SAURABH GUPTA & Co.
CHARTERED ACCOUNTANTS

50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-4067443

INDEPENDENT AUDITOR'S REPORT

To the Members of K.M.ENERGY PVT LIMITED

Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **K.M.ENERGY PVT LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 Standalone 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 the Companies (Accounts) Rules, 2014. 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 standalone 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 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.

SAURABH GUPTA & CO. LUCKNOW Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) 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, 2017, and its Profit/Loss 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 standalone 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, 2017 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".

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

SAURABH GUPTA & CO. LUCKNOW. Chartered Accountants

SAURAB GUPTA & Co.

CHARTERED ACCOUNTANTS

50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-4067443

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.

For and on behalf of
Saurabh Gupta & Co
Chartered Accountants
FRN : 010542C

SAURABH GUPTA & CO.
LUCKNOW.
Chartered Accountants

(SAURABH GUPTA)
PROPREITOR
M No : 400057

Place: Lucknow
Date: 20/05/2017

SAURABH GUPTA & Co.
CHARTERED ACCOUNTANTS
50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-4067443

"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, 2017:

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 do not have any physical inventory.

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 186 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, 2017 for a period of more than six months from the date on when they become payable.

SAURABH GUPTA & CO.
LUCKNOW
Chartered Accountants

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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 made private placement of equity shares and preference shares in compliance with the procedures laid down and have utilized the proceeds in accordance with the purpose.

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.

SAURABH GUPTA & CO.
LUCKNOW.
Chartered Accountants

SAURABH GUPTA & Co.

CHARTERED ACCOUNTANTS

50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-4067443

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
Saurabh Gupta & Co
Chartered Accountants
FRN : 010542C

SAURABH GUPTA & CO.
LUCKNOW.
Chartered Accountants

(SAURABH GUPTA)
PROPREITOR
M No : 400057

Place: Lucknow
Date: 20/05/2017

SAURAH GUPTA & Co.
CHARTERED ACCOUNTANTS

50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-4067443

"Annexure B" to the Independent Auditor's Report **of even date on the Standalone Financial Statements of K.M.ENERGY PVT LIMITED**

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

We have audited the internal financial controls over financial reporting of **K.M.ENERGY PVT LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

SAURABH GUPTA & Co. LUCKNOW Chartered Accountants

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"].

For and on behalf of
Saurabh Gupta & Co
Chartered Accountants
FRN : 010542C

SAURABH GUPTA & CO. LUCKNOW. Chartered Accountants

(SAURABH GUPTA)
PROPREITOR
M No : 400057

Place: Lucknow
Date: 20/05/2017

K M Energy Private Limited

CIN : U40300UP2014PTC067293

Balance Sheet as at 31st March 2017

(Amount in Rs.)

Sl. No.		PARTICULARS	Notes No.	As at 31 - March-2017		As at 31 - March-2016	
I		**EQUITY AND LIABILITIES**					
	1	**Shareholders' Funds**					
		(a) Share Capital	2.1	107,060,150.00		91,768,000.00	
		(b) Reserves & Surplus	2.2	(41,857,987.15)	65,202,162.85	(486,648.64)	91,281,351.36
	2	**Non-Current liabilities**					
		(a) Long term borrowings	2.3	202,061,389.00		-	
		(b) Deferred tax liabilities (Net)	2.4	38,457,662.00	240,519,051.00	-	-
	3	**Current Liabilities**					
		(a) Other current liabilities	2.5	41,384,239.50	41,384,239.50	12,926,250.00	12,926,250.00
		Total			347,105,453.35		104,207,601.36
II		**ASSETS**					
		Non-Current Assets					
	1	**(a) Fixed Assets**	2.6				
		(i) Tangible Assets		295,016,275.67		18,141,816.00	
		(ii) Capital Work -in-progress		-	295,016,275.67	684,750.00	18,826,566.00
		b)Long term loans and advances	2.7	2,075,000.00	2,075,000.00	-	-
	2	**Current Assets**					
		(a) Trade Receivable	2.8	12,278,535.00		-	
		(b) Cash and Cash equivalent	2.9	36,623,185.68		81,571,661.36	
		(c) Short term loans and advances	2.1	441,004.00		442,658.00	
		(d) Other current assets	2.11	671,453.00	50,014,177.68	3,366,716.00	85,381,035.36
		Total			347,105,453.35		104,207,601.36
		Significant accounting policies	1				
		Notes on financial statements	2				

As per our report of even date attached hereto
For Saurabh Gupta & Co.
Chartered Accountants
FRN 010542C

SAURABH GUPTA & CO. LUCKNOW. Chartered Accountants

(Saurabh Gupta)
Proprietor
M.No.400057

Place : Lucknow
Date : May 20,2017

For and on behalf of the Board of Directors

Deo Mani Pandey
Director
DIN - 06819240

Pooja Dua
Company Secretary

I N Pandey
Director
DIN - 06799016

K M Energy Private Limited

CIN : U40300UP2014PTC067293

Statement of Profit & Loss for the year ended 31 March,2017

(Amount in Rs.)

S. No.	PARTICULARS	Notes No.	Year ended 31-Mar-2017			Year ended 31-Mar-2016
I	**Revenue from operations (Gross)**	2.12	37,856,550.00		-	-
II	Other Income	2.13	2,811,143.00		3,457,311.00	
III	Total Revenue (I + II)			40,667,693.00		3,457,311.00
IV	**Expenses**					
	(a) Employees benefits expenses	2.14		23,776.00		-
	(b) Repair & Maintenance Expenses	2.15		1,898,680.00		
	(c) Finance Costs	2.16		13,447,024.70		2,889,884.28
	(d) Depreciation and amortization expense	2.17		25,139,840.81		-
	(e) Other expenses	2.18		3,072,048.00		376,596.00
	Total Expenses			43,581,369.51		3,266,480.28
V	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			(2,913,676.51)		190,830.72
VI	Exceptional Items			-		-
VII	Profit/(Loss) before extraordinary items and tax (V-VI)			(2,913,676.51)		190,830.72
VIII	Extraordiany Items			-		-
IX	Profit/(Loss) before tax (VII-VIII)			(2,913,676.51)		190,830.72
X	Tax Expense					
	(1) Current Tax			-		-
	(2) Deferred Tax			38,457,662.00		-
XI	Profit/(Loss) for the Year (IX-X)			(41,371,338.51)		190,830.72
XII	Earning per Equity Shares (Nominal Value of Rs.10 each)					
	(1) Basic (Rs. Per share)			(5.64)		15.94
	(2) Diluted (Rs. Per share)			(5.64)		15.94
	Significant accounting policies	1				
	Notes on financial statements	2				

As per our report of even date attached hereto
For Saurabh Gupta & Co.
Chartered Accountants
FRN 010542C

(Saurabh Gupta)
Proprietor
M.No.400057

Place : Lucknow
Date : May 20,2017

For and on behalf of the Board of Directors

Deo Mani Pandey
Director
DIN - 06819240

I N Pandey
Director
DIN - 06799016

Pooja Dua
Company Secretary

K M Energy Private Limited

CIN : U40300UP2014PTC067293

Cash Flow Statement for the year ended 31st March, 2017

(Amount in Rs.)

S. No.	Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
A.	**Cash Flow from Operating activities**				
	Net Profit / (Loss) before tax and exceptional items		(2,913,676.51)		190,830.72
	Depreciation and amortisation expenses	25,139,840.81		-	
	Finance Costs	13,447,024.70		2,889,884.28	
	Interest Income	(2,811,143.00)	35,775,722.51	(3,455,400.00)	(565,515.72)
	Operating Profit before working capital changes		32,862,046.00		(374,685.00)
	Adjustment for :				
	Increase/(Decrease) in other current liabilities	4,286,139.50		(28,246,695.00)	
	(Increase)/Decrease in trade receivables	(12,278,535.00)		-	
	(Increase)/Decrease in long-term and short term loans and advances	(2,073,346.00)		(404,359.00)	
	Cash Generated from Operations		(10,065,741.50)		(28,651,054.00)
	Direct Tax Paid		-		-
	Net Cash From Operating Activities (A)		22,796,304.50		(29,025,739.00)
B.	**Cash Flow from Investing activities**				
	Additions to fixed assets	(301,329,550.48)		(18,826,566.00)	
	(Increase)/Decrease in deposits with banks	44,974,596.00		(42,774,596.00)	
	Interest Income received	5,506,406.00		433,373.00	
	Net Cash From Investing Activities		(250,848,548.48)		(61,167,789.00)
C.	**Cash Flow From Financing activities**				
	Proceeds from issuance of equity/preference shares	15,292,150.00		91,668,000.00	
	Proceeds from borrowings	240,145,320.00		-	
	Repayments of long term borrowings	(11,051,931.00)		(404,322.00)	
	Finance cost paid	(16,307,174.70)		(324,884.64)	
	Net Cash From Financing Activities		228,078,364.30		90,938,793.36
	Net Increase in Cash & Cash Equivalents (A+B+C)		26,120.32		745,265.36
D.	**Opening Cash and cash equivalents**		797,065.36		51,800.00
E.	**Closing Cash and Cash equivalents**		823,185.68		797,065.36
	Increase in Cash & Cash equivalents (D-E)		26,120.32		745,265.36

Notes :

1) The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, Cash Flow Statement prescribed in the Companies (Accounting Standard) Rules,2006.

2) Cash and cash equivalent at year end comprises:

Balances with banks on current accounts	823,185.68	797,065.36
	823,185.68	797,065.36

As per our report of even date attached hereto
For Saurabh Gupta & Co.
Chartered Accountants
FRN 010542C

SAURABH GUPTA & CO. LUCKNOW CHARTERED ACCOUNTANTS

(Saurabh Gupta)
Proprietor
M.No.400057

Place : Lucknow
Date : May 20,2017

For and on behalf of the Board of Directors

Deo Mani Pandey
Director
DIN - 06819240

Pooja Dua

Pooja Dua
Company Secretary

VN Pandey
Director
DIN - 06799016

K M Energy Private Limited

Notes forming part of Financial Statements

(Amount in Rs.)

Note 2.1 : Share Capital

	Particulars	As at 31 March 2017	As at 31 March 2016
A)	*Authorised*		
	10,00,000 Equity Shares of par value of Rs.10/- each	10,000,000.00	10,000,000.00
	100,00,000 (95,00,000) 9% Non-Cumulative Preference Shares of Rs.10/- each	100,000,000.00	95,000,000.00
		110,000,000.00	105,000,000.00
B)	ISSUED, SUBSCRIBED AND FULLY PAID UP		
	10,00,000 (7,32,700) Equity Shares of Rs.10/- each	10,000,000.00	7,327,000.00
	97,06,015 (84,44,100) 9% Non-Cumulative Preference Shares of Rs.10/- each *	97,060,150.00	84,441,000.00
	Total	107,060,150.00	91,768,000.00

* Redeemable within a period of 20 years.

a.	**Reconciliation of Number of Equity Shares**	As at 31st March, 2017		As at 31st March, 2016	
	Particulars	No. of Shares	Amount	No. of Shares	Amount
(i)	Shares outstanding as at 1st April 2016	732,700	7,327,000.00	10000	100,000.00
(ii)	Add : Shares allotted during the year	267,300	2,673,000.00	722700	7,227,000.00
	Shares outstanding as at 31st March 2017	1,000,000	10,000,000.00	732700	7,327,000.00

b.	**List of Shareholders holding more than 5% of the total number of Shares issued by the company.**				
		As at 31-March, 2017		As at 31-March, 2016	
	Name of Shareholder	**No. of Shares**	**% Shareholdings**	No. of Shares	% Shareholdings
(i)	K M Sugar Mills Ltd.	**730000**	**73.00%**	730000	99.63%
(ii)	Promising Logistics Pvt. Ltd.	**270000**	**27.00%**	2700	0.37%

The Company has issued equity shares having a par value of Rs.10 per share and preference shares of Rs.10/- each. Each holder of Equity Shares is entitled to one vote per share. No dividend has been proposed.

Note 2.2 : Resereve and Surplus

	Particulars	As at 31 March 2017		As at 31 March 2016	
	Surplus / (Deficit) in statement of Profit & Loss				
(i)	Balance as per last account	(486,648.64)		(677,479.00)	
(ii)	Add : Profit / (Loss) for the current year	(41,371,338.51)	(41,857,987.15)	190,830.36	(486,648.64)
	Total		(41,857,987.15)		(486,648.64)

SAURABH GUPTA & CO. LUCKNOW Chartered Accountants

Note 2.3 : Long term borrowings

	Particulars	As at 31 March 2017		As at 31 March 2016	
		Current	Non -Current	Current	Non -Current
(i)	Term Loans				
	From Banks				
(a)	Punjab National Bank	27,032,000.00	202,061,389.00	-	-
	Total	27,032,000.00	202,061,389.00	-	-

a. Nature of Securities

(i). Rupee Term Loan of Punjab National Bank is secured by Hypothecation/Mortgage of Land, Building & all assets inclusive of equipments,Furniture & Fixture and other assets created out of bank loan and promoter's contribution and corporate guarantee of K M Sugar Mills Ltd.

(ii). Corporate guarantee of K.M.Vyapar to the extent of realizable value of immovable property mortgaged to PNB.

b.Terms of repayment

Name of the banks / entities	Interest Rate %	Amount Outstanding as on 31, March 2017		1- 2 years	2-3 years	3 years and above
		Current	Non -Current			
Punjab National Bank	MCLR+ 4.5% , presently @13%	27,032,000.00	202,061,389.00	27,032,000.00	27,032,000.00	147,997,389.00
Total		27,032,000.00	202,061,389.00	27,032,000.00	27,032,000.00	147,997,389.00

Note 2.4 : Deferred tax liabilities (Net)

	Particulars		As at 31 March 2017		As at 31 March 2016
	Deferred Tax Liabilities				-
(i)	Depreciation	38,457,662.00	38,457,662.00	-	
	Total		38,457,662.00		-

Note 2.5 : Other current liabilities

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Current maturities of long term debt	27,032,000.00	-
(ii)	Payable to supplier of capital goods	14,233,462.00	-
(iii)	Statutory liabilities	5,368.00	285,000.00
(iv)	Advance from customer	-	9,775,000.00
(v)	Interest accrued but not due on borrowings	-	2,860,150.00
(vii)	Others	113,409.50	6,100.00
	Total	41,384,239.50	12,926,250.00

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Note 2.6 A) : Fixed Assets

Particulars	Tangible assets			Capital work in progress	Grand Total
	Land (Free hold)	Building	Plant & Equipment		
Gross Block					
Balance as at 01.04.2016	18,141,816.00	-	-	684,750.00	18,826,566.00
Additions	-	3,946,750.71	298,067,549.77	-	302,014,300.48
Disposal/Deduction	-	-	-	684,750.00	684,750.00
Balance ast at 31.03.2017	18,141,816.00	3,946,750.71	298,067,549.77	-	320,156,116.48
Depreciation					
Balance as at 01.04.2016	-	-	-	-	-
Depreciation for the year	-	155,140.94	24,984,699.86	-	25,139,840.81
Disposal / Deduction	-	-	-	-	-
Balance as at 31.03.2017	-	155,140.94	24,984,699.86	-	25,139,840.81
Net Block as at 31.03.2017	18,141,816.00	3,791,609.77	273,082,849.91	-	295,016,275.67

Note 2.6 . B) Fixed Assets Previous year

Particulars	Tangible assets			Capital work in progress	Grand Total
	Land (Free hold)	Building	Plant & Equipment		
Gross Block					
Balance as at 01.04.2015	-	-	-	-	-
Additions	18,141,816.00	-	-	684,750.00	18,826,566.00
Disposal / Deduction	-	-	-	-	-
Balance ast at 31.03.2016	18,141,816.00	-	-	684,750.00	18,826,566.00
Depreciation					
Balance as at 01.04.2015	-	-	-	-	-
Depreciation for the year	-	-	-	-	-
Disposal / Deduction	-	-	-	-	-
Balance as at 31.03.2016	-	-	-	-	-
Net Block as at 31.03.2016	18,141,816.00	-	-	684,750.00	18,826,566.00

Note : 2.7 : Long-term loans and advances (unsecured, considered good unless stated otherwise)

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Capital advances	2,075,000.00	
	Total	2,075,000.00	-

Note : 2.8 : Trade Receivable

	Particulars	As at 31 March 2017		As at 31 March 2016
(i)	Trade receivables outstanding less than 6 months from due date			
(a)	Considered good	12,278,535.00	12,278,535.00	-
	Total		12,278,535.00	-

Note 2.9 : Cash and Cash equivalents

	Particulars	As at 31 March 2017		As at 31 March 2016	
(i)	Balances with banks In Current accounts		823,185.68		797,065.36
(ii)	Fixed deposit				
(a)	Original maturity period less than 12 months	35,800,000.00		43,274,596.00	
(b)	Original maturity period more than 12 months	-	35,800,000.00	37,500,000.00	80,774,596.00
	Total		36,623,185.68		81,571,661.36

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Note 2.10 : Short-term loans and advances (unsecured, considered good)

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	TDS Receivable	279,561.00	345,541.00
(ii)	Prepaid Expenses	161,443.00	-
(iii)	Others	-	97,117.00
	Total	441,004.00	442,658.00

Note 2.11 : Other current assets (unsecured, considered good)

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Interest accrued but not due on deposits	671,453.00	3,366,716.00
	Total	671,453.00	3,366,716.00

Note 2.12 : Revenue from operations

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Sale of Electricity	37,856,550.00	-
	Total	37,856,550.00	-

Note 2.13 : Other Income

	Particulars	As at 31 March 2017	As at 31 March 2016
	Interest Income		
(i)	Fixed deposits with banks	2,795,594.00	3,455,400.00
(ii)	Other	15,549.00	1,911.00
	Total	2,811,143.00	3,457,311.00

Note 2.14 : Employees benefits expenses

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Salary	23,776.00	-
	Total	23,776.00	-

Note 2.15 : Repair & Maintenance expenses

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Operation & Maintenance service charges	1,698,741.00	
(ii)	Site Supervision Charges	199,939.00	-
	Total	1,898,680.00	-

Note 2.16 : Finance Costs

	Particulars	As at 31 March 2017	As at 31 March 2016
(A)	Interest Expense		
(i)	Term Loan	13,321,190.77	-
(ii)	Others	43,062.00	2,866,138.00
(B)	Documentation and Other Bank Charges	82,771.93	23,746.28
	Total	13,447,024.70	2,889,884.28

Note 2.17 : Depreciation and amortisation expenses

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Depreciation and amortisation on tangible	25,139,840.81	-
	Total	25,139,840.81	-

Note 2.18 : Other expenses

	Particulars	As at 31 March 2017	As at 31 March 2016
(i)	Audit Fee Expenses	20,000.00	5,700.00
(ii)	Balance written off	4.00	-
(iii)	Rebate & Discounts	237,934.00	-
(iv)	Insurance Expenses	23,861.00	-
(v)	Legal & Professional Expenses	470,121.00	174,150.00
(vi)	Misc Expenses	259,000.00	3,699.00
(vii)	Printing & Stationery	800.00	-
(viii)	Rates Taxes & Fees	1,483,460.00	131,587.00
(ix)	Rent	14,000.00	-
(x)	Staff Welfare Exp	17,000.00	-
(xi)	Travelling & Conveyance Expenses	545,868.00	61,460.00
	Total	3,072,048.00	376,596.00

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K.M. ENERGY PVT. LTD.

76, ELDECO GREEN, GOMTI NAGAR, LUCKNOW-226010

Notes : 2

1 Contingent liabilities and commitments (to the extent not provided for and as certified by the management.

(a) **Contingent Liablilities - Nil.**

(b) **Commitments**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for : Nil.

(b) Advance paid against above - Nil (Previous Year - Nil)

2 **Employee Benefits**

(i) Break up of expenditure in respect of remuneration aggregating Rs.60,00,000/- or more per annum or Rs.5,00,000/- per month in respect of employee for a part of the year . : Nil.

3 **Related Party Disclosures : -**

Pursuant to compliance of Accounting Standard (AS 18) on related party disclosure, the relevant information is provided here below :-

(i) Holding Company : K M Sugar Mills Ltd.

(ii) Related Parties :

(a) **Details of related parties :**

(i) Key Management Personnel (Group A)

Shri.Dev Mani Pandey	: Director
Shri.I.N.Pandey	: Director
Ms.Pooja Dua	: Company Secretary

(ii) Relatives of Key Management Personnel (Group B)

Smt.Neelam Pandey (wife of Shri.Dev Mani Pandey)

Smt.Madhuri Pandey (wife of Shri.I.N.Paney)

(iii) Enterprises/ Parties over which Key management personnel

Nil.

Transactions with the related parties : (Amount in Rs.)

Sl.No.	Nature of transaction/ Name of the related party	Subsidiary	Key Managerial Personnel (KMP)	Holding Company	Total Current Year (Previous Period)
I.	**Investment made for subscription of shares**				
	Subscription of Equity shares				
	K.M. Sugar Mills Limited	-	-	0 / (7227000)	0 / (7227000)
	Subscription of Preference Shares				
	K.M. Sugar Mills Limited	-	-	12619150 / (21273000)	12619150 / (21273000)
	Reimbursement of Expenses				
	K.M. Sugar Mills Limited			507096.50 / (0)	507096.50 / (0)
II.	**Balance outstanding**	-	-	-	**Nil (Nil)**
	Amout payable	-	-	-	**Nil (Nil)**

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4 **Segment Reporting :**

The company has sale of electricity generated by solar panels as a primary business segment. There is no Secondary segment.

5 **Disclosure as required under the Micro, Small & Medium Enterprises Development Act,2006**

- Sundry creditors include a sum aggregating Rs.Nil (Nil) due to micro & small enterprises on account of principal & interest.

6 **Income and expenditure in Foreign Currency - Nil.**

CIF Value of Import - Nil

7 Capacity Details :

(a) License Capacity - 5 MW

(b) Installed Capacity - 5 MW.

8 **Earning per share (EPS)**

Particulars		**Current Year (Rs.)**	Particulars	Previous Year (Rs.)
Net Profit / (Loss) as per P/L		**(41,371,338.51)**	Net Profit / (Loss) as per P/L	190,830.72
Nos. of Equity Shares	**Opening Balance 01-04-2016 (in Nos.)**	**7,327,000.00**	Opening Balance 01-04-2015 (in Nos.)	10,000.00
	Allotted on 31-03-2017 (in Nos.)	**2,673,000.00**	Allotted on 31-03-2016 (in Nos.)	722,700.00
	Average	**7,334,323.29**	Average	11,974.59
EPS in Rs. (Basic & Diluted)		**(5.64)**	EPS in Rs. (Basic & Diluted)	15.94

As per our report of even date attached hereto

For Saurabh Gupta & Co.

Chartered Accountants

FRN 010542C

(Saurabh Gupta)

Proprietor

M.No.400057

Place : Lucknow

Date : May 20,2017

For and on behalf of the Board of Directors

Deo Mani Pandey

Director

DIN - 06819240

I N Pandey

Director

DIN - 06799016

Pooja Dua

Company Secretary

K.M. ENERGY PRIVATE LIMITED

	Details of Shareholdings	AS AT 31-03-2017			AS AT 31-03-2016		
Sl.No.	NAME OF THE SHAREHOLDERS	Nos. of shares	Face Value	Amount (Rs.)	Nos. of shares	Face Value	Amount (Rs.)
	EQUITY SHARES:						
1	K.M. SUGAR MILLS LIMITED	730,000	10.00	7,300,000.00	730,000.00	10.00	7,300,000.00
2	PROMISING LOGISTICS PVT. LTD.,	270,000	10.00	2,700,000.00	2,700.00	10.00	27,000.00
	TOTAL (A)	1,000,000.00	10.00	10,000,000.00	732,700.00	10.00	7,327,000.00
	PREFERENCE SHARES:						
1	K.M. SUGAR MILLS LIMITED	3,389,215	10.00	33,892,150.00	2,127,300.00	10.00	21,273,000.00
2	K.M. VYAPAR LIMITED,	6,316,800	10.00	63,168,000.00	6,316,800.00	10.00	63,168,000.00
	TOTAL (B)	9,706,015	10.00	97,060,150.00	8,444,100.00	10.00	84,441,000.00
	PAID UP CAPITAL OF THE COMPANY			107,060,150.00			91,768,000.00

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K.M. ENERGY PVT. LTD.
CIN: U40300UP2014PTC067293

Brief about the Company

The core business of company is 5MW Solar photovoltaic grid interactive power plant located at Village: Bendo, Tehsil: Kulpahar, District: Mahoba, U.P.
The plant commissioned its operation from Oct 14, 2016.
The company has a 12 year power purchase agreement with Uttar Pradesh Power Corporation Limited, Lucknow.

1. SIGNIFICANT ACCOUNTING POLICIES.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

1.1 Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ('the Act'), and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956 ('the Act'), to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed assets and depreciation/amortization

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

For the assets purchased / sold during the year, depreciation is charged on a pro-rata basis.

Advance paid / expenditure incurred on acquisition / construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed under loans and advances on capital account or capital work in progress respectively.

Depreciation on tangible fixed assets is provided on written down method as prescribed under part C of Schedule II to the Companies Act 2013.

Fixed assets costing Rs. 5000/- or less, are fully depreciated in the year of acquisition.

Pre-operative & Capital work in progress have been capitalised in fixed asset on prorata basis.

1.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.5. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long- term investments. However, part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investment" in consonance with the current/ non-current classification scheme of revised Schedule VI. Long term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

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Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

1.6 Investment Property

Investment in land or buildings that are not intended to be occupied substantially for use by, or in operations of the company or held for rental purpose is classified as investment property. It is measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition or construction of the investment property. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognized in statement of profit and loss. As on the date of balance sheet company does not have any investment property.

1.7 Inventories

Inventories of Spares and Consumables are valued at cost or net realisable value whichever is lower. Cost includes all charges incurred for bringing the inventories to their present condition and location. As on the date of balance sheet company does not have any inventory.

1.8 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

1.9 Employee benefits:

(a) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

(b) Post employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund and employees state insurance corporation (ESIC). The Company's contribution is recognized as an expense

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in the statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

(c)Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

d) Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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1.10 Revenue recognition

Income from Sale of Electricity is recognized on monthly basis.

Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.

Interest income is recognised on time proportion basis.

Dividend income is recognised when the right to receive dividend is established.

Profit/loss on sale of current investments is computed with reference to their average cost.

Revenue has been recognised on going concern concept following AS-9.

1.11 Taxation

Income tax expense comprises current income tax and deferred tax charge or credit.

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however; where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

1.12 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the year end exchange rates. Exchange gains/losses are recognized in the profit and loss account. Exchange difference arising on settlement of Capital Liabilities is adjusted with Capital Assets.

Forward exchange contracts outstanding as at the period end on account of firm commitment/highly probable forecast transaction are marked to market and the resultant gain/loss is dealt in the statement of profit and loss.
During the year company does not have any exposure to foreign currency.

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1.13 Operating lease

Lease rental in respect of operating lease arrangements are charged to Statement of Profit and Loss. During the year company does not have any operating lease.

1.14 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

1.15 Provisions and contingent liabilities

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of amount of obligation.

Contingent liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.