

Bharat Refrigerations Private Limited

Standalone Financial Statements for
financial year 2017-18

**PATEL & JESALPURA
CHARTERED ACCOUNTANTS**

**803/804, SAMUDRA ANNEXE
NEAR CLASSIK GOLD HOTEL
C.G. ROAD, NAVRANGPURA
AHMEDABAD – 380006**

INDEPENDENT AUDITORS' REPORT

To the Members,

BHARAT REFRIGERATIONS PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharat Refrigerations Private Limited, which comprise the balance sheet as at 31st March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation 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 the 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 there under.

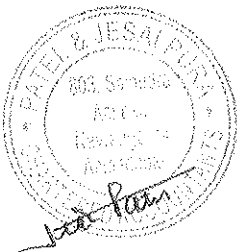
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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. 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 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 31st March, 2018 and its Profit and its Cash flows for the year ended on that date.



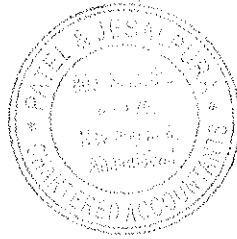
Report on Other Legal and Regulatory Requirements

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 the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss 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 the written representation received from the directors as on March 31 2018 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31 2018 from being appointed as a Director in terms of sub-section 2 of Section 164 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (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:
 - i. The company has no pending litigation which has any impact on its financial position in its financial statements.



- 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 that were required to be transferred to the Investor Education and Protection Fund by the company during the year.

Date: 24-05-2018
Place: Ahmedabad



For, Patel & Jesalpura
Chartered Accountants
FRNo: 120802W

Hiren U. Patel

CA. Hiren U. Patel
Partner
Mem. No. 132726

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT:

Referred to in Paragraph 1 of our report on Other Legal and Regularity Requirements of even date on the accounts of Bharat Refrigerations Limited for the year ended on March 31, 2018:

1) In respect of Company's Fixed Assets:

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) Since the company does not have any immovable property, the question of having title deed in the name of the company does not arise.

2) In respect of Company's inventories:

- (a) As explained to us, the physical verification of the inventory has been conducted by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us the procedures of the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has generally maintained proper records of inventory. As explained to us there was no material discrepancies noticed on physical verification of inventory as compared to book records.

3) As informed, 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, paragraph 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.

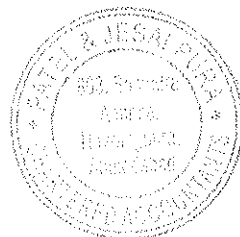


- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- 5) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- 6) As informed to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013.
- 7) In respect of statutory dues;
 - (a) According to the information and explanations given to us and on the basis of our examinations of the books of account, the Company has been regular in depositing undisputed amounts with the appropriate authorities in respect of Statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, GST, Sales tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable to it.
 - (b) According to the information and explanations given to us, there are no dues of Income tax, GST, Sales Tax, Service Tax, Duty of custom, Duty of excise and value added tax as at 31st March, 2018 which have not been deposited with the appropriate authorities on account of any dispute.
- 8) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- 10) 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 year.



- 11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has made preferential allotment of shares during the year under review and in our opinion and according to the information and explanations given to us, the requirement of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- 15) Pursuant to the provisions of Section 192 of the Companies Act, 2013, the company has not entered into non-cash transactions with directors or persons connected with him/her.
- 16) The company is not a Non Banking Finance Company, therefore the company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 24-05-2018
Place: Ahmedabad



For, Patel & Jesalpura
Chartered Accountants
FRNo: 120802W

Hiren U. Patel

CA. Hiren U. Patel
Partner
Mem. No. 132726

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Bharat Refrigerations Private Limited as of 31 March 2018 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 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

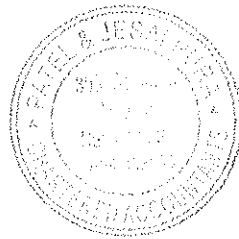


reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 31 March 2018, 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.

Date: 24-05-2018
Place: Ahmedabad



For, Patel & Jesalpura
Chartered Accountants
FRNo: 120802W

Hiren U. Patel

CA. Hiren U. Patel
Partner
Mem. No. 132726

BHARAT REFRIGERATIONS PRIVATE LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2018**

Particulars	Note	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
I <u>EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
(a) Share Capital	2	15,136,000	4,136,000
(b) Reserves and Surplus	3	3,462,104	3,430,596
		<u>18,598,104</u>	<u>7,566,596</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	4	29,617,741	12,523,505
(b) Deferred Tax Liability (Net)		33,043	-
(c) Other Long Term Liabilities	5	352,877	-
		<u>30,003,661</u>	<u>12,523,505</u>
(3) Current Liabilities			
(a) Trade Payables	6	3,584,676	1,028,987
(b) Other Current Liabilities	7	2,897,876	1,036,038
(c) Short Term Provisions	8	148,624	294,880
		<u>6,631,176</u>	<u>2,359,905</u>
	Total	<u>55,232,941</u>	<u>22,450,006</u>
II <u>ASSETS</u>			
(1) Non Current Assets			
(a) Property ,Plant & Equipments	9		
(i) Tangible Assets		10,374,567	3,422,809
(ii) Intangible Assets		417,972	806,156
(iii) Capital work-in-progress		146,593	-
(iv) Intangible assets under development		-	-
(b) Long Term Loans and Advances	10	1,727,222	1,677,100
		<u>12,666,354</u>	<u>5,906,065</u>



Particulars	Note	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
(2) Current Assets			
(a) Inventories	11	22,256,601	11,979,026
(b) Trade Receivables	12	10,054,216	1,884,178
(c) Cash and Cash Equivalents	13	9,513,130	2,032,657
(d) Short Term Loans and Advances	14	742,640	648,080
		<u>42,566,587</u>	<u>16,543,941</u>
	Total	<u>55,232,941</u>	<u>22,450,006</u>


See accompanying notes to the
financial statements

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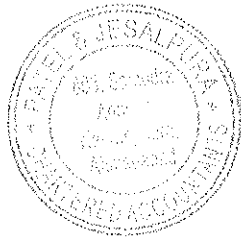
For, Bharat Refrigerations
Private Limited

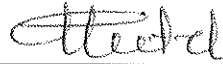
As per our report of even date annexed

For, Patel & Jesalpura
Chartered Accountants
Firm Reg. No. 120802W



CA Hiren Patel
Partner
M. No. 132726





Director
DIN - 02441116
Mr. Chandrakant Patel



Director
DIN - 02441138
Mr. Rajendra Patel

Place : Ahmedabad
Date : 24-05-2018

BHARAT REFRIGERATIONS PRIVATE LIMITED**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

Particulars	Note	Year ended	Year ended
		31-03-2018	31-03-2017
		Rs.	Rs.
I. Revenue from Operations	15	58,750,452	23,739,554
Less : GST / Excise Duty		(9,855,303)	-
		48,895,149	23,739,554
II. Other Incomes	16	80,994	2,744
III. Total Revenue (I + II)		48,976,143	23,742,298
IV. Expenses:			
Cost of Materials Consumed	17	31,807,619	14,772,889
Changes in Inventories of Finished Goods and Work-in-Progress	18	(4,978,992)	(736,079)
Employee Benefit Expenses	19	5,796,449	3,567,177
Other Expenses	20	13,071,603	3,251,641
Finance Costs	21	1,453,140	867,529
Depreciation and Amortization Expense	9	1,681,773	1,543,398
Total Expenses (IV)		48,831,592	23,266,555
V. Profit before Exceptional Items (III - IV)		144,551	475,743
VI. Exceptional Items		-	-
VII. Profit after Exceptional Items (V - VI)		144,551	475,743
VIII. Extra Ordinary Items		-	-
IX. Profit after Extraordinary Items (VII - VIII)		144,551	475,743
X. Tax Expense:			
(1) Current tax		80,000	454,376
(2) Deferred Tax		33,043	-
XI. Profit for the Year		31,508	21,367



Particulars	Note	Year ended	Year ended
		31-03-2018	31-03-2017
		Rs.	Rs.

XII. Earnings Per Equity Share

(1) Basic / Re - Adjusted EPS		0.04	0.05
(2) Diluted EPS		0.04	0.05

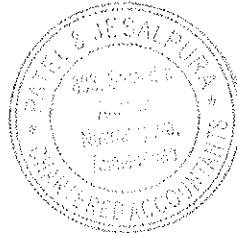
As per our report of even date annexed

For, Patel & Jesalpura
Chartered Accountants
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CA Hiren Patel
Partner
M. No. 132726

Place : Ahmedabad
Date : 24-05-2018



For, Bharat Refrigerations Private
Limited



Director
DIN - 02441116
Mr. Chandrakant Patel



Director
DIN - 02441138
Mr. Rajendra Patel

BHARAT REFRIGERATIONS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2017-18

Particulars	FOR YEAR ENDED MARCH 2018		FOR YEAR ENDED MARCH 2017	
	Rs	Rs	Rs	Rs
A CASHFLOW FROM OPERATING ACTIVITIES				
Net Profit as per Profit and Loss Account		31,508		21,367
Adjusted For				
Interest and Finance Charges	1,453,140		867,529	
Profit/Loss on Sale of Fixed Assets	(47,594)		143,516	
Provision for Tax/Deferred Tax	113,043		454,376	
R & D Expenses Written Off	403,078		403,078	
Depreciation	1,278,695	3,200,362	1,140,320	3,008,819
Operating Cash Flow Before Working Capital Change and Exceptional and Extra Ordinary Items				
Adjusted for				
(Increase) / Decrease in Inventories	(10,277,575)		(1,038,651)	
(Increase) / Decrease in Trade Receivable	(8,170,038)		(1,709,758)	
(Increase) / Decrease in Short Term Loans & Advances	(94,560)		27,958	
(Increase) / Decrease in Long Term Loans & Advances	(50,122)		(1,266,000)	
(Increase) / Decrease in Long Term Liabilities	352,877		-	
Increase / (Decrease) in Trade Payable	2,555,689		424,749	
Increase / (Decrease) in Other Current Liabilities	1,861,838		(3,059,479)	
Increase / (Decrease) in Short Term Provision	362,556		294,880	
		(13,459,335)		(6,326,301)
Cash Flow from Operating Activities		(10,227,465)		(3,296,115)
Net Prior Year adjustment		-		-
Income Tax paid	(588,812)	(588,812)	(454,376)	(454,376)
Net Cash flow from Operating activities		(10,816,277)		(3,750,491)
B CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(8,540,775)		(423,441)	
Sale of Fixed Assets	196,429		5,573,963	
Net Cash used in Investing activities		(8,344,346)		5,150,522

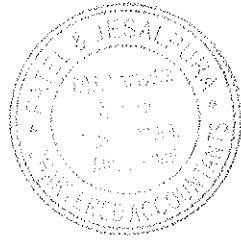


C CASHFLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	11,000,000	-
Long Term Borrowings	17,094,236	2,809,282
Short Term Borrowing	-	(1,637,995)
Interest and Finance Charges	(1,453,140)	(867,529)
	26,641,096	303,758
Net Cash Flow from the Operations	7,480,473	1,703,789
Opening Cash and Cash Equivalent	2,032,657	328,868
Closing Cash and Cash Equivalent	9,513,130	2,032,657

For, Patel & Jesalpura
Chartered Accountants
Firm Reg. No. 120802W



CA Hiren Patel
Partner
M. No. 132726



Place : Ahmedabad
Date : 24-05-2018

For, Bharat Refrigerations Private
Limited



Director
DIN - 02441116
Mr. Chandrakant Patel



Director
DIN - 02441138
Mr. Rajendra Patel

BHARAT REFRIGERATIONS PRIVATE LIMITED

NOTE # 1

NOTES TO FINANCIAL STATEMENTS

1. Corporate information

Bharat Refrigerations Private Limited is a company domiciled in India. The company is engaged in the manufacturing of Cold Rooms, Freezer, Refrigeration System and Chilling Plant etc.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention method.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current Events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant & Equipments

All tangible and intangible Assets are valued at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.



c. Depreciation of tangible and intangible assets

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down value (WDV) Method on all Assets. Depreciation is provided based on Useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

d. Impairment of tangible and intangible of assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

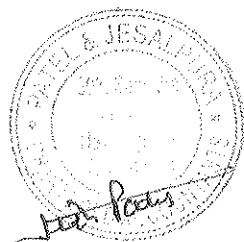
e. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f. Inventories

The stock of raw materials is valued at cost. Work In Progress is valued at estimated cost and finished goods is valued at lower of



cost or net realizable value. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate related overheads.

g. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The company collects excise taxes, goods and service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Sale of service

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

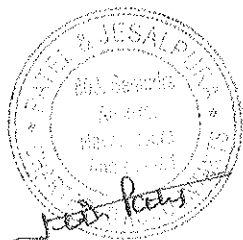
Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

h. Retirement and other employee benefits:

Retirement benefit in the form of Provident fund and Employee's Contribution towards Employees' State Insurance Corporation (ESIC) is a defined contribution scheme. These contributions are charged to Profit and Loss statement. Leave encashment is charged to Profit and Loss account in the year in which it is payable.

The Company has Defined Benefit Plan for post-employment benefits in the form of Gratuity for its employees in India. Liability for Defined Benefit Plan is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by



independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method. The Company's gratuity fund is administered by a trust which has taken a Company policy with Life Insurance Corporation of India (LIC) to cover its liability towards employee gratuity. Actuarial gains and losses are recognized immediately in Profit and Loss account.

i. Foreign currency transaction

Foreign currency transaction and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

Exchange differences

All exchange differences are recognized as income or as expenses in the period in which they arise.

j. Lease accounting

Operating lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the statement of profit and loss. Initial direct cost in respect of the lease acquired are expensed out in the year in which such costs are incurred.

k. Income tax

Tax expenses comprise current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to



the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets 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 end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

I. Earnings per share

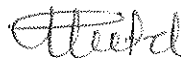
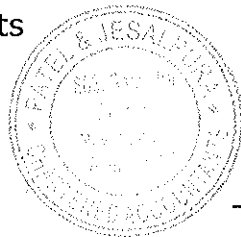
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

For, Patel & Jesalpura
Chartered Accountants
FRNo:120802W



CA. Hiren U. Patel
Partner
Mem. No. 132726



Director
DIN-02441116
(Mr. C.P.Patel)



Director
DIN-02441138
(Mr. R.P.Patel)

Date: 24-05-2018
Place: Ahmedabad

BHARAT REFRIGERATIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
<u>NOTE # 2</u>		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
20,00,000 (Previous year 10,00,000) Equity shares of Rs. 10/- each	<u>20,000,000</u>	<u>10,000,000</u>
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
15,13,600 (Previous year 4,13,600) Equity shares of Rs. 10/- each fully paid up	<u>15,136,000</u>	<u>4,136,000</u>
Total	<u>15,136,000</u>	<u>4,136,000</u>

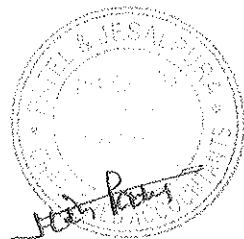
Terms/Rights attached to Equity Shares

The Company is having only one class of Equity shares having par value of Rs.10/ each. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in ensuing Annual General meeting.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	<u>31-03-2018</u>		<u>31-03-2017</u>	
	No.	Amount Rs.	No.	Amount Rs.
At the beginning of the period	413,600	4,136,000	413,600	4,136,000
Add: Addition during the Period	1,100,000	11,000,000	-	-
Outstanding at the end of period	<u>1,513,600</u>	<u>15,136,000</u>	<u>413,600</u>	<u>4,136,000</u>

Details of shareholders holding more than 5% shares in the Company



Particulars	As at		As at	
	31-03-2018		31-03-2017	
	Rs.		Rs.	
	<u>Percentage Holding</u>	<u>No. of shares</u>	<u>Percentage Holding</u>	<u>No. of shares</u>
	<u>31-03-2018</u>	<u>31-03-2018</u>	<u>31-03-2017</u>	<u>31-03-2017</u>
Ice Make Refrigeration Limited	100.00	15,13,600	100.00	4,13,600

As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTE # 3

RESERVES AND SURPLUS

PROFIT AND LOSS ACCOUNT

Balance as per last year	34,30,596	34,09,229
Addition during the year	31,508	21,367
Total	<u>34,62,104</u>	<u>34,30,596</u>

NOTE # 4

LONG TERM BORROWINGS

Loans and Advance from related parties
(Unsecured)

From a Holding Company	77,53,984	1,25,23,505
From Directors	2,18,63,757	-
Total	<u>2,96,17,741</u>	<u>1,25,23,505</u>

NOTE # 5

OTHER LONG TERM LIABILITIES

Provision for Employee Benefits (Unpaid Gratuity)	3,52,877	-
Total	<u>3,52,877</u>	<u>-</u>



Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
-------------	----------------------------	----------------------------

NOTE # 6

TRADE PAYABLES

Trade payables	35,84,676	10,28,987
Total	<u>35,84,676</u>	<u>10,28,987</u>

NOTE # 7

OTHER CURRENT LIABILITIES

Advance Received from Customers	21,63,699	2,40,000
Other payables	4,26,477	4,44,411
Statutory Remittances	3,07,700	3,51,627
Total	<u>28,97,876</u>	<u>10,36,038</u>

NOTE # 8

SHORT TERM PROVISIONS

Provision for Employee Benefits	1,48,624	-
Provision for Taxation (Net of advances)	-	2,94,880
Total	<u>1,48,624</u>	<u>2,94,880</u>



BHARAT REFRIGERATIONS PRIVATE LIMITED

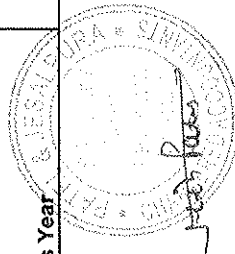
BALANCE SHEET AS AT 31ST MARCH, 2018

NOTE # 9 - TANGIBLE ASSETS

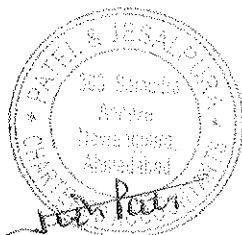
Description of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 1-4-2017	Additions	Sale/Dis-posa	Total as on 31-3-2018	Up to 1-4-2017	For the Year	Deduction	Up to 31-3-2018	Net carrying amount As on 31-3-2017	Net carrying amount As on 31-3-2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Factory building	108,850	548,330	-	657,180	28	17,422	-	17,450	108,822	639,730
Computer	440,885	165,588	-	606,473	410,814	90,919	-	501,733	30,071	104,740
Machineries	5,937,288	7,547,263	-	13,484,551	3,018,303	1,041,480	-	4,059,783	2,918,985	9,424,768
Office Equipments	384,633	98,851	-	483,484	299,726	72,526	-	372,252	84,907	111,232
Vehicles	696,967	-	693,367	3,600	535,117	12,654	544,532	3,239	161,850	361
Furniture	282,548	7,900	-	290,448	164,374	32,338	-	196,712	118,174	93,736
Total	7,851,171	8,367,932	693,367	15,525,736	4,428,362	1,267,339	544,532	5,151,169	3,422,809	10,374,567
Previous Year	17,530,078	423,441	10,102,348	7,851,171	8,255,833	1,140,320	4,967,791	4,428,362	3,422,809	3,422,809

NOTE # 9 - INTANGIBLE ASSETS

Description of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 1-4-2017	Additions	Sale/Dis-posa	Total as on 31-3-2018	Up to 1-4-2017	For the Year	Deduction	Up to 31-3-2018	Net carrying amount As on 31-3-2017	Net carrying amount As on 31-3-2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Research and Development Expenses	2,015,388	-	-	2,015,388	1,209,232	403,078	-	1,612,310	806,156	403,078
Software Purchase	-	26,250	-	26,250	-	11,356	-	11,356	-	14,894
Total	2,015,388	26,250	-	2,041,638	1,209,232	414,434	-	1,623,666	806,156	417,972
Previous Year	2,015,388	-	-	2,015,388	806,154	403,078	-	1,209,232	806,156	806,156



Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
NOTE # 10		
<u>LONG TERM LOANS AND ADVANCES</u> (Unsecured, Considered good)		
Security Deposits	1,97,222	1,47,100
Rental Deposit	15,30,000	15,30,000
Total	<u>17,27,222</u>	<u>16,77,100</u>
NOTE # 11		
<u>INVENTORIES</u> (As taken, valued and certified by the management)		
Raw Materials (At cost)	86,22,342	33,23,759
Work-in-progress (At estimated cost)	67,01,425	45,61,913
Finished Goods (At lower of cost or net realisable Value)	69,32,834	40,93,354
Total	<u>2,22,56,601</u>	<u>1,19,79,026</u>
NOTE # 12		
<u>TRADE RECEIVABLES</u> (Unsecured, Considered good)		
Outstanding for a period exceeding six months	4,36,807	1,65,400
Others	96,17,409	17,18,778
Total	<u>1,00,54,216</u>	<u>18,84,178</u>
NOTE # 13		
<u>CASH AND CASH EQUIVALENTS</u>		
Balance with banks		
In current accounts	85,79,046	17,33,198
Cash on Hand	9,34,084	2,99,459
Total	<u>95,13,130</u>	<u>20,32,657</u>

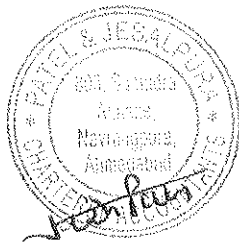


Particulars

As at
31-03-2018
Rs.As at
31-03-2017
Rs.NOTE # 14SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Balance with Government authorities	-	2,92,498
Advance Payment of Tax (Net of Provision)	5,14,062	-
Advance to Suppliers	17,319	99,060
Advance to Staff	49,228	-
Other Loans and advances	1,62,031	2,56,522
Total	<u>7,42,640</u>	<u>6,48,080</u>



BHARAT REFRIGERATIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Particulars	Year ended 31-03-2018 Rs.	Year ended 31-03-2017 Rs.
<u>NOTE # 15</u>		
<u>REVENUE FROM OPERATIONS</u>		
Sale of Products	55,138,011	22,663,798
Sale of Service	3,605,441	1,075,756
Less :GST\ Excise Duty	(9,855,303)	-
	<u>48,888,149</u>	<u>23,739,554</u>
Other Operating Revenues	7,000	-
Total	<u>48,895,149</u>	<u>23,739,554</u>
(A) Sale of Products		
Cold Rooms, Refrigeration System etc.	45,282,708	22,663,798
	<u>45,282,708</u>	<u>22,663,798</u>
(B) Sale of Services		
Service Income	3,605,441	1,075,756
	<u>3,605,441</u>	<u>1,075,756</u>
(C) Other Operating Revenues		
Transport Charges recovered	7,000	-
	<u>7,000</u>	<u>-</u>
<u>NOTE # 16</u>		
<u>OTHER INCOMES</u>		
Miscellaneous Incomes	33,400	2,744
Profit from Sale of Fixed Asset	47,594	-
Total	<u>80,994</u>	<u>2,744</u>



Particulars	Year ended 31-03-2018 Rs.	Year ended 31-03-2017 Rs.
<u>NOTE # 17</u>		
<u>COST OF MATERIALS CONSUMED</u>		
Opening Stock	33,23,759	30,21,187
Add : Purchases	3,71,06,202	1,50,75,461
	<u>4,04,29,961</u>	<u>1,80,96,648</u>
Less : Closing Stock	86,22,342	33,23,759
Cost of Materials Consumed	Total	
	<u>3,18,07,619</u>	<u>1,47,72,889</u>

(Materials Consumed comprises of Compressors, Condensers and other Components)

NOTE # 18

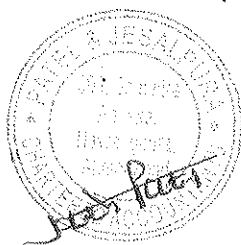
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN PROGRESS

Inventories at the end of the year

Finished Goods	69,32,834	40,93,354
Work-in-progress	67,01,425	45,61,913
	<u>1,36,34,259</u>	<u>86,55,267</u>

Inventories at the beginning of the year

Finished Goods	40,93,354	39,08,870
Work-in-progress	45,61,913	40,10,318
	<u>86,55,267</u>	<u>79,19,188</u>
Net (Increase)/Decrease	<u>(49,78,992)</u>	<u>(7,36,079)</u>



Particulars	Year ended 31-03-2018 Rs.	Year ended 31-03-2017 Rs.
NOTE # 19		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Salaries and Wages	46,41,672	26,43,428
Bonus	2,56,972	92,300
Directors Remuneration	-	5,10,000
Contribution to Provident and Other Funds	6,86,044	1,07,424
Staff Welfare Expenses	2,11,761	2,14,025
Total	57,96,449	35,67,177

NOTE # 20

OTHER EXPENSES

Jobwork and Contract Charges	85,046	-
Freight and Transportation	27,43,882	1,14,983
Power and Fuel	4,14,616	1,40,024
Repairs and Maintenance	1,57,976	2,16,359
Factory expenses	2,98,473	-
Travelling and Conveyance	4,46,673	2,40,147
Advertisement expenses	60,987	1,47,655
Postage and Telephone	2,13,358	1,07,849
Insurance	30,039	59,272
Rent, Rates and Taxes	37,18,784	12,71,201
Professional and legal Expenses	2,98,486	1,55,450
Exhibition Expenses	13,74,955	-
Auditors' Remuneration	75,000	25,000
Vehicle Running charges	50,979	1,12,471
Stationery and Printing expenses	4,28,210	43,420
Servicing Expenses	12,51,609	-
General Charges	4,48,036	3,17,613
Sales Commission	6,67,594	-
Security Charges	3,06,900	1,22,590
Business Promotion	-	34,091
Loss on Sale of Assets	-	1,43,516
Total	1,30,71,603	32,51,641



Particulars	Year ended 31-03-2018 Rs.	Year ended 31-03-2017 Rs.
<u>NOTE # 21</u>		
<u>FINANCE COSTS</u>		
Interest Expenses	14,53,140	8,67,529
Total	<u>14,53,140</u>	<u>8,67,529</u>



BHARAT REFRIGERATIONS PRIVATE LIMITED

NOTE # 22

NOTES TO FINANCIAL STATEMENTS

1. Provisions

A provision is recognized when the company has a present obligation as a result of past event. It is possible that an outflow of resources embodying benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but disclosed its existence in the financial statements.

3. Segment Reporting

The company operates under only one segment viz. manufacturing of Cold Rooms, Freezer, Refrigeration Systems and chilling Plant etc. Hence there is only one reportable segment.

4. Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties, disclosing relationship, nature of transaction and quantum of transaction are as under:



Sr No.	Name of Party	Relationship
1	Ice Make Refrigeration Private Limited	Holding company
2	Chandrakant Patel	KMP
3	Vipulbhai Patel	
4	Rajendra Patel	

Relationship	Name of Related Party	Nature of Transaction	Amount Rs.	Balance As on 31/03/18 Rs.
Holding Company	Ice Make Refrigeration Limited	Purchase and Service	3,70,35,093	14,13,858 (Cr.)
		Interest Paid	14,06,051	77,53,984 (Cr.)
KMP	Chandrakant P. Patel	Interest Paid	1,815	9,21,633 (Cr.)
	Rajendra P. Patel	Interest Paid	18,065	91,71,258 (Cr.)
	Vipul I. Patel	Interest Paid	23,185	1,17,70,866 (Cr.)

5. Earnings and Expenditure in Foreign Currency:

2017-18 Rs. NIL

6. Deferred tax

As per Accounting Standard -22 on "Accounting for taxes on income" issued by institute of Chartered Accountants of India, the company has accounted for deferred tax during the year.



Item of timing Differences	Accumulated Deferred tax Assets/ (Liability) as at 1-4-2017 (Rs)	(Charge) / Credit during the year(Rs)	Balance Asset / (Liability) as at 31-3-2018 (Rs)
R & D Expenses	Rs. Nil	(Rs. 103793)	(Rs. 103793)
Depreciation	Rs. Nil	Rs. 70750	Rs. 70750
Total	Rs Nil	(Rs. 33043)	(Rs. 33043)

7. Earnings per share

Particulars	31-03-2018 Amount Rs.
Profit available to Shareholders	31,508
Weighted Average No. of shares outstanding during the period	7,27,025
Basic and Diluted Earnings Per Share	0.04
Face Value per Equity Share	10

8. Contingent Liabilities:

Sr. No.	Nature of Default	Year	Amount (Rs.)
1	TDS	2017-18	2760
2	TDS	2016-17	4716
3	TDS	2015-16	400
4	TDS	Prior Years	64748
	TOTAL		72624

9. Value of closing stock is taken as certified by management.



10. The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006, and hence disclosure, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act has not been given.
11. In the opinion of the Board, the loans and advances including Current Assets are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of the Business.
12. Previous year's figures are regrouped, rearranged and reclassified whenever necessary to make the same comparable with current year.
13. In the instances where the transactions are not supported by the documentary evidences, auditors have relied on the management representation.
14. The company has a defined benefit gratuity plan. The following tables set out the status of the gratuity plan as required under Accounting Standard (AS) 15 (revised) on Employee Benefits.

Particulars	For the period
	31-03-18
Change in the Present Value of Projected Benefit Obligation	
Present Value of Benefit Obligation at the Beginning of the Period	-
Interest Cost	-
Current Service Cost (Benefit Paid Directly by the Employer)	3,61,501
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	-
Present Value of Benefit Obligation at the End of the Period	3,61,501



Table Showing Change in the Fair Value of Plan Assets	
Fair Value of Plan Assets at the Beginning of the Period	-
Expected Return on Plan Assets	-
Contributions by the Employer	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-
Fair Value of Plan Assets at the End of the Period	-

Expenses Recognized in the Statement of Profit or Loss for Current Period	
Current Service Cost	3,61,501
Net Interest Cost	-
Actuarial (Gains)/Losses	-
Expenses Recognized in the Statement of Profit or Loss	3,61,501

Balance Sheet Reconciliation	
Opening Net Liability	-
Expense Recognized in Statement of Profit or Loss	3,61,501
(Benefit Paid Directly by the Employer)	-
(Employer's Contribution)	-
Net Liability/(Asset) Recognized in the Balance Sheet	3,61,501
Assumptions (Closing Period)	
Expected Return on Plan Assets	0.00%
Rate of Discounting	7.86%
Rate of Salary Increase	7.00%
Rate of Employee Turnover	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)



As per our report of even date annexed

Signatures to Notes 1 to 22

For, Patel & Jesalpura
Chartered Accountants
FRNo:120802W

Hiren U. Patel

CA. Hiren U. Patel
Partner
Mem. No. 132726



C.P. Patel

Director
DIN-02441116
(Mr. C.P.Patel)

R.P. Patel

Director
DIN-02441138
(Mr. R.P.Patel)

Date: 24-05-2018
Place: Ahmedabad