

## SHAH & KHANDELWAL

Chartered Accountants

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### Independent Auditor's Report

To the Members of BIRLA JUTE SUPPLY COMPANY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **BIRLA JUTE SUPPLY COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of 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 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 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, 2017 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, 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 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 representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The company has adequately disclosed detail of Specified Bank Notes (S.B.N) Transactions.

Place : Kolkata  
Dated: 2<sup>nd</sup> Day of May 2017.



Surendra Shah  
Partner  
Membership No. 50003  
For and on behalf of  
Shah & Khandelwal  
Chartered Accountants  
Firm Registration No. 326992E

## "Annexure A" to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2017, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account;
- b. The title deeds of immovable properties are held in the name of the company.
- (ii) The Company has no inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firm and other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and therefore paragraph 3(iii)(a),(b) and (c) of the Order is not applicable to the Company.
- (iv) The Company has not given any loans, investments, guarantees, and security. Thus paragraph 3(iv) of the Order with regard to the provisions of section 185 and 186 of the Companies Act, 2013 is not applicable.
- (v) The Company has not accepted any deposits from the public. Thus, paragraph 3(v) of the Order is not applicable.
- (vi) Maintenance of cost records by the Company has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. Thus, paragraph 3(vi) of the Order is not applicable.
- (vii) a. The company is regular in depositing undisputed statutory dues and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
According to the information and explanations given to us, there are no material dues of outstanding statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- b. The company has not taken any loan from any financial institution or bank or debenture holders. Thus, paragraph 3(viii) of the Order is not applicable.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3(ix) of the Order is not applicable.
- (x) In our opinion and according to the information and the explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid or provided any managerial remuneration during the year. Thus, paragraph 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) All transactions with the related parties of the Company are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Thus, paragraph 3(xiv) of the Order is not applicable.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kolkata  
Dated: 2<sup>nd</sup> Day of May 2017.



Surendra Shah  
Partner  
Membership No. 50003  
For and on behalf of  
Shah & Khandelwal  
Chartered Accountants  
Firm Registration No. 326992E

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

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

We have audited the internal financial controls over financial reporting of **M/s. Birla Jute Supply Company Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

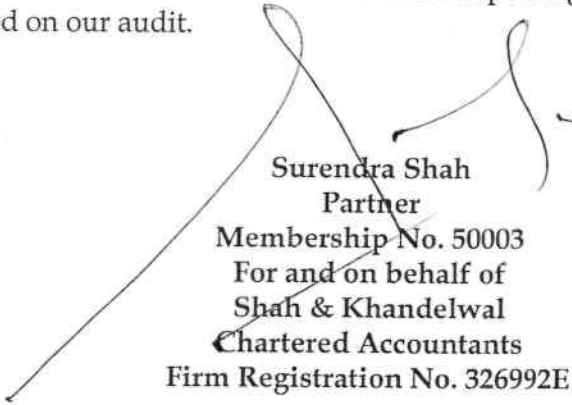
## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on our audit.

Place : Kolkata  
Dated: 2<sup>nd</sup> Day of May 2017.

  
Surendra Shah  
Partner  
Membership No. 50003  
For and on behalf of  
Shah & Khandelwal  
Chartered Accountants  
Firm Registration No. 326992E



**BIRLA JUTE SUPPLY COMPANY LIMITED**  
**CIN NO. U01113WB1950PLC093522**  
**BALANCE SHEET as at 31st March, 2017**

(Amount in ₹)

	Note No.	As at March, 2017	As at March, 2016	As at March, 2015
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	5	54,515	54,515	54,515
<b>Financial Assets</b>				
Other Non-Current Assets	6	32,291	33,769	137,923
		86,806	88,284	192,438
<b>CURRENT ASSETS</b>				
<b>Financial Assets</b>				
Cash and Bank Balances	7	285,146	190,806	121,391
Bank balances	8	9,161,877	8,866,205	8,413,538
		9,447,023	9,057,011	8,534,929
<b>TOTAL</b>		<b>9,533,829</b>	<b>9,145,295</b>	<b>8,727,367</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	9	600,000	600,000	600,000
Other Equity	10	8,908,764	8,520,196	8,102,672
		9,508,764	9,120,196	8,702,672
<b>NON-CURRENT LIABILITIES</b>				
<b>Financial Liabilities</b>				
Deferred Tax Liabilities (Net)	12	4,065	4,189	4,170
		4,065	4,189	4,170
<b>CURRENT LIABILITIES</b>				
<b>Financial Liabilities</b>				
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditor other than micro enterprises and small enterprises	11	21,000.00	20,910.00	20,525.00
		21,000	20,910	20,525
		<b>9,533,829</b>	<b>9,145,295</b>	<b>8,727,367</b>

Significant Accounting Policies 1 to 4  
 Notes to the Financial Statements 5 to 23  
 The accompanying Notes are an integral part of the Financial Statements

**Surendra Shah**  
 Partner  
 Membership No 50003  
 For and on behalf of  
 Shah & Khandelwal  
 Chartered Accountants  
 Firm Regn No - 326992 E  
 1/A, Vansitart Row  
 2nd Floor  
 Kolkata 700001



*G. Sharma*  
 G. Sharma  
 (DIN: 01192625)

*G R Verma*  
 G R Verma  
 (DIN: 06620738)

Director

The 2nd day of May, 2017

## BIRLA JUTE SUPPLY COMPANY LIMITED

CIN NO. U01113WB1950PLC093522

## STATEMENT OF PROFIT &amp; LOSS for the year ended 31st March, 2017

(Amount in ₹)

INCOME	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Other Income	13	657,806	733,001
<b>Total Income</b>		<b>657,806</b>	<b>733,001</b>
<b>EXPENSES</b>			
Other Expenses	14	102,378	137,393
<b>Total Expenses</b>		<b>102,378</b>	<b>137,393</b>
<b>Profit before Exceptional Items and Tax</b>		<b>555,428</b>	<b>595,608</b>
Exceptional Items		-	-
<b>Profit before Tax</b>		<b>555,428</b>	<b>595,608</b>
Tax Expense:	15		
Current Tax		165,890	184,026
Deferred Tax		(124)	19
Income Tax for earlier years		1,094	(5,961)
<b>Profit for the year</b>		<b>388,568</b>	<b>417,524</b>
<b>Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
Income tax relating to these items		-	-
B Item that will be reclassified to profit or loss			
Income tax relating to these items		-	-
<b>Total Comprehensive Income for the period</b>		<b>388,568</b>	<b>417,524</b>
Earnings Per Share (nominal value Rs 100/-)			
Weighted Average Number of Ordinary Shares outstanding during the year		6000	6000
Basic		64.76	69.59
Diluted			

Significant Accounting Policies

1 to 4

Notes to the Financial Statements 5 to 23

The accompanying Notes are an integral part of the Financial Statements

**Surendra Shah**

Partner

Membership No 50003

For and on behalf of

Shah &amp; Khandelwal

Chartered Accountants

Firm Regn No - 326992 E

1/A, Vansitart Row

2nd Floor

Kolkata 700001



G. Sharma  
(DIN: 01192625)

G R Verma  
(DIN: 06620738)

} Director

The 2<sup>nd</sup> day of May, 2017

**BIRLA JUTE SUPPLY COMPANY LIMITED**  
CIN NO. U01113WB1950PLC093522

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

(Amount in ₹)

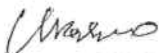
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A. Cash Flow from Operating Activities:</b>		
Profit before Tax	555,428	595,608
Adjustments for :		
Depreciation & Amortisation	-	-
	555,428	595,608
Miscellaneous expenditure amortised	-	-
<b>Operating Profit before Working Capital changes</b>	<b>555,428</b>	<b>595,608</b>
Adjustments for :		
Increase in current Liabilities	90	385
<b>Cash generated from operations</b>	<b>555,518</b>	<b>595,993</b>
Direct Taxes Paid	(165,506)	(73,911)
<b>Net Cash flow from Operating Activities</b>	<b>390,012</b>	<b>522,082</b>
<b>B. Cash Flow from Investing Activities:</b>		
Net Cash Investment in Bank FD (incl. in other Bank balance)	(295,672)	(452,667)
<b>C. Cash Flow from Financing Activities</b>		
Net Cash used in Financing Activities	-	-
<b>Net increase in Cash and Cash Equivalents</b>	<b>94,340</b>	<b>69,415</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>190,806</b>	<b>121,391</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>285,146</b>	<b>190,806</b>

**Notes:**

- a Above statement has been prepared in indirect method.
- b Cash and Cash Equivalents consist of Cash balance in hand and balances with Scheduled Banks.
- c Figures for the previous year have been re-grouped wherever considered necessary.

Surendra Shah  
Partner  
Membership No 50003  
For and on behalf of  
Shah & Khandelwal  
Chartered Accountants  
Firm Regn No - 326992 E  
1/A, Vansittart Row  
2nd Floor  
Kolkata 700001



  
**G. Sharma**  
 (DIN: 01192625 )  
 Directors  
  
**G. R. Verma**  
 (DIN: 06620738 )

Dated- the 2<sup>nd</sup> day of May, 2017



**BIRLA JUTE SUPPLY COMPANY LIMITED**  
**CIN : U01113WB1950PLC093522**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> March 2017**

**1. CORPORATE AND GENERAL INFORMATION**

**Birla Jute Supply Company Limited** is a company of M. P. Birla Group. It was incorporated in the year 1950. The Company is primarily engaged in the trading of Raw Jute and jute products as its core business activity.

**2. BASIS OF ACCOUNTING**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended March 31, 2016, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31<sup>st</sup> March, 2017 are the first financials with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1<sup>st</sup> April, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 18.4 Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31<sup>st</sup> March, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1<sup>st</sup> April, 2015 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2017 has been approved by the Board of Directors in their meeting held on 02.05.2017.

**2.2 Basis of Measurement**

The financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities that is measured at Fair value / Amortized Cost;

**2.3 Functional and Presentation Currency**

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to nearest rupees, unless otherwise stated.

**2.4 Use of Estimates and Judgements**

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.



## 2.5 Current Vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when it is:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

## 3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

### 3.1 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

### 3.2 Income Tax

Income Tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

#### 3.2.1. Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

#### 3.2.2. Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.



- Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.3 Property, Plant and Equipment

#### 3.3.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29<sup>th</sup> December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31<sup>st</sup> March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

#### 3.3.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

#### 3.3.3. Depreciation and Amortization

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of



certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.3.4. Disposal of Assets

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

### 3.4 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction specific to each arrangement.

#### 3.4.1. Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

### 3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.5.1. Financial Assets

- It consists of cash and Bank Balance measured at Fair Value Through Profit or Loss (FVTPL),

##### ➤ Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

##### ➤ Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



## 5.2. Financial Liabilities

- It is measured at Amortized cost.
- **Derecognition**  
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.
- **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

## 3.6 Provisions, Contingent Liabilities and Contingent Assets

### 3.6.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

### 3.6.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

### 3.6.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

## 3.7 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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





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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

### 3.8 Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's financial Statements is disclosed below. The company intends to adopt this Standard when it becomes effective.

- Ind-AS 7 – Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind-AS's. The amendment will come into force from accounting period commencing on or after April 1, 2017. The Company is in the process of assessing the possible impact of Ind-AS 7: Statement of Cash Flows and will adopt the amendments on the required effective date.

## 4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- Useful lives of depreciable/ amortisable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- Provisions and Contingencies: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied as best judgement by management regarding the probability of exposure to potential loss.
- Impairment of Financial Assets: The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.





## 5 PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Year Ended 31st March 2016												
	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount		
	Deemed cost as at 1st April 2015	Additions	Transfer/Inter Unit Transfer	Disposals	Other Adjustments	As at 31st March 2016	As at 1st April 2015	Depreciation charged during the year	Transfer/Inter Unit Transfer	Deductions		Other Adjustments	As at 31st March 2016
Freehold Land	41,340	-	-	-	-	41,340	-	-	-	-	-	-	41,340
Buildings	13,175	-	-	-	-	13,175	-	-	-	-	-	-	13,175
Total	54,515	-	-	-	-	54,515	-	-	-	-	-	-	54,515

Particulars	Year Ended 31st March 2017												
	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount		
	Deemed cost as at 1st April 2016	Additions	Transfer/Inter Unit Transfer	Disposals	Other Adjustments	As at 31st March 2017	As at 1st April 2016	Depreciation charged during the year	Transfer/Inter Unit Transfer	Deductions		Other Adjustments	As at 31st March 2017
Freehold Land	41,340	-	-	-	-	41,340	-	-	-	-	-	-	41,340
Buildings	13,175	-	-	-	-	13,175	-	-	-	-	-	-	13,175
Total	54,515	-	-	-	-	54,515	-	-	-	-	-	-	54,515



Notes to Financial Statements for 31st March, 2017

(Amount in ₹)

6 OTHER ASSETS

	Long-term			Short-term		
	As at March,2017	As at March,2016	As at March,2015	As at March,2017	As at March,2016	As at March,2015
Long Term Trade Receivable						
Advances other than Capital Advances Advance Tax and TDS (Net of provisions)	32,291	33,769	137,923			
	32,291	33,769	137,923	-	-	-

7 : CASH AND BANK BALANCES

Cash and Bank Balances

Balances With Banks :

In Current/Cash Credit Account

276,702 180,066 115,795

Cash in hand

8,444 10,740 5,596

285,146 190,806 121,391

8 : BANK BALANCES

Other Bank Balances

Fixed Deposit with Banks with maturity period of more than 12 months

Other Fixed Deposit with Banks

9,161,877 8,866,205 8,413,538

9,161,877 8,866,205 8,413,538

9 : EQUITY SHARE CAPITAL

Authorised

Ordinary Shares of ₹100/- each

2,500,000 2,500,000 2,500,000

2,500,000 2,500,000 2,500,000

Issued

Ordinary Shares of ₹100/- each

600,000 600,000 600,000

Subscribed and Paid-up

Ordinary Shares of ₹100/- each fully paid-up

600,000 600,000 600,000

600,000 600,000 600,000

9.1 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

9.2 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e., Ordinary Shares having par value of ₹100 per share. Each holder of the Ordinary Shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.

9.3 Shareholding Pattern with respect of Holding or Ultimate Holding Company

All ordinary shares of the Company are being held by Birla Corporation Limited - the Holding Co. and its nominees.

9.4 No Shares have been reserved for issue under options and contracts /commitments for the sale of shares/disinvestment at the balance sheet.

9.5 No Shares have been allotted or has been brought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

9.6 No convertible securities have been issued by the Company during the year.

9.7 No calls are unpaid by any Director and Officer of the Company during the year.



## 10 : OTHER EQUITY

	(Amount in ₹)		
	As at March,2017	As at March,2016	As at March,2015
Capital Reserve	82,040	82,040	82,040
General Reserve	3,670,264	3,670,264	3,670,264
Retained Earnings (IND AS Impact)	5,156,460	4,767,892	4,350,368
	<u>8,908,764</u>	<u>8,520,196</u>	<u>8,102,672</u>

## 11 : TRADE PAYABLES

	Long-term			Short-term		
	As at March,2017	As at March,2016	As at March,2015	As at March,2017	As at March,2016	As at March,2015
Total outstanding dues of micro and small enterprises						
Others				21,000	20,910	20,525
				<u>21,000</u>	<u>20,910</u>	<u>20,525</u>

## 12 : DEFERRED TAX LIABILITIES (NET)

	As at March,2017	As at March,2016	As at March,2015
Deferred Tax Liabilities			
Arising on account of:			
Depreciation	4,065	4,189	4,170
Less: Deferred Tax Assets			
Arising on account of:			
Section 43B of Income-tax Act	-		
Deferred Tax Liabilities (Net)	<u>4,065</u>	<u>4,189</u>	<u>4,170</u>

In accordance with Ind AS-12 on Income Taxes issued by the Institute of Chartered Accountants of India, the Company has deferred tax liabilities of ₹ 4065/- (Previous Year ₹ 4189/-). The reduction in deferred tax liability from the last year is on account of I Tax Rate @ 29 % in place of 30 % as per I Tax amendment.

## 13 : OTHER INCOME

	As at March,2017	As at March,2016
Interest Income		
On Banks Deposits	657,806	733,001
(Tax Deducted at Source ₹ 65,781/-, Previous Year ₹ 73,301/-)		
	<u>657,806</u>	<u>733,001</u>

## 14 : OTHER EXPENSES

SELLING AND ADMINISTRATION EXPENSES	For the year ended	
	March,2017	March 2016
Rent	2,748	2,697
Rates & Taxes	11,016	16,602
Auditors' Remuneration - Statutory Auditors - Audit Fees	20,700	20,610
Other Expenses	67,914	97,484
	<u>102,378</u>	<u>137,393</u>

## 15 : TAX EXPENSE

	For the year ended	
	March,2017	March 2016
Current Tax for the year	165,890	184,026
Less : MAT Credit Entitlement	-	-
Add : MAT Credit Utilised	-	-
Current Tax	165,890	184,026
Deferred Tax	(124)	19
	<u>165,766</u>	<u>184,045</u>
Income Tax for earlier years	1,094	(5,961)



(Amount in ₹)

16 Disclosure as required under the micro, small and medium enterprises development act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

Sl. No.	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	NIL	NIL	NIL
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL	NIL
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL	NIL
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL	NIL
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL	NIL

17 Related Party Disclosures

17.1 As defined in Indian Accounting Standard-24, the Company has a related party relationship as below:

Name of the Entity	Place of Incorporation	Ownership Interest held by the Company		
		31st March 2017	31st March 2016	1st April 2015
Birla Corporation Limited	India	100%	100%	100%

17.2 Transactions during the year

Particulars	2016-2017		2015-2016	
Payment of Rent		2,748		2,697
Advance received		26,535		65,091
Advances paid		26,535		65,091

17.3 Balance Outstanding as at the balance sheet date

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Trade Payables</b>			
Subsidiaries	-	-	-
Holding	-	-	-
<b>Trade Receivables</b>			
Subsidiaries	-	-	-
Holding	-	-	-
<b>Borrowings Received</b>			
Subsidiaries	-	-	-
Loan payable	-	-	-
Interest on Loan payable	-	-	-
Holding	-	-	-
<b>Provision for Doubtful Advances</b>			
Subsidiaries	-	-	-
Holding	-	-	-

18 Transition to Ind AS

18.1 Basis for Preparation

For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

18.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2015 opening balance sheet. In preparing these consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.



### 18.3 Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

1. Reconciliation of material items of Balance sheet as at April 1, 2015 (Transition Date) and as at March 31, 2016
2. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2016
3. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016
4. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differ from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

#### 18.3.1 Reconciliation of material Items of Balance sheet as at April 1, 2015 (Transition Date) and as at March 31, 2016

(Amount in ₹)

Particulars	Refer Note No.	Previous GAAP* as at 31.03.2016	Effect of Transition to IND AS	As per IND AS Balance Sheet as at 31.03.2016	Previous GAAP* as at 31.03.2015	Effect of Transition to IND AS	As per IND AS Balance Sheet as at 01.04.2015
<b>ASSETS</b>							
Property, Plant and Equipment		54,515.00	-	54,515.00	54,515.00	-	54,515.00
Intangible Assets		-	-	-	-	-	-
Biological Assets other than bearer plants		-	-	-	-	-	-
Non Current Investments		-	-	-	-	-	-
Current Investments		-	-	-	-	-	-
<b>EQUITY AND LIABILITIES</b>							
Equity Share Capital		600,000.00	-	600,000.00	600,000.00	-	600,000.00
Other Equity		8,520,196.00	-	8,520,196.00	8,102,672.00	-	8,102,672.00
<b>LIABILITIES</b>							
<b>NON-CURRENT LIABILITIES</b>							
Borrowings		-	-	-	-	-	-
Deferred Tax Liabilities (Net)		4,189.00	-	4,189.00	4,170.00	-	4,170.00
Other Non Current Liabilities		-	-	-	-	-	-
<b>CURRENT LIABILITIES</b>							
Provisions		-	-	-	-	-	-

\*Regrouped as per Ind AS Compliant Schedule III.

#### 18.3.2 Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2016

(Amount in ₹)

PARTICULARS	Refer Note No.	Previous GAAP*	Effect of transition to IND AS	Ind AS
<b>INCOME</b>				
Revenue from Operations		-	-	-
Other Income		733,001	-	733,001
<b>Total Income</b>		<b>733,001</b>	<b>-</b>	<b>733,001</b>
<b>EXPENSES</b>				
Cost of Materials Consumed		-	-	-
Purchases of Stock -in- Trade		-	-	-
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		-	-	-
Employee Benefits Expense		-	-	-
Finance Costs		-	-	-
Excise Duty		-	-	-
Depreciation and Amortisation Expense		-	-	-
Other Expenses		137,393	-	137,393
<b>Total Expenses</b>		<b>137,393</b>	<b>-</b>	<b>137,393</b>
<b>Profit before Exceptional Items and Tax</b>		<b>595,608</b>	<b>-</b>	<b>595,608</b>
Exceptional Items		-	-	-
<b>Profit before Tax</b>		<b>595,608</b>	<b>-</b>	<b>595,608</b>
<b>Tax Expense:</b>				
Current Tax		184,026	-	184,026
Deferred Tax		19	-	19
Income Tax for earlier years		(5,961)	-	(5,961)
<b>Profit for the year</b>		<b>417,524</b>	<b>-</b>	<b>417,524</b>
Other Comprehensive Income		-	-	-
A Items that will not be reclassified to profit or loss		-	-	-
Income tax relating to these items		-	-	-
B Items that will be reclassified to profit or loss		-	-	-
Income tax relating to these items		-	-	-
Other Comprehensive Income for the Year (Net of Tax)		-	-	-
<b>Total Comprehensive Income for the period</b>		<b>417,524</b>	<b>-</b>	<b>417,524</b>

\* Regrouped as per IND AS compliant Schedule III



## 18.3.3 Reconciliation of Total Equity

(Amount in ₹)

Particulars	Refer Note No.	As at 31st March, 2016	As at 1st April, 2015
Equity under Previous Indian GAAP		9,120,196	8,702,672
On account of measuring Investments at Fair Value		-	-
On account of Finance Cost		-	-
On account of Government Grant accounting		-	-
On account of decommissioning liability		-	-
Other IND AS adjustments		-	-
Reversal of Proposed Dividend incl. CDT		-	-
Items reclassified to OCI		-	-
Impact of Tax		-	-
Total adjustment to equity		-	-
Total equity under Ind AS		9,120,196	8,702,672

## 18.3.4 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2016

(Amount in ₹)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities		522,082	-	522,082
Net cash flow from Investing Activities		(452,667)	-	(452,667)
Net cash flow from Financing Activities		-	-	-
Net increase/(decrease) in cash and cash equivalents		69,415	-	69,415
Cash and cash equivalents as at 1 April 2015		121,391	-	121,391
Cash and cash equivalents as at 31 March 2016		190,806	-	190,806

## 18.3.5 Notes to First Time Adoption

## Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

## 19 Fair value of Financial Assets and Financial Liabilities

As at 31st March 2017 and 31st March 2016

(Amount in ₹)

Particulars	31st March 2017			31st March 2016		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Equity Instruments						
- Preference Shares						
- Bonds and Debentures						
- Mutual Funds						
- Government Securities						
Trade Receivables						
Loans Given						
Cash and Cash Equivalents			285,146			190,806
Bank Balance other than note 7	-		9,161,877	-		8,866,205
Other Financial Assets						
Security Deposits						
<b>Total Financial Assets</b>	-	-	9,447,023	-	-	9,057,011
<b>Financial Liabilities</b>						
Borrowings						
Trade Payables			21,000			20,910
Other Financial Liabilities						
<b>Total Financial Liabilities</b>	-	-	21,000	-	-	20,910

As at 1st April 2015

(Amount in ₹)

Particulars	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>			
Investment			
- Equity Instruments			
- Preference Shares			
- Bonds and Debentures			
- Mutual Funds			
- Government Securities			
Trade Receivables			
Loans Given			
Cash and Cash Equivalents			121,391
Bank Balance other than note 7			8,413,538
Security Deposits			
<b>Total Financial Assets</b>	-	-	8,534,929
<b>Financial Liabilities</b>			
Borrowings			
Trade Payables			20,525
Other Financial Liabilities			
<b>Total Financial Liabilities</b>	-	-	20,525





20 Fair Values

20.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

(Amount in ₹)

Particulars	31st March 2017		31st March 2016		1st April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
Bank Balance other than note 7	9,161,877	9,161,877	8,866,205	8,866,205	8,413,538	8,413,538
Bonds						
Government Securities:						
Loans						
Loan to Related Parties						
Cash and Cash Equivalents	285,146	285,146	190,806	190,806	121,391	121,391
Security Deposits						
<b>Total Financial Assets</b>	<b>9,447,023</b>	<b>9,447,023</b>	<b>9,057,011</b>	<b>9,057,011</b>	<b>8,534,929</b>	<b>8,534,929</b>
<b>Financial Liabilities</b>						
Non-Current Borrowings						
Loans from Related Parties						
Rupee Term Loan						
Foreign Currency Term Loan						
Trade Payables	21,000	21,000	20,910	20,910	20,525	20,525
<b>Total Financial Liabilities</b>	<b>21,000</b>	<b>21,000</b>	<b>20,910</b>	<b>20,910</b>	<b>20,525</b>	<b>20,525</b>

20.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

20.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

20.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

21 Assets and Liabilities measured at Fair Value - recurring fair value measurements

21.1 As at 31st March 2017 and 31st March 2016

(Amount in ₹)

Particulars	31st March 2017			31st March 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Financial Investment at FVTPL						
Unlisted Preference Shares						
Mutual Funds						
Financial Investment at FVOCI						
Listed Equity Investments						
Unlisted Equity Investments						
Listed Corporate Bonds						
Listed Government Securities						
Cash and Cash Equivalents						
Foreign Exchange Forward Contracts						
<b>Total Financial Assets</b>	-	-	-	-	-	-
<b>Financial Liabilities</b>						
Derivatives not designated as hedges						
Foreign Exchange Forward Contracts						
<b>Total Financial Liabilities</b>	-	-	-	-	-	-

As at 1st April 2015

(Amount in ₹)

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Financial Investment at FVTPL			
Unlisted Preference Shares			
Mutual Funds			
Financial Investment at FVOCI			
Listed Equity Investments			
Unlisted Equity Investments			
Listed Corporate Bonds			
Listed Government Securities			
Cash and Cash Equivalents			
Foreign Exchange Forward Contracts			
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>			
Derivatives not designated as hedges			
Foreign Exchange Forward Contracts			
<b>Total Financial Liabilities</b>	-	-	-



21.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

As at 31st March 2017 and 31st March 2016

(Amount in ₹)

Particulars	31st March 2017			31st March 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments						
Bonds						
Government Securities						
Loans						
Loans to Associates						
Cash and Cash Equivalents			285,146			190,806
Bank Balance other than note 7			9,161,877			8,866,205
<b>Total Financial Assets</b>	-	-	9,447,023	-	-	9,057,011
<b>Financial Liabilities</b>						
Non-Current Borrowings						
Debentures						
Rupee Term Loan						
Foreign Currency Term Loan						
Trade Payables			21,000			20,910
<b>Total Financial Liabilities</b>	-	-	21,000	-	-	20,910
<b>Investment Properties</b>						

As at 1st April 2015

(Amount in ₹)

Particulars	31st March 2017			31st March 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments						
Bonds						
Government Securities						
Loans						
Loans to Associates						
Cash and Cash Equivalents						121,391
Bank Balance other than note 7						8,413,538
<b>Total Financial Assets</b>	-	-		-	-	8,534,929
<b>Financial Liabilities</b>						
Non-Current Borrowings						
Debentures						
Rupee Term Loan						
Foreign Currency Term Loan						
Trade Payables						20,525
<b>Total Financial Liabilities</b>	-	-		-	-	20,525
<b>Investment Properties</b>						

21.3 During the year ended March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.



1.4 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 1.4.1 Level 1 Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- 1.4.2 Level 2 The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- 1.4.3 Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

22 Details of Specified Bank Notes held and transacted during the period 8th November 2016 to 30th December 2016 are provided as below:

Particulars	SBNs	Other	Total
Closing cash in hand as on 8th November 2016	-	25,231.81	25,231.81
Add: Permitted Receipts	-	15,000.00	15,000.00
Less: Permitted Payments	-	5,905.00	5,905.00
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30th December 2016	-	34,326.81	34,326.81

23 Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

As per our report annexed

Surendra Shah  
Partner  
Membership No 50003  
For and on behalf of  
Shah & Khandelwal  
Chartered Accountants  
Firm Regn No - 326992 E  
1/A, Vansittart Row  
2nd Floor  
Kolkata 700001

Signature to Notes 1 to 23

*G Sharma*  
G Sharma  
(DIN: 01192625)

*G R Verma*  
G R Verma  
(DIN: 06620738)

Directors

Dated the 2<sup>nd</sup> day of May, 2017



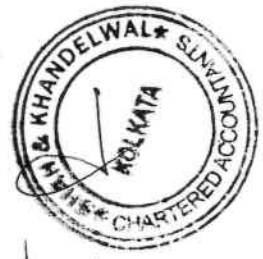
(Amount in ₹)

a) Equity Share Capital

Balance at the beginning of the reporting year	600,000	Balance at the end of the reporting year	600,000
Change in Equity share capital during the year	-		

b) Other Equity

	Reserve & Surplus					Retained Earnings (IND AS Impact)
	Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference Account	
Balance at the beginning of the reporting period	82,040			3,670,264		4,767,892
Changes in account policy/prior period errors						
Restated balance at the beginning of the reporting period						
Total Comprehensive Income for the year	82,040			3,670,264		4,767,892
Dividends						388,568
Transfer to retained earnings						
Any other change (to be specified)						
Balance at the end of the reporting period	82,040			3,670,264		5,156,460



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 Partner  
 Membership No 50003  
 For and on behalf of  
 Shah & Khandelwal  
 Chartered Accountants  
 Firm Regn No - 326992 E  
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 2nd Floor  
 Kolkata 700001

G Sharma  
 (DIN : 0119265)  
 Directors  
 G R Varma  
 (DIN : 06620738)

The 2nd day of May, 2017

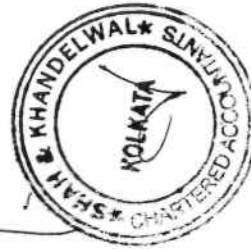
(Amount in ₹)

a) Equity Share Capital

Balance at the beginning of the reporting year	Change in Equity share capital during the year	Balance at the end of the reporting year
600,000	-	600,000

b) Other Equity

	Reserve & Surplus						Retained Earnings (IND AS Impact)
	Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference Account		
Balance at the beginning of the reporting period	82,040			3,670,264			4,350,368
Changes in account policy/prior period errors	-						-
Restated balance at the beginning of the reporting period	82,040			3,670,264			4,350,368
Total Comprehensive Income for the year	-						417,524
Dividends	-						-
Transfer to retained earnings	-						-
Any other change (to be specified)	-						-
Balance at the end of the reporting period	82,040			3,670,264			4,767,892



Surendra Shah  
Partner  
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Kolkata 700001

G Sharma  
(DIN : 0119255)  
Directors  
G R Verma  
(DIN : 06620738)

The 2<sup>nd</sup> day of May, 2017