP, discounting of provisions was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discounted amounts. The effects of these are reflected in total equity and profit or loss.
- e) Under Ind AS, deferred taxes are recognised relating to Ind AS adjustments including deferred taxes measured using balance sheet approach. The effects of these are reflected in total equity and profit or loss.
- f) Under previous GAAP, there was no separate record in the financial statements for Other Comprehensive Income (OCI). Under Ind AS, specified items of income, expense, gains and losses are presented under OCI.



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