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**CRUSTUM PRODUCTS**  
P R I V A T E L I M I T E D

**Financial Statements**  
2016 - 17

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## INDEPENDENT AUDITOR'S REPORT

To the Members

**CRUSTUM PRODUCTS PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. Crustum Products Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended March 31, 2017, 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 and presentation 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 specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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 thereunder.

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 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. An audit also includes evaluating the appropriateness of 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 31st March 2017, its loss and its cash flows 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, 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 further 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 appears from our examination of those books;
  - c) the Balance Sheet, 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 applicable 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g) With respect to 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 could have impact on 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2016.

**For P. Murali & CO.,**  
**Chartered Accountants**  
Firm Registration No : 007257S

Place: Hyderabad  
Date : 27-05-2017

Sd/-  
**M V Joshi**  
**Partner**  
Membership No. 024784

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Annexure A to the Auditors Report

**Annexure referred to in Independent Auditors Report to the Members of M/s. Crustum Products Private Limited on the financial statements for the year ended 31st March 2017, we report that:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted loans to the parties covered under section 185 and 186 of the Act, as a result the provisions of this clause are not applicable
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues except in few cases, including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India

S.No.	Particulars	Amount
1	Income Tax	2,78,388/-
2	Provident Fund	37,97,188/-
3	Professional Tax	67,160/-
4	TDS u/s 195	4,76,336/-
5	TDS u/s 194J	36,986/-
6	TDS u/s 194I	2,84,005/-
7	TDS u/s 194C	51,116/-
8	Sales Tax	99,05,263/-
	<b>Total</b>	<b>1,33,64,838/-</b>

## CRUSTUM PRODUCTS PRIVATE LIMITED

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees State Insurance, Custom Duty, Excise Duty and other material statutory dues, Income-tax, Dividend Distribution Tax and Service Tax, in arrears as at 31st March 2017 for a period of more than 6 months for the date they became payable.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.

- viii. According to the information and explanations given to us, the company has defaulted in repayment of dues amounting to Rs 4.53 crores towards principal and Rs 1.15 crores towards interest to Oriental Bank of Commerce and UCO Bank—Refer Note no 21 to the financial statements.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has not paid/provided for any managerial remuneration. Hence these clause is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has not entered into transactions with related parties as a result the provisions of this clause are not applicable.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of this clause of the order are not applicable to the Company.

**For P. Murali & Co.**  
**Chartered Accountants**  
FRN:007257S

Place : Hyderabad  
Date : 27-05-2017

Sd/-  
**M V Joshi**  
**Partner**  
Membership No. 024784

## **Annexure B to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

We have audited the internal financial controls over financial reporting of **Crustum Products Private Limited** (the company) as of 31st march 2017 in conjunction with our audit of 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 Act.

#### **Auditor's 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 deed to be prescribed under section 143(10) of the Act 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 ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 risk 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 and the company's internal financial control 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 these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 principles, and that receipts and expenditures of the Company are being made only in accordance with authorization 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 Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation 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 31st, 2016, 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.

Place: Hyderabad  
Date: 27-05-2017

**For P. Murali & Co.,**  
Chartered Accountants  
FRN: 007257S

Sd/-  
**M V Joshi**  
Partner  
M.No. 024784

# CRUSTUM PRODUCTS PRIVATE LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	4,00,00,000	4,00,00,000
(b) Reserves and Surplus	2	(7,06,07,913)	(5,98,87,004)
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	27,78,49,199	27,78,49,199
(b) Deferred Tax Liabilities (Net)	4	60,56,671	64,16,309
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	5	1,09,47,034	1,09,61,380
(c) Other Current Liabilities	6	4,04,30,738	3,38,29,876
(d) Short-Term Provisions	7	2,78,388	2,78,388
<b>Total</b>		<b>30,49,54,118</b>	<b>30,94,48,148</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	2,52,09,459	2,96,63,385
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		18,91,04,829	18,91,19,175
(iv) Intangible assets under development		-	-
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	9	8,67,558	8,67,558
(c) Trade receivables	10	15,39,838	15,39,838
(d) Cash and Bank Balances	11	77,457	93,706
(e) Short-Term Loans and Advances	12	8,81,54,976	8,81,64,486
(f) Other Current assets		-	-
<b>Total</b>		<b>30,49,54,118</b>	<b>30,94,48,148</b>

Significant Accounting Policies  
Notes to Financial Statements

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

**M V Joshi**

Partner

Membership No. 024784

Place : Hyderabad

Date : 27-05-2017

1 to 25

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
CRUSTUM PRODUCTS PRIVATE LIMITED**

Sd/-

**P.CHAKRADHAR REDDY**

Director

Sd/-

**P.LAKSHMI SRUTHI**

Director



# CRUSTUM PRODUCTS PRIVATE LIMITED

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	Year Ended 31-03-2017 ( ₹ )	Year Ended 31-03-2016 ( ₹ )
I. Revenue from Operations		-	-
II. Other Income		-	-
<b>III. Total Revenue (I + II)</b>		-	-
<b>IV. Expenses:</b>			
Cost of materials consumed/ Cost of Software Development		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of Finished goods, WIP and Stock-in-Trade		-	-
Employee Benefit expenses		-	-
Other Operating Expenses	13	2,28,331	2,20,845
Administrative Expenses	14	-	43,791
Financial costs	15	63,98,289	56,07,768
Depreciation and amortization expense	8	44,53,926	45,48,857
<b>Total Expenses</b>		<b>1,10,80,546</b>	<b>1,04,21,261</b>
V. Profit before exceptional and extraordinary items and tax ( III - IV)		(1,10,80,546)	(1,04,21,261)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax ( V - VI)		-	-
VIII. Extraordinary Items		-	-
IX. Profit Before Tax ( VII - VIII)		<b>(1,10,80,546)</b>	<b>(1,04,21,261)</b>
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(3,59,638)	(6,76,626)
XI. Profit(Loss) from the period from Continuing Operations ( VII - VIII)		<b>(1,07,20,908)</b>	<b>(97,44,635)</b>
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations ( XII - XIII)		-	-
XV. Profit/(Loss) for the period ( XI + XIV)		<b>(1,07,20,908)</b>	<b>(97,44,635)</b>
XVI. Earning per equity share:			
(1) Basic		(2.68)	(2.44)
(2) Diluted		(2.68)	(2.44)

Significant Accounting Policies  
Notes to Financial Statements

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

**M V Joshi**

Partner

Membership No. 024784

Place : Hyderabad

Date : 27-05-2016

1 to 25

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
CRUSTUM PRODUCTS PRIVATE LIMITED**

Sd/-

**P.CHAKRADHAR REDDY**

Director

Sd/-

**P.LAKSHMI SRUTHI**

Director

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 1 : SHARE CAPITAL</b>			
<b>A Equity Share Capital</b>			
(a) Authorised			
	( No. of Shares 50,00,000 Current Year )	5,00,00,000	-
	( No. of Shares 50,00,000 Previous Year )	-	5,00,00,000
	<b>Total Authorised Capital</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>
(b) Issued			
	( No. of Shares 40,00,000 Current Year )	4,00,00,000	-
	( No. of Shares 40,00,000 Previous Year )	-	4,00,00,000
(c) Subscribed & Fully Paid Up			
	( No. of Shares 40,00,000 Current Year )	4,00,00,000	-
	( No. of Shares 40,00,000 Previous Year )	-	4,00,00,000
(d) Subscribed & not fully paid up			
		-	-
(e) Par Value per share Rs. 10/- Each			
		-	-
	<b>Total Equity Share Capital</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>
	<b>Total Share Capital ( Equity &amp; Preference )</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>
<b>NOTE NO. 2 : RESERVES AND SURPLUS</b>			
<b>I. RESERVES AND SURPLUS</b>			
a) Surplus :			
	i) Opening Balance - Profit and Loss Account	(5,98,87,004)	(5,01,42,370)
	Add: Transfer from Profit & Loss Account	(1,07,20,908)	(97,44,635)
	Less: Transfer To General Reserve	-	-
	Less: Goodwill Written Off	-	-
		<b>(7,06,07,913)</b>	<b>(5,98,87,004)</b>
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	<b>Total Reserves and Surplus</b>	<b>(7,06,07,913)</b>	<b>(5,98,87,004)</b>
<b>NOTE NO. 3 : LONG TERM BORROWINGS</b>			
<b>Long Term borrowings</b>			
a) i) Term Loans			
	From Banks	5,09,76,959	5,09,76,959
ii) Un Secured Loans			
	From Others	22,68,72,240	22,68,72,240
	<b>Total Long Term Borrowings</b>	<b>27,78,49,199</b>	<b>27,78,49,199</b>

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 4 : DEFERRED TAX LIABILITY ( NET )</b>			
I	Opening Deferred tax Liability	64,16,309	70,92,936
	Add:		
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	(3,59,638)	(6,76,626)
	Deferred Tax Liability for the year ( Due to Others )	-	-
	<b>Gross Deferred tax Liability</b>	<b>60,56,671</b>	<b>64,16,309</b>
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>60,56,671</b>	<b>64,16,309</b>
<b>NOTE NO. 5 : TRADE PAYABLES</b>			
	a) Trade Payables(creditors)	1,09,47,034	1,09,61,380
	<b>Total Trade Payables</b>	<b>1,09,47,034</b>	<b>1,09,61,380</b>
<b>NOTE NO. 6 : OTHER CURRENT LIABILITIES</b>			
I	a) Statutory Liabilities	1,79,44,954	1,79,70,480
	b) Other Payables ( Specify the nature.)		
	(i) Salaries Payable	22,71,451	22,71,451
	(ii) Property Tax Payable	-	-
	(ii). Audit fee Payable	18,78,983	16,50,652
	(iii). Rent Payables	5,14,356	5,14,356
	(iv) Royalty Payable	54,89,908	54,89,908
	c) Interest Payable	1,22,96,068	58,98,011
	(d)Other Payables	35,018	35,018
	<b>Total Other Current Liabilities</b>	<b>4,04,30,738</b>	<b>3,38,29,876</b>
<b>NOTE NO. 7 : SHORT TERM PROVISIONS</b>			
I	a) Provisions for employee benefits	-	-
	b) Others		
	Income Tax Provision	2,78,388	2,78,388
	<b>Total Short Term Provisions</b>	<b>2,78,388</b>	<b>2,78,388</b>

**NOTE NO 8 : FIXED ASSETS AS AT 31-03-2017**

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As on 1.4.2016	Additions During the Year	Sales during the year	As on 31.03.2017	As on 1.4.2016	Transfer to Retained	Depreciation for the year	Impairment loss / Reversal	Total depreciation	Net block as on 31.03.2017	Net block as on 31.03.2016
Plant & Machinery	5,65,09,627	-	-	5,65,09,627	2,69,14,194	-	44,38,486	-	3,13,52,680	2,51,56,947	2,95,95,433
Furniture & Fixtures	6,45,634	-	-	6,45,634	5,89,617	-	6,243	-	5,95,860	49,774	56,017
Computers	39,04,568	-	-	39,04,568	39,04,568	-	-	-	39,04,568	-	-
Vehicles	54,263	-	-	54,263	42,328	-	9,197	-	51,525	2,738	11,935
<b>Total</b>	<b>6,11,14,092</b>			<b>6,11,14,092</b>	<b>3,14,50,707</b>		<b>44,53,926</b>		<b>3,59,04,633</b>	<b>2,52,09,459</b>	<b>2,96,63,385</b>

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 9 : INVENTORIES</b>			
	a) Closing Stock	8,67,558	8,67,558
	<b>Total Inventories</b>	<b>8,67,558</b>	<b>8,67,558</b>
<b>NOTE NO. 10 : TRADE RECEIVABLES</b>			
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	15,39,838	15,39,838
	Less: Allowance for Bad & Doubtful Debts	-	-
	<b>Sub Total</b>	<b>15,39,838</b>	<b>15,39,838</b>
	<b>Total Trade Receivables</b>	<b>15,39,838</b>	<b>15,39,838</b>
<b>NOTE NO. 11 : CASH AND BANK BALANCES</b>			
<b>I Cash and cash equivalents :</b>			
	a) Balances with banks :		
	1) On Current Accounts	68,307	84,555
	b) Cash on hand	9,151	9,151
	<b>Total Cash and Cash Equivalents</b>	<b>77,457</b>	<b>93,706</b>
<b>NOTE NO. 12 : SHORT TERM LOANS AND ADVANCES</b>			
<b>I Security Deposit</b>			
	Unsecured, Considered Good	29,67,524	29,67,524
	Less: Provision for Bad & doubtful Security Deposit	-	-
	<b>Sub Total</b>	<b>29,67,524</b>	<b>29,67,524</b>
<b>II Loans &amp; Advances</b>			
<b>Secured, Considered Good</b>			
	Advances Recoverable in Cash or in kind	6,00,09,177	6,00,09,177
	<b>Sub Total</b>	<b>6,00,09,177</b>	<b>6,00,09,177</b>
<b>III Secured, Considered Good</b>			
	Loans and Advances to Employees	(27,642)	(27,642)
	Prepaid Expense	11,784	11,784
	Credit Card Unrealised	-	951
	Advances Recoverable in Cash or in kind	2,51,94,133	2,52,02,692
	<b>Sub Total</b>	<b>2,51,78,275</b>	<b>2,51,87,785</b>
	<b>Total Short Term Loans and Advances</b>	<b>8,81,54,976</b>	<b>8,81,64,486</b>

# CRUSTUM PRODUCTS PRIVATE LIMITED

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 ( ₹ )	Year Ended 31-03-2016 ( ₹ )
<b>NOTE NO. 13 : OTHER OPERATING EXPENSES</b>			
I	(a) Miscellaneous Expenditure	-	125
	(b) Payment to Auditors:		
	(i) As Auditor	2,28,331	2,20,720
	<b>Total Other Expenses</b>	<u>2,28,331</u>	<u>2,20,845</u>
<b>NOTE NO. 14 : ADMINISTRATIVE EXPENSES</b>			
I	(a) Penalty & Interest Charges	-	43,791
	<b>Total Administrative Expenses</b>	<u>-</u>	<u>43,791</u>
<b>NOTE NO. 15: FINANCE COST</b>			
I	(a) Interest Expenses		
	- Interest on Term loans	63,98,057	56,07,646
	- Loan processing Charges & Bank Charges	232	122
	(b) Other Borrowing costs	-	-
	<b>Total Finance Cost</b>	<u>63,98,289</u>	<u>56,07,768</u>

## Significant Accounting Policies

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), referred to in Section 133 of the Companies Act, 2013. The significant accounting policies adopted in the presentation of the Accounts are as under:

**(a) Accounting Convention and Revenue Recognitions:**

The Financial statements have been prepared in accordance with historical cost convention except for such fixed which are revalued. Both the income and expenditure items are recognized on accrual basis.

**(b) Retirement Benefits:**

Staff benefits arising out of retirement / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashable and other post separation benefits are accounted for on the basis of contribution to the schemes, or an independent actuarial valuation as the case may be.

**(c) Fixed Assets:**

Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized.

**(d) Depreciation:**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the lower of the lease period and the management's estimate of the useful life of the asset.

The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

**(e) Transactions in Foreign Exchange:**

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain /loss arising out of the fluctuations in exchange rate is accounted for on realization.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance.

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account.

**(f) Borrowing Cost :**

Borrowing cost that is attributable to the acquisition construction of fixed assets is capitalized as part of the cost of respective assets.

**(g) Inventories:**

Stock of food and beverages and operating supplies are carried at cost or Net Realisable Value, whichever is lower.

**(h) Taxes on income:**

- (i) Income tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income (AS-22)', issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- (ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on

# CRUSTUM PRODUCTS PRIVATE LIMITED

accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.

- (iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

## (i) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard 29 — 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), issued by the ICAI. when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

## Notes to Financial Statements

### 16. In relation of Provision for Current Tax, Deferred Tax & Fringe Benefit Tax:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Provision for Current Tax	Nil	Nil
Deferred Tax Liability	3.59	6.76

### 17. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	Nil	Nil

### 18. Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Auditor's Fee	2.28	2.21

### 19. In relation of Secured (Term) Loans :

- i) The Secured Loans from Oriental Bank of Commerce and secured by first charge on the plant and machinery and other movable fixed assets of the company and also secured by the corporate guarantee of Viceroy Hotels Limited, the holding company
- ii) The Term Loan of from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company.



# CRUSTUM PRODUCTS PRIVATE LIMITED

20. Following are the amount outstanding and due to banks and financial institutions:

( Rs in Crores)

S.No.	Name of the Bank / Financial Institution	Amount Outstanding and Due	Interest Outstanding	Total
1	OBC Term Loan	1.31	0.33	1.64
2	UCO Bank	3.22	0.82	4.04
	<b>TOTAL</b>	<b>4.53</b>	<b>1.15</b>	<b>5.68</b>

21. In relation of Foreign currency inflows and outflow:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Outgo on account of expenses	Nil	Nil

22. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Royalties & Others	Nil	Nil

23. The Company's only business is Food & Beverage and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17), there is no geographical segment to be report.
24. Previous year's figures and current year's figures have been regrouped wherever necessary to improve figures presentation.
25. The figures have been rounded off to the nearest rupee..

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**  
Chartered Accountants  
Firm's Regn. No. : 007257S

Sd/-  
**M V JOSHI**  
Partner  
Membership No.24784

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
CRUSTUM PRODUCTS PRIVATE LIMITED**

Sd/-  
**P.CHAKRADHAR REDDY**  
Director

Sd/-  
**P.LAKSHMI SRUTHI**  
Director

Place : Hyderabad  
Date : 27-05-2017

# CRUSTUM PRODUCTS PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	(1,10,80,546)	(1,04,21,261)
<b>Adjustments for : -</b>		
Depreciation	44,53,926	45,48,857
Financial Cost	63,98,289	56,07,768
Loss on Sale of Fixed Assets		
<b>Operating cash flow before working capital changes</b>	<b>(2,28,331)</b>	<b>(2,64,636)</b>
(Increase) / Decrease in Inventory	-	-
(Increase) / Decrease in Trade Receivables	-	-
(Increase) / Decrease in Short Term Loans & Advances	1	40,443
(Increase) / Decrease in Other Non-Current Assets	-	-
Increase / (Decrease) in Short Term Borrowing	-	-
Increase / (Decrease) in Trade Payables	(14,346)	1,46,128
Increase / (Decrease) in Other Current Liabilities	66,00,862	13,565
Increase / (Decrease) in Short Term Provisions	-	-
Misc Exps	-	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>63,58,185</b>	<b>(64,501)</b>
Less : Income Tax Paid	-	
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>63,58,185</b>	<b>(64,501)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed Assets	-	-
Sale of fixed Assets	-	-
Capital Work in Progress, Pre-operative Expenses	14,346	20,001
Investment	-	-
Adjustments of fixed Assets	-	-
<b>NET CASH AVAILABLE FROM INVESTING ACTIVITIES</b>	<b>14,346</b>	<b>20,001</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Capital/Application Money	-	-
Repayment of Loan	-	-
Share Premium and Capital Reserve	-	-
Interest Paid	(63,88,780)	(122)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(63,88,780)</b>	<b>(122)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(16,249)</b>	<b>(44,622)</b>
Add : Opening balance of Cash & Cash equivalents	93,706	1,38,327
<b>Closing balance of Cash &amp; Cash equivalents</b>	<b>77,457</b>	<b>93,706</b>

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**  
Chartered Accountants  
Firm's Regn. No. : 007257S

Sd/-  
**M V Joshi**  
Partner  
Membership No. 024784  
Place : Hyderabad  
Date : 27-05-2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
CRUSTUM PRODUCTS PRIVATE LIMITED**

Sd/-  
**P.CHAKRADHAR REDDY**  
Director

Sd/-  
**P.LAKSHMI SRUTHI**  
Director