Independent Auditor's Report

To the Members of
SR CONTINENTAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SR CONTINENTAL LIMITED *("the Company")*** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of other comprehensive income, the Cash Flow Statement and the statement of change in equity 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, -2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 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 (-) financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 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 financial statements that give a 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 the Company's Directors, as well as evaluating the overall presentation of the 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 March 31, 2018, and its Loss ,total Comprehensive income ,the change in equity and its Cash Flow 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"), as amended, 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"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose 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 and the Cash Flow Statement 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.

    e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. 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**".

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

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative 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.

As per our report of even date
For **A. K. MAHESHWARI & ASSOCIATES**
Chartered Accountants
(Firm Regn No-500106N)

(CA TUSHAR JAIN)
Partner
MembershipNo.524134
Place: Noida
Date: 23rdMay,2018

“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:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) The Company does not have any inventory and hence reporting under Clauses 3 (ii) of theOrder is not applicable to the Company.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) 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 Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (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 March 31, 2018 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys 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.

10) Based upon the audit procedures performed and the information and explanations 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.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) 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.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations 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 provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) Refer to note 32A of “significant accounting policies and explanatory notes”, the Company’s principal business activity is trading and not financing activity, and the Company has temporarily deployed the surplus funds available in mutual funds/Fixed Deposit which will be utilized in the trading business in the coming years and accordingly registration with RBI is not considered necessary.

For and on behalf of
For **A. K. MAHESHWARI & ASSOCIATES**
Chartered Accountants
(Firm Regn No-500106N)

(CA TUSHAR JAIN)
Partner
MembershipNo.:524134
Place: Noida
Date:23rd May,2018

"Annexure B" to the Independent Auditor's Report of even date on the - Financial Statements of SR CONTINENTAL limited

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

We have audited the internal financial controls over financial reporting Of SR CONTINENTAL Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls .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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud orerror.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, 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 2018,based on the internal controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the guidance note on Audit of Internal Financials Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
For **A. K. MAHESHWARI & ASSOCIATES**
Chartered Accountants
(Firm Regn No-500106N)

(CA TUSHAR JAIN)
Partner
MembershipNo.:524134
Place: Noida
Date:23rd May 2018

SR Continental Limited
Balance sheet as at March 31,2018

(Rs in Lakhs)

	Note No.	As at March 31,2018	As at March 31,2017	As at April 1,2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	9.78	10.15	15.02
Financial assets				
(i) Other financial assets	4	2.39	9.29	9.29
Deferred tax assets (net)	5	5.81	3.93	-
		17.98	**23.37**	**24.31**
Current assets				
Financial assets				
(i) Investment	6	22.40	117.65	107.43
(ii) Trade receivables	7	1.93	1.93	2.25
(iii) Cash and cash equivalents	8	7.95	5.54	26.95
(iv) Bank balances other than (iii) above	9	81.30	-	-
(v) Other current financial assets	10	5.88	1.24	0.75
Current tax assets (net)	11	3.55	-	0.25
Other current assets	12	11.30	14.98	14.88
		134.31	**141.34**	**152.51**
Total assets		**152.29**	**164.71**	**176.82**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	18.50	18.50	18.50
Other equity	14	127.15	133.89	147.47
		145.65	**152.39**	**165.97**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	15	-	-	-
(ii) Other financial liabilities	16	-	-	4.25
		-	**-**	**4.25**
Current liabilities				
Financial liabilities				
(i) Trade payables	17	0.08	0.08	1.12
(ii) Other financial liabilities	18	-	-	0.40
Other current liabilities	19	6.56	6.48	5.08
Provisions	20	-	5.76	-
		6.64	**12.32**	**6.60**
Total liabilities		**6.64**	**12.32**	**10.85**
Total equity and liabilities		**152.29**	**164.71**	**176.82**
Significant Accounting Policies and Notes forming integral part of Financials Statements	1 to 34			

As per report of even date attached
For A. K. Maheshwari & Associates
Chartered Accountants
(Firm Regn. No. - 500106N)

For and on behalf of the Board of Directors

TUSHAR JAIN
Partner
Membership No. :- 524134

Director
(G.L. Sultania)
DIN : 00060931

Director
(R.K. Daga)
DIN : 00227746

Place : Noida
Date : 23rd May, 2018

SR Continental Limited
Statement of Profit and Loss for the year ended March 31,2018

(Rs in Lakhs)

Particulars	**Note No.**	**For the year ended March 31,2018**	**For the year ended March 31,2017**
Revenue			
Revenue from operations	21	-	2.88
Other income	22	20.99	55.74
Total Revenue		**20.99**	**58.62**
Expenses			
Purchase of Stock in Trade		-	2.42
Finance costs	23	-	0.91
Depreciation and Amortization expense	24	0.37	1.22
Other expenses	25	29.24	65.77
Total Expenses		**29.61**	**70.32**
Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		**(8.62)**	**(11.70)**
Exceptional Items		-	-
Profit/(Loss) before tax		**(8.62)**	**(11.70)**
Tax expense:			
(1) Current tax		-	5.81
(2) Mat Tax Credit		-	(5.81)
(3) Deferred Tax Charge/(Credit)			1.88
(4) Deferred Tax Reversal		(1.88)	-
Profit/ (loss) for the period		**(6.74)**	**(13.58)**
Other Comprehensive Income			
(1) Items that will not be reclassified to profit & loss		-	-
(2) Items that will be reclassified to profit & loss		-	-
Total comprehensive income for the period		**(6.74)**	**(13.58)**
Basic & Diluted Earnings Per Equity Share (Per Share Value of Rs. 10 each)	26	(3.64)	(7.34)
Significant Accounting Policies and Notes forming integral part of Financials Statements	1 to 34		

As per report of even date attached
For A. K. Maheshwari & Associates
Chartered Accountants
(Firm Regn. No. - 500106N)

For and on behalf of the Board of Directors

TUSHAR JAIN
Partner
Membership No.:- 524134

Director	**Director**
(G.L. Sultania)	**(R.K. Daga)**
DIN : 00060931	DIN : 00227746

Place : Noida
Date : 23rd May, 2018

SR Continental Limited

Statement of Cash Flows for the year ended March 31,2018

(Rs in Lakhs)

	Particulars		For the year ended March 31,2018	For the year ended March 31,2017
A.	**Cash Flow from Operating Activities**			
	Net Profit/(Loss) before tax as per Statement of Profit & Loss		(8.62)	(11.70)
i.	Adjustment for :-			
	Depreciation		0.37	1.22
	Interest paid		-	0.91
	Fixed Assets Write Off		-	3.35
	Interest received		(6.06)	(0.55)
	Profit on sale of Fixed assets		-	(1.55)
	Profit on sale of current Investment		(13.02)	(52.26)
	(Gain)/Loss on Fair Value of Investment		10.54	56.87
	Sundry balance written off/back		-	(1.17)
	Liability no longer required written back		-	(0.44)
	Operating Profit/(Loss) Before Working Capital Changes		**(16.79)**	**(5.32)**
ii.	Movements in working capital :-			
	Increase / (Decrease) in Other Long Term Liabilities		-	(4.25)
	Increase / (Decrease) in Trade Payables		-	(0.60)
	Increase / (Decrease) in Other Current Liabilities		0.08	1.00
	(Increase)/ Decrease in Trade Receivables		-	1.50
	(Increase)/ Decrease in Loans and Advances		(4.04)	(0.49)
	(Increase)/ Decrease in Other Current Assets		3.68	(0.10)
	Net Cash generated/(used in) operating activities		(17.07)	(8.26)
	Less : Income Tax Paid (net of refunds)		(9.31)	0.20
	NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	**(A)**	**(26.38)**	**(8.06)**
B.	**Cash Flow from Investment Activities**			
	Movement in fixed deposit		(75.00)	-
	Sale of Current Investments		115.83	75.56
	Purchase of Current Investments		(18.10)	(90.40)
	Interest received		6.06	0.55
	Sale of Fixed Assets		-	1.85
	NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	**(B)**	**28.79**	**(12.44)**
C.	**Cash Flow from Financing Activities**			
	Interest Paid		-	(0.91)
	NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	**(C)**	**-**	**(0.91)**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(A+B+C)**	**2.41**	**(21.41)**
	Cash and Cash Equivalents at the beginning of the year		5.54	26.95
	Cash and Cash Equivalents at the end of the year		7.95	5.54

Notes :

1. The above cash flow has been prepared under the Indirect Method set out in Indian Accounting Standards (Ind AS-7) -Statement of Cash Flow Cash and cash equivalents includes cash in hand and bank balances.
2. Previous year's figures have been regrouped/rearranged wherever considered necessary.

As per report of even date attached
For A. K. Maheshwari & Associates
Chartered Accountants
(Firm Regn. No. - 500106N)

TUSHAR JAIN
Partner
Membership No.:- 524134

Place : Noida
Date : 23rd May, 2018

For and on behalf of the Board of Directors

Director	**Director**
(G.L. Sultania)	**(R.K. Daga)**
DIN : 00060931	DIN : 00227746

SR Continental Limited
Statement of Changes in Equity for the year ended March 31,2018

(a) Equity share capital

(Rs in Lakhs)

	As at March 31,2018		As at March 31,2017		As at April 1,2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,85,000	18.50	1,85,000	18.50	1,85,000	18.50
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	1,85,000	18.50	1,85,000	18.50	1,85,000	18.50

(b) Other equity

	Reserves and Surplus			
	General reserve	Retained earnings	Other Comprehensive Income	Total
Balance at April 1, 2016 as per IGAAP	79.05	(0.39)	**-**	**78.66**
Impacts due to Ind AS Adjustments	-	68.81	-	68.81
Restated balance at the beginning of the reporting period	**79.05**	**68.42**	**-**	**147.47**
Profit/(Loss) for the year	-	(13.58)	-	(13.58)
Other comprehensive income/ (loss) for the year	-	-	-	-
Total comprehensive income for the year	**-**	**(13.58)**	**-**	**(13.58)**
Transfer to general reserve	-	-	-	-
Balance at March 31,2017	**79.05**	**54.84**	**-**	**133.89**
Restated balance at the beginning of the reporting period	**79.05**	**54.84**	**-**	**133.89**
Profit /(Loss) for the year	-	(6.74)	-	(6.74)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**79.05**	**48.10**	**-**	**127.15**
Transfer to general reserve	-	-	-	-
Balance at March 31,2018	**79.05**	**48.10**	**-**	**127.15**

As per report of even date attached
For A. K. Maheshwari & Associates
Chartered Accountants
(Firm Regn. No. - 500106N)

For and on behalf of the Board of Directors

TUSHAR JAIN
Partner
Membership No.:- 524134

Director
(G.L. Sultania)
DIN- 00060931

Director
(R.K.Daga)
DIN 00227746

Place : Noida
Date : 23rd May, 2018

SR Continental Limited

Significant Accounting Policies and other explanatory information to the financial statements for the year ended March 31, 2018

1.1 Corporate and General Information

SR Continental Limited referred to as "the Company" is domiciled in India. The registered office of the Company is at 82/19, Bhakerwara Road, Mundka, New Delhi.

The financial statements of the Company for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the directors on May 23, 2018.

2 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of Preparation

The financial statements of SR Continental Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

The financial statement up to year ended 31 March, 2017 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The Company has followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 01, 2016 and transitonal adjustment, if any, were recognized directly through retained earnings in Equity as disclosed in Note No 34

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis. Further, financial assets and liabilities are remeasured at fair value at each reporting date, wherever applicable.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All Amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of Property, Plant and Equipments.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

2.5 <u>Classification of Assets and Liabilities as Current and Non-Current</u>

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

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

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

2.6 <u>Property, Plant and Equipment</u>

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation on fixed assets is calculated on WDV Method using the rates arrived at estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction/erection period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognisation

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

2.7 <u>Impairment of non-financial assets</u>

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.8 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till the period the said assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.9 Employee benefits

Short term employee benefits

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

2.10 Revenue Recognition

The Company recognises revenue from sale of goods when;

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the amount of revenue can be measured reliably;

iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and

iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue represents net value of goods provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

2.11 Provisions, Contingent Liabilities and Contingent Assets

Bases on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable (“more likely than not”) that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.12 Measurement of fair value

The estimated fair value of the Company’s financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

2.13 Financial instruments

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

(a) Financial Assets

Initial recognition and measurement
All financial assets are recognised 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.

Classifications
The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Derecognition of financial assets
A financial asset or a part of a financial asset is primarily derecognised when:

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

- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

(b) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate. In the case of amortised cost, financial liabilities are recognised net of directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition of financial liabilities
The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.14 **Income tax**
Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.14 Leases

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company.

2.17 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Company from April 01, 2018.

SR Continental Limited

3. Property, Plant and Equipment

(Rs in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1,2016	**Additions**	**Deletions**	**As at March 31,2017**	**As at April 1,2016**	**Additions**	**Deletions**	**As at March 31,2017**	**As at April 1,2016**	**As at March 31,2017**
Tangible Assets										
Freehold land	1.00	-	-	1.00	-	-	-	-	1.00	1.00
Building	9.54	-	-	9.54	-	0.39	-	0.39	9.54	9.15
Plant and equipment	4.10	-	3.35	0.75	-	0.75	-	0.75	4.10	-
Vehicles	0.38	-	0.30	0.08	-	0.08	-	0.08	0.38	-
Total	**15.02**	**-**	**3.65**	**11.37**	**-**	**1.22**	**-**	**1.22**	**15.02**	**10.15**

Particulars	Gross Block				Depreciation				Net Block	
	As at March 31,2017	**Additions**	**Deletions**	**As at March 31,2018**	**As at March 31,2017**	**Additions**	**Deletions**	**As at March 31,2018**	**As at March 31,2017**	**As at March 31,2018**
Tangible Assets										
Freehold land	1	-	-	1.00	-	-	-	-	1.00	1.00
Building	9.54	-	-	9.54	0.39	0.37	-	0.76	9.15	8.78
Plant and equipment	0.75	-	-	0.75	0.75	-	-	0.75	-	-
Vehicles	0.08	-	-	0.08	0.08	-	-	0.08	-	-
Total	**11.37**	**-**	**-**	**11.37**	**1.22**	**0.37**	**-**	**1.59**	**10.15**	**9.78**

Additional disclosure as per previous GAAP

Property, plant and equipment - Gross book value and net book value as per previous GAAP

Particulars	As at April 1,2016			As at March 31,2017			As at March 31,2018		
	Gross Block	**Accumulated depreciation**	**Net Block**	**Gross Block**	**Accumulated depreciation**	**Net Block**	**Gross Block**	**Accumulated depreciation**	**Net Block**
Tangible Assets									
Freehold land	1.00	-	1.00	1.00	-	1.00	1.00	-	1.00
Building	53.91	44.37	9.54	53.91	44.76	9.15	53.91	45.13	8.78
Plant and equipment	7.01	2.91	4.10	-	-	-	-	-	-
Vehicles	6.04	5.66	0.38	-	-	-	-	-	-
Total	**67.96**	**52.94**	**15.02**	**54.91**	**44.76**	**10.15**	**54.91**	**45.13**	**9.78**

SR Continental Limited

Notes to Financial Statements for the year ended March 31,2018

(Rs in Lakhs)

		As at March 31,2018	As at March 31,2017	As at April 1,2016
4	**Other non-current financial assets**			
	Bank Deposit (Pledge with Government Department)	2.39	9.29	9.29
		2.39	**9.29**	**9.29**

5 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at March 31,2017	Recognized in P&L	As at March 31,2018
Deferred Tax Assets			
MAT Credit Entitlement	5.81	-	5.81
Sub- Total (a)	**5.81**	**-**	**5.81**
Deferred Tax Liabilities			
Property, plant and equipment	0.29	(0.29)	-
Others	1.59	(1.59)	-
Sub- Total (b)	**1.88**	**(1.88)**	**-**
Net Deferred Tax Asset (a)-(b)	**3.93**	**1.88**	**5.81**

	As at April 1,2016	Recognized in P&L	As at March 31,2017
Deferred Tax Assets			
MAT Credit Entitlement	-	5.81	5.81
Sub- Total (a)	**-**	**5.81**	**5.81**
Deferred Tax Liabilities			
Property, plant and equipment	-	0.29	0.29
Others	-	1.59	1.59
Sub- Total (b)	**-**	**1.88**	**1.88**
Net Deferred Tax Asset (a)-(b)	**-**	**3.93**	**3.93**

B. Amounts recognised in profit or loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense		
Current year	**-**	**5.81**
MAT Credit	**-**	**5.81**
	-	**-**
Deferred tax expense		
Origination and reversal of temporary differences	**(1.88)**	**1.88**
	(1.88)	**1.88**
Total Tax Expense	**(1.88)**	**1.88**

6 Current Investments

(valued at fair value through profit & loss)

Investment in equity instruments (fully paid-up)						
Quoted, Fully paid up	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
(A) Equity Shares of Rs 10/- each						
Soma Textiles & Industries Limited	**-**	-	2,073	0.26	2,073	0.11
(B) Equity Shares of Rs. 4/- each						
Schablona India Limited	**-**	-	-	-	3,90,800	71.71
Investments in Units of Mutual Fund						
(C) Mutual Fund						
HDFC Liquid Fund-Growth	656.831	22.40	536.640	17.17	1,193.185	35.61
Birla Sun Life Frontline Equity Fund-Growth		-	6,294.851	12.16		-
ICICI Prudential Value Discovery Fund-Growth		-	8,912.656	11.70		-
SBI Magnum Midcap Fund -Growth		-	23,249.146	17.20		-
Franklin India High Growth Companies Fund-Growth		-	79,508.700	27.51		-
Birla Sun Life Balance 95 Fund-Growth		-	4,637.359	31.65		-
		22.40		**117.39**		**35.61**
Total Investment (A+B+C)		**22.40**		**117.65**		**107.43**
Aggregate Book Value of Quoted Investment		**22.40**		**117.65**		**107.43**
Aggregate Market Value of Quoted Investment		**22.40**		**117.65**		**107.43**

SR Continental Limited

Notes to Financial Statements for the year ended March 31,2018

(Rs in Lakhs)

		As at March 31.2018	As at March 31.2017	As at April 1.2016
7	**Current Trade Receivables**			
	Trade Receivables			
	i) Unsecured, Considered Doubtful	5.77	5.77	11.25
		5.77	**5.77**	**11.25**
	Less: Allowances for bad and doubtful debts			
	-Unsecured considered doubtful	3.84	3.84	9.00
	Total	**1.93**	**1.93**	**2.25**
8	**Cash and cash equivalents**			
	Balance with banks:			
	-On Current Account	7.47	5.08	25.07
	Cash in hand	0.48	0.46	1.88
		7.95	**5.54**	**26.95**
9	**Other bank balances**			
	Bank Deposit (Pledge with Government Department)	6.30	6.30	6.30
	Less:- Shown Under "Other Financial Assets"(More than 12 months)	-	6.30	6.30
	Fixed Deposits	75.00	-	-
	Less:- Shown Under "Other Financial Assets"(More than 12 months)	-	-	-
		81.30	**-**	**-**
10	**Other current financial assets**			
	Accrued Interest	5.88	1.24	0.75
		5.88	**1.24**	**0.75**
11	**Current tax assets (net)**			
	Advance Tax/Tax Deducted at Source (Net)	3.55	-	0.25
		3.55	**-**	**0.25**
12	**Other current assets**			
	Sales Tax Receivable	0.08	0.08	0.08
	Advances to Creditor	11.07	13.40	13.30
	Other Advances and Receivables	0.15	1.50	1.50
		11.30	**14.98**	**14.88**

SR Continental Limited

Notes to Financial Statements for the year ended March 31,2018 (Rs in Lakhs)

		As at March 31,2018	As at March 31,2017	As at April 1,2016
13	**Share capital**			
	Authorised:			
	500,000 (As at March 31,2017 and April 1,2016 - 500,000) equity shares of Rs.10/- each	50.00	50.00	50.00
	Issued, subscribed & fully paid up:			
	1,85,000(As at March 31,2017 and April 1,2016 - 1,85,000) Equity Shares of Rs 10/- each	18.50	18.50	18.50
		18.50	**18.50**	**18.50**

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding at the April 1,2016	1,85,000	18.50
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the March 31,2017	1,85,000	18.50
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the March 31,2018	1,85,000	18.50

c. Shareholders holding more than 5% shares in the company

	As at March 31,2018		As at March 31,2017		As at April 1,2016	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Somany Ceramic Limited the holding company (with its nominees)	1,85,000	100	1,85,000	100	1,85,000	100

		As at March 31,2018	As at March 31,2017	As at April 1,2016
14	**Other equity**			
a.	**General reserve**			
	Balance at the beginning of the year	79.05	79.05	79.05
	Add: Transfer from retained earnings	-	-	-
	Balance at the end of the year	**79.05**	**79.05**	**79.05**
b.	**Retained earnings**			
	Balance at the beginning of the year	54.84	68.42	68.42
	Add: Net profit for the year	(6.74)	(13.58)	-
		48.10	**54.84**	**68.42**
c.	**Other Comprehensive Income**			
	Other Comprehensive Income	-	-	-
		-	**-**	**-**
	Total of Reserve & Surplus (a+b+c)	**127.15**	**133.89**	**147.47**

Dividend

The Company has not declared dividend for the year ended March 31, 2018 and March 31, 2017.

SR Continental Limited

Notes to Financial Statements for the year ended March 31,2018

(Rs in Lakhs)

		As at March 31,2018	As at March 31,2017	As at April 1,2016
15	**Borrowings**			
	Car Loans			
	- From Banks	-	-	**0.40**
		-	-	**0.40**
	Less: Current Maturities of Long Term Borrowings			
	Car Loans			
	From Banks	-	-	**0.40**
	Total	-	-	-
16	**Other financial liabilities**			
	Security Deposit	-	3.85	4.25
		-	3.85	4.25
	Less:-Current Maturities	-	3.85	-
		-	-	**4.25**
17	**Trade Payables**			
	Outstanding dues of Micro Enterprises and Small Enterprises #	-	-	-
	Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	0.08	0.08	1.12
		0.08	**0.08**	**1.12**

The Company has not received the information from vendors regarding their status as micro & small enterprise under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act); hence, details are provided to the extent available.

		As at March 31,2018	As at March 31,2017	As at April 1,2016
18	**Other financial liabilities**			
	Current maturities of long term borrowings	-	-	0.40
		-	-	**0.40**
19	**Other current liabilities**			
	Statutory dues payable	0.04	0.08	0.23
	Deposit against Car	-	-	1.90
	Security Deposit	3.85	3.85	-
	Advance from Customers	-	-	0.95
	Other Liabilities	2.67	2.55	2.00
		6.56	**6.48**	**5.08**
20	**Short-term provisions**			
	Income tax Liabilities	-	**5.76**	-
		-	**5.76**	-

SR Continental Limited

Notes to the statement of Profit and Loss

(Rs in Lakhs)

			For the year ended March 31,2018		For the year ended March 31,2017
21	**Revenue from operations**				
	Sales of traded goods		-		1.26
	Other operating revenue				
	Liabilities no longer required written back (net)		-		0.44
	Sundry credit balances written back		-		1.18
			-		**2.88**
22	**Other Income**				
	Interest Received		6.06		0.55
	Profit on Sale of Fixed Assets		-		1.55
	Profit on Sale of Investments		13.02		52.26
	Rent Received		1.64		1.32
	Miscellaneous Receipts		0.27		0.06
			20.99		**55.74**
23	**Finance cost**				
	Interest expenses		-		0.01
	Other Borrowing Cost		-		0.90
			-		**0.91**
24	**Depreciation and amortisation expense**				
	Depreciation on tangible assets		0.37		1.22
			0.37		**1.22**
25	**Other expenses**				
	Rent		-		2.52
	Rates and Taxes		0.37		0.43
	Bank Charges		0.04		0.02
	Sales Tax paid		-		0.13
	Fixed Assets Discard /Written Off		-		3.35
	Legal & Professional Charges		9.80		0.47
	Statutory Audit Fees		0.47		0.42
	Auditor out of Pocket Expenses		0.03		0.05
	Security Transaction tax		0.00		0.05
	Sundry Balance Write off		2.23		0.00
	Bad Debts	-		5.15	
	Less:-Provision for Doubtful Debts	-	-	5.15	-
	Miscellaneous expenses		5.76		1.46
	Movement in Fair Value of Investment		10.54		56.87
			29.24		**65.77**
26	**Earning per share**				
	Total profit/ (loss) for the year		(6.74)		(13.58)
	Weighted average number of equity shares of Rs. 10/- each		1,85,000		1,85,000
	EPS - Basic and Diluted (in Rs.)		**(3.64)**		**(7.34)**

SR Continental Limited
Notes to financial statements for the year ended March 31,2018
(All amounts are in Rs Lakhs, unless otherwise stated)

		As at March 31,2018	As at March 31,2017
27	**Contingent liabilities, contingent assets and commitments**		
A.	**Contingent liabilities (not provided for) in respect of:**		
	1 In respect Co-surety given on behalf of Somany ceramics Ltd.(Holding Company)	12.50	12.50
B.	**Commitments**		
	Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	NIL	NIL

28 Related parties

A. Related parties and their relationships

i Holding Company
Somany Ceramics Limited

ii Fellow Subsidiary
Somany Global Limited

B. Transactions with the above in the ordinary course of business

		For the year ended March 31,2018
	Nature of Transactions	
a)	**With Holding Company are as under**	
	-Somany Ceramics Limited	
	i. Rent Received	0.87
	ii Reimbursement of Expenses to Holding Company	1.00
	Closing balance	
	i. Payable	0.78
	With Fellow Subsidiary are as under	
b)	**-Somany Global Limited**	
	i. Rent Received	0.24

(All amounts are in Rs Lakhs, unless otherwise stated)

29 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at March 31,2018		As at March 31,2017		As at April 1,2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets						
Current investment	22.40	-	117.65	-	107.43	-
Trade receivables	-	1.93	-	1.93	-	2.25
Cash and cash equivalents	-	7.95	-	5.54	-	26.95
Bank balances other than above	-	81.30	-	-	-	-
Others						
Non Current	-	2.39	-	9.29	-	9.29
Current	-	20.73	-	16.22	-	15.88
	22.40	**114.30**	**117.65**	**32.98**	**107.43**	**54.37**
Financial liabilities						
Other non-current financial liabilities	-	-	-	-	-	4.25
Short terms borrowings	-	-	-	-	-	0.40
Trade payables	-	0.08	-	0.08	-	1.12
Other current financial liabilities	-	6.56	-	6.48	-	5.08
	-	**6.64**	**-**	**6.56**	**-**	**10.85**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at March 31,2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Current investment	22.40	-	-	-
Total financial assets	**22.40**	**-**	**-**	**-**

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at March 31,2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Current investment	117.65	-	-	117.65
Total financial assets	**117.65**	**-**	**-**	**117.65**

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at April 1, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Current investment	107.43	-	-	107.43
Total financial assets	**107.43**	**-**	**-**	**107.43**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.
There are no transfers between level 1 and level 2 during the year

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments

C. **Financial assets and liabilities measured at amortised cost**

	As at March 31,2018		As at March 31,2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Trade receivables	1.93	1.93	1.93	1.93	2.25	2.25
Cash and cash equivalents	7.95	7.95	5.54	5.54	26.95	26.95
Bank balances other than above	81.30	81.30	-	-	-	-
Others						
Non Current	2.39	2.39	9.29	9.29	9.29	9.29
Current	20.73	20.73	16.22	16.22	15.88	15.88
	114.30	**114.30**	**32.98**	**32.98**	**54.37**	**54.37**
Financial liabilities						
Other non-current financial liabilities	-	-	-	-	4.25	4.25
Short term borrowings	-	-	-	-	0.40	0.40
Trade payables	0.08	0.08	0.08	0.08	1.12	1.12
Other current financial liabilities	6.56	6.56	6.48	6.48	5.08	5.08
	6.64	**6.64**	**6.56**	**6.56**	**10.85**	**10.85**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

II. **Financial risk management**

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely. The Management impact analysis shows credit risk and impact assessment as low.

iii. Liquidity risk

Liquidity risk is the risk that 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's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

	For the year ended March 31,2018	For the year ended March 31,2017
30 Payments to Auditors :		
Statutory audit fee	0.47	0.42
Other Services	0.03	0.05
Total	**0.50**	**0.47**

31 In the opinion of the management, Current Assets and Loans & Advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated.

32 **Segment Reporting**

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. “Ceramic Tiles and Allied products” and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of ‘Segment Reporting’ is not considered applicable.

32A There was no manufacturing operation in our Company during the year. Surplus funds available has been temporarily deployed in Mutual Fund and will be utilized in the trading business of the Company, in the coming years. There is no employees on the roll of the Company.

33 The company has not created on deferred tax asset during the FY 2017-18 due to uncertainty of future taxable Income.

The accompanying notes are an integral part of these financial statements

(All amounts are in Rs Lakhs, unless otherwise stated)

34 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31,2018, the comparative information presented in these financial statements for the year ended March 31,2017 and in the preparation of an opening Ind AS statement of financial position at April 1,2016 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1,2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity

Particulars	Notes to first-time adoption	As at April 1,2016			As at March 31,2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, Plant and Equipment		15.02	-	15.02	10.15	-	10.15
Financial assets							
(i) Other Financial assets		9.29	-	9.29	9.29	-	9.29
Deferred tax assets (net)	2	-			3.93		3.93
Current assets							
Financial assets							
(i) Investments	1	38.62	68.81	107.43	105.96	11.69	117.65
(iI) Trade receivables		2.25	-	2.25	1.93	-	1.93
(iIi) Cash and cash equivalents		26.95	-	26.95	5.54	-	5.54
(iV) Bank balances other than (ii) above		-	-	-	-	-	-
(v) Other current financial assets		0.75	-	0.75	1.24	-	1.24
Current tax assets (net)		0.25	-	0.25	-	-	-
Other current assets		14.88	-	14.88	14.98	-	14.98
TOTAL ASSETS		**108.01**	**68.81**	**176.82**	**153.02**	**11.69**	**164.71**

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31,2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		18.50	-	18.50	18.50	-	18.50
Other equity	1	78.66	68.81	147.47	122.20	11.69	133.89
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Other financial liabilities		4.25	-	4.25	-	-	-
Current liabilities							
Financial liabilities							
(i) Trade payables		1.12	-	1.12	0.08	-	0.08
(ii) Other financial liabilities		0.40	-	0.40	-	-	-
Other current liabilities		5.08	-	5.08	6.48	-	6.48
Provisions		-	-	-	5.76	-	5.76
TOTAL EQUITY AND LIABILITIES		**108.01**	**68.81**	**176.82**	**153.02**	**11.69**	**164.71**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended March 31,2017

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations		2.88	-	2.88
Other income	1	55.99	(0.25)	55.74
Total income		**58.87**	**(0.25)**	**58.62**
Expenses				
Purchase of Stock in Trade		2.42	-	2.42
Finance costs		0.91	-	0.91
Depreciation and amortization expense		1.22	-	1.22
Other expenses	1	8.90	56.87	65.77
Total Expenses		**13.45**	**56.87**	**70.32**
Profit/(loss) before tax		**45.42**	**(57.12)**	**(11.70)**
Tax expense:				
Current tax		-	-	-
Income Tax related to earlier years				
Deferred tax		1.88	-	1.88
Profit/ (loss) for the period (A)		**43.54**	**(57.12)**	**(13.58)**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans		-	-	-
Income tax relating to remeasurement of defined benefit plans		-	-	-
Total other comprehensive income for the period (B)		**-**	**-**	**-**
Total comprehensive income for the period (A + B)		**43.54**	**(57.12)**	**(13.58)**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at March 31,2017 and April 1,2016

Particulars	Notes to first-time adoption	March 31,2017	April 1,2016
Total equity (shareholder's funds) as per previous GAAP		**140.70**	**97.16**
Adjustments:			
Current Investment Shown at Fair Value	1	(57.12)	68.81
Total adjustments		**(57.12)**	**68.81**
Net impact brought forward from Opening balance sheet		68.81	-
Total equity as per Ind AS		**152.39**	**165.97**

Reconciliation of total comprehensive income for the year ended March 31,2017

Particulars	Notes to first-time adoption	Amount
Profit after tax under India GAAP		**43.54**
Adjustments		
Current Investment Shown at Fair Value	1	(57.12)
Total adjustments		**(57.12)**
Profit after tax as per Ind AS		(13.58)
Other Comprehensive Income		-
Total Comprehensive income for the year		**(13.58)**

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31,2017

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(8.06)	-	(8.06)
Net cash flow from investing activities	(12.44)	-	(12.44)
Net cash flow from financing activities	(0.91)	-	(0.91)
Net increase/(decrease) in cash and cash equivalents	(21.41)	-	(21.41)
Cash and cash equivalents as at April 1,2016	26.95	-	26.95
Cash and cash equivalents as at March 31,2017	**5.54**	**-**	**5.54**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

D. Notes to first-time adoption:

1 Fair valuation of investments

Under the previous GAAP, Current investments were carried at lower of Cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit and loss. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31,2017. This Decrease the retained earnings net of tax by Rs. 57.12 lakhs as at March 31,2017 (Increase the retained earnings net of tax by Rs 68.81 lakhs as at April 1,2016).

2 Deferred Tax

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

3 Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

As per report of even date attached
For A. K. Maheshwari & Associates
Chartered Accountants
(Firm Regn. No. - 500106N)

For and on behalf of the Board of Directors

TUSHAR JAIN
Partner
Membership No. : 524134

Director	**Director**
(G.L. Sultania)	**(R.K.Daga)**
DIN : 00060931	DIN : 00227746

Place : Noida
Date : 23rd May, 2018