ALPS & CO.
CHARTERED ACCOUNTANTS

310, TODI CHAMBERS
2, Lalbazar Street,
Kolkata - 700 001
Phone : 2230 5621, 4005 1458

INDEPENDENT AUDITOR'S REPORT

To The Members of **BUDGE BUDGE FLOOR COVERINGS LIMITED**,

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BUDGE BUDGE FLOOR COVERINGS LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Profit & 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 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 and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its Loss and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), 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 paragraph 3 and 4 of the Order, to the extent applicable to the Company.

2. As required by section 143 (3) of the Act, we report that:

2.1. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

2.2. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.

2.3. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of the account.

2.4. In our opinion, the 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.

2.5. On the basis of written representations received from the directors, as on 31st March, 2017 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2017 from being appointed as Director in terms of Section 164(2) of the Act.

2.6. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B".

2.7. 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 disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26.1 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 39 to the financial statements.

For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

(R.S.Tulsyan)
Partner
M. No. 51793

Kolkata
Dated: 24th day of May, 2017

ANNEXURE "A" TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company of even date)

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

   (b) The management has physically verified its fixed assets at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.

   (c) According to the information and explanation given to us and on the basis of examination of the Company's record, the title deeds of the immovable properties are held in the name of Company.

2. The inventories have been physically verified by the management during the year at reasonable intervals and discrepancies noticed on physical verification were not material.

3. The Company has not granted any secured or unsecured loans to companies, firm, limited liability partnership and other parties covered in the register maintained under section 189 of the Act and therefore provisions on clauses 3(iii) 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 section 185 and 186 of the Act, with respect to investments made.

5. During the year, the Company has not accepted any deposits and therefore provisions on clause 3(v) of the Order are not applicable to the Company.

6. The maintenance of cost records under section 148(1) of the Act has not been specified for the Company and therefore provisions on clauses 3(vi) of the Order is not applicable to the Company.

7. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities. According to information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

   (b) The disputed statutory dues aggregating Rs. 4.14 lakhs that have not been deposited on account of matters pending before appropriate authorities are as under:

Nature of Statute	Nature of Dues	Amount (in INR)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty & Cenvat	349,018 & 64,955	July, 2003	Central Excise Service Tax Appellate Tribunal

8. The Company has not borrowed any amount from any financial institutions or banks or government or by way of issue of debentures, therefore provisions of clause 3(viii) of the order are not applicable to the Company.

9. During the year, the Company has neither raised any money by way of initial public offer or further public offer nor taken any term loan therefore provisions on clause 3(ix) of the Order are not applicable to the Company.

ALPS & CO. Principal Office Chartered Accountants

10. In our opinion and according to information and explanations given to us, during the year, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.

11. During the year, the Company has not paid any managerial remuneration and therefore provisions of clause 3(xi) of the order are not applicable to the Company.

12. The Company is not a Nidhi Company and therefore provisions of clause 3(xii) of the order are not applicable to the Company.

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 section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.

14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore provisions of clause 3(xiv) of the order are not applicable to the Company.

15. According to information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year and therefore provisions of clause 3(xv) of the order are not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

ALPS & CO. Principal Office Chartered Accountants

(R.S.Tulsyan)
Partner
M. No. 51793

Kolkata
Dated: 24th day of May, 2017

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 of **BUDGE BUDGE FLOOR COVERINGS LIMITED ("the Company"),** as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

ALPS & CO. Principal Office Chartered Accountants

(R.S.Tulsyan)
Partner
M. No. 51793

Kolkata
Dated: 24th day of May, 2017

BUDGE BUDGE FLOORCOVERINGS LIMITED
CIN :U36994WB1996PLC076677
BALANCE SHEET as at 31st March, 2017

(Amount in ₹)

	Note No.	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
ASSETS							
NON-CURRENT ASSETS							
Property, Plant and Equipment	5	91,73,826		1,01,23,528		1,10,99,728	
			91,73,826		1,01,23,528		1,10,99,728
Financial Assets							
Investments	6	-		-		-	
Loans	7	-		-		-	
Other Financial Assets	8	4,37,758		-		-	
Other Non-Current Assets	9	54,78,263		53,70,655		49,61,700	
			59,16,021		53,70,655		49,61,700
CURRENT ASSETS							
Inventories	10	43,21,897		43,21,897		43,21,897	
Financial Assets							
Investments	6	16,33,890		12,45,391		11,53,421	
Cash and Cash Equivalents	11	79,865		4,84,106		4,87,133	
Loans	7	3,625		3,625		3,625	
Other Financial Assets	8	-		-		-	
Other Current Assets	9	72,401		71,992		71,024	
			61,11,678		61,27,011		60,37,100
Total Assets			2,12,01,525		2,16,21,194		2,20,98,528
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital	12	4,00,00,000		4,00,00,000		4,00,00,000	
Other Equity	13	(2,13,57,174)		(2,13,07,636)		(2,09,70,461)	
			1,86,42,826		1,86,92,364		1,90,29,539
LIABILITIES							
NON-CURRENT LIABILITIES							
Financial Liabilities							
Other Financial Liabilities	14	-		-		-	
Provisions	15	68,919		68,611		72,026	
Deferred Tax Liabilities (Net)	16	23,70,152		27,25,509		28,78,299	
Other Non Current Liabilities	17	27,000		27,000		27,000	
			24,66,071		28,21,120		29,77,325
CURRENT LIABILITIES							
Financial Liabilities							
Trade Payables	18						
Total outstanding dues of micro enterprises and small enterprises		-		-		-	
Total outstanding dues of creditor - other than micro enterprises and small enterprises		23,000		22,900		12,835	
Other Financial Liabilities	14	14,719		10,694		20,331	
Other Current Liabilities	19	37,261		56,566		37,261	
Provisions	15	17,648		17,550		21,237	
			92,628		1,07,710		91,664
Total Equity and Liabilities			2,12,01,525		2,16,21,194		2,20,98,528
Basis of Accounting	2						
Significant Accounting Policies	3						
Significant Judgement and Key Estimates	4						

The Notes are an integral part of the Financial Statements

For ALPS & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

R. S.Tulsyan
Partner
Membership No- 051793
2, Lal Bazar Street,
Kolkata - 700 001

ALPS & CO. Principal Office Chartered Accountants

The 24th day of May 2017

BACHH RAJ NAHAR
DIN :00049895
Directors

GIRISH SHARMA
DIN :01192625
Directors

BUDGE BUDGE FLOOR COVERINGS LIMITED

CIN :U36994WB1996PLC076677

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

(Amount in ₹)

INCOME	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Operations	20	8,64,000	8,64,000
Other Income	21	4,00,897	6,29,090
Total Income		**12,64,897**	**14,93,090**
EXPENSES			
Depreciation and Amortisation Expense	22	9,49,702	9,76,200
Other Expenses	23	5,21,493	1,155,691
Total Expenses		**14,71,195**	**21,31,891**
Profit before Tax		**(2,06,298)**	**(6,38,801)**
Tax Expense:			
Deferred Tax	24	(2,96,035)	(1,97,247)
Profit for the year		**89,737**	**(441,554)**
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss		(1,98,596)	1,48,836
Income tax relating to these items	**25**	59,321	44,457
Other Comprehensive Income for the Year (Net of Tax)		(1,39,275)	1,04,379
Total Comprehensive Income for the period		**(49,538)**	**(3,37,175)**
Earnings Per Share (of ₹ 10/- each)			
Basic & Diluted (₹)		(0.01)	(0.08)
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgement and Key Estimates	4		

The Notes are an integral part of the Financial Statements

For ALPS & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

ALPS & CO. Principal Office Chartered Accountants

R. S.Tulsyan
Partner
Membership No- 051793
2, Lal Bazar Street,
Kolkata - 700 001

The 24th day of May 2017

BACHH RAJ NAHAR
DIN :00049895
Directors

GIRISH SHARMA
DIN :01192625
Directors

BUDGE BUDGE FLOORCOVERINGS LTD.

Cash Flow Statement for the year ended 31st. March-2017

CIN :U36994WB1996PLC076677

Amount in ₹

	For the Year 31st March, 2017		For the Year 31st March, 2016	
A.Cash Flow from Operating Activites				
Profit / (Loss) Before Tax	(49,538)		(3,37,175)	
Adjustments for :				
Depreciation	9,49,702		9,76,200	
Profit on Sale of Current Investment	(15,242)		-	
Operating Profit before Working Capital Changes	8,84,922		6,39,025	
Adjustment for :				
Inventories	-		-	
Investments	(73,258)		(91,970)	
Loans & Advances	(5,45,774)		(409,923)	
Trade payable & other liabilities	(370,131)		(140,159)	
Cash generated from operations	(9,89,163)		(6,42,052)	
Net Cash from Operating Activities		(104,241)		(3,027)
B. Cash Flow from Investing Activities				
Purchase of Current Investment	(600,000)		-	
Sale of Current Investment	300,000	(300,000)	-	-
Net Increase in Cash and Cash Equivalents		**(404,241)**		**(3,027)**
Cash and Cash Equivalents (Opening Balances)		4,84,106		4,87,133
Cash and Cash Equivalents (Closing Balances)		79,865		**4,84,106**

Notes

a. Above statement has been prepared in indirect method.

b. Cash and Cash Equivalents represents " Cash Balance in hand and Balances with Scheduled Banks".

c. Figures for the previous year have been re-grouped whereever considered necessary

For ALPS & CO.

Chartered Accountants

Firm's ICAI Regn. No. 313132E

ALPS & CO. Principal Office Chartered Accountants

R. S.Tulsyan

Partner

Membership No- 051793

2, Lal Bazar Street,

Kolkata - 700 001

The 24th day of May 2017

BACHH RAJ NAHAR

DIN :00049895

GIRISH SHARMA

DIN :01192625

Directors

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

1. CORPORATE AND GENERAL INFORMATION

BUDGE BUDGE FLOORCOVERINGS LIMITED is the company of the M. P. Birla Group. It was incorporated as Birla DLW Limited in the year 1996. The Company is primarily engaged in the manufacturing of Linoleum product 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 31st 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 1st 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. 35. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st 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 1st April, 2015 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2017 have been approved by the Board of Directors in their meeting held on 24th May, 2017.

2.2 Basis of Measurement

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

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- Defined benefit plans – plan assets measured at fair value; and

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 the 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

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- 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 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.2 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.

3.3 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.

3.3.1. 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.

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply 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.

3.4 Property, Plant and Equipment

3.4.1. 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 29th December 2011), which will be continued in accordance with Ind-AS 101 for all long term foreign currency monetary items, if any, as at 31st March 2016.

- 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.

3.4.2. 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.

3.4.3. 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.

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- 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.

3.4.4. 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.

3.5 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 and the specific of each arrangement.

3.5.1. Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

3.5.2. 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.

3.6 Employee Benefits

3.6.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.6.2. Other Long Term Employee Benefits

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

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3.6.3. Post Employment Benefits

The Company operates the following post employment schemes:

- **Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

- **Defined Contribution Plan**

Defined contribution plans such as provident fund etc are charged to the statement of profit and loss as and when incurred. Further for certain employees the monthly contribution for provident fund is made to a trust administered by the company. The interest payable by the trust is notified by the government. The company has an obligation to make good the shortfall, if any. The expenses on account of provident fund maintained by the trust are based on actuarial valuation using projected unit credit method.

3.6.4. Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit & Loss immediately.

3.7 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.

3.7.1. Financial Assets

- **Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

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- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ **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.

3.7.2. Financial Liabilities

➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

➢ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at

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FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- **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.

3.8 Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.9 Provisions, Contingent Liabilities and Contingent Assets

3.9.1. 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.

3.9.2. 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.

3.9.3. 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.

3.9.4. 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. All other expenditure is recognized in the Statement of Profit & Loss.

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3.9.5. Amortization

The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.10 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. Company Operates in single segment.

3.11 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.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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.

- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the

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assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- **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 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.

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Notes to Financial Statements as on and for the year ended 31st March, 2016

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2016												
	Gross Carrying Amount						Accumulated Depreciation						
	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	Net Carrying Amount
Buildings	78,44,843	-	-	-	-	78,44,843	-	6,09,163	-	-	-	6,09,163	72,35,680
Plant and Machinery	29,99,114	-	-	-	-	29,99,114	-	3,24,132	-	-	-	3,24,132	26,74,982
Electrical Machinery	1,63,951	-	-	-	-	1,63,951	-	16,408	-	-	-	16,408	1,47,543
Furniture and Fittings	29,018	-	-	-	-	29,018	-	-	-	-	-	-	29,018
Office Equipments	62,802	-	-	-	-	62,802	-	26,497	-	-	-	26,497	36,305
Total	1,10,99,728	-	-	-	-	1,10,99,728	-	9,76,200	-	-	-	9,76,200	1,01,23,528

Particulars	Year Ended 31st March 2017												
	Gross Carrying Amount						Accumulated Depreciation						
	As at 31st March 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	Net Carrying Amount
Buildings	78,44,843	-	-	-	-	78,44,843	6,09,163	6,09,163	-	-	-	12,18,326	66,26,517
Plant and Machinery	29,99,114	-	-	-	-	29,99,114	3,24,132	3,24,131	-	-	-	6,48,263	23,50,851
Electrical Machinery	1,63,951	-	-	-	-	1,63,951	16,408	16,408	-	-	-	32,816	1,31,135
Furniture and Fittings	29,018	-	-	-	-	29,018	-	-	-	-	-	-	29,018
Office Equipments	62,802	-	-	-	-	62,802	26,497	-	-	-	-	26,497	36,305
Total	1,10,99,728	-	-	-	-	1,10,99,728	9,76,200	9,49,702	-	-	-	19,25,902	91,73,826

Notes:

For Propery, Plant and Equipment exisiting as on 1st April 2015, i.e. the date of transition to Ind AS for the company, the company has considered previous GAAP (i.e., IGAAP) carrying value as deemed cost as per the option available under para D7AA of Ind AS 101 "First Time Adoption".

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Notes Financial Statements as on and for the year ended 31st March, 2017

Note No. (Amount in ₹)

Note No.	Particulars	Refer Note No.	Long Term As at 31st March 2017	Long Term As at 31st March 2016	Long Term As at 1st April 2015	Short Term As at 31st March 2017	Short Term As at 31st March 2016	Short Term As at 1st April 2015
6	**INVESTMENTS**							
	476.301 Reliance Money Manager Fund-Retail Option-Growth Plan (LP-RG)(PY-617.49)					10,33,708	12,45,391	11,53,421
	151.280 Reliance Liquid Fund - Treasury Plan-Growth Plan (LF-AG)(PY- Nil)					6,00,182	-	-
						16,33,890	12,45,391	11,53,421
7	**LOANS**							
	Other Loans and Advances							
	Advance to Employees, unsecured, considered good		-	-	-	3,625	3,625	3,625
	Total Loans		-	-	-	3,625	3,625	3,625

7.1 No Loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

7.2 Details of loans and advances to related parties as required by sec. 186 of the Companies Act, 2013

		Balance Outstanding As at 31st March 2017	Balance Outstanding As at 31st March 2016	Balance Outstanding As at 1st April 2015	Maximum Outstanding For the year ended 31st March 2017	Maximum Outstanding For the year ended 31st March 2016	Maximum Outstanding For the year ended 1st April 2015
i.	**Holding Company**						
	Birla Corporation Limited	-	-	-	-	-	-

Note No.	Particulars	Refer Note No.	Long-term As at 31st March 2017	Long-term As at 31st March 2016	Long-term As at 1st April 2015	Short-term As at 31st March 2017	Short-term As at 31st March 2016	Short-term As at 1st April 2015
8	**OTHERS FINANCIAL ASSETS**							
	Unsecured, considered good		4,37,758	-	-		-	-
	Unsecured, considered doubtful		-	-	-		-	-
			4,37,758	-	-	-	-	-
9	**OTHER ASSETS**							
	Advances other than Capital Advances							
	Advance Tax and TDS (Net of provisions)		1,97,278	1,97,278	1,97,278	-	-	-
	Prepaid Expenses		-	-	-	12,000	12,000	12,000
	Balances with Government & Statutory Authorities		10,272	10,272	10,272	-	-	-
	Other Advances		52,70,713	51,63,105	47,54,150	60,401	59,992	59,024
	Total Other Assets		54,78,263	53,70,655	49,61,700	72,401	71,992	71,024

Note No.	Particulars	Refer Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
10	**INVENTORIES**				
	(As valued and certified by the Management)				
	Raw Materials	10.1	41,42,418	41,42,418	41,42,418
	Stores and Spares etc.		1,79,479	1,79,479	1,79,479
			43,21,897	43,21,897	43,21,897
10.1	The above includes goods-in-transit as under:				
	Raw Materials		-	-	-
	Finished Goods		-	-	-
	Stores and Spares etc.		-	-	-
			-	-	-
11	**CASH AND CASH EQUVALENTS**				
	Balances With Banks :				
	In Current Account		78,590	4,81,974	4,86,105
	Cash in Hand		1,275	2,132	1,028
			79,865	4,84,106	4,87,133

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Notes Financial Statements as on and for the year ended 31st March, 2017

(Amount in ₹)

		Refer Note No.	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
			No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
12	**EQUITY SHARE CAPITAL**							
12.1	**Authorised Share Capital**							
	Ordinary Shares of ₹10/- each		2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
			2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
12.2	**Issued Share Capital**							
	Ordinary Shares of ₹10/- each		40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
			40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
12.3	**Subscribed and Paid-up Share Capital**							
	Ordinary Shares of ₹10/- each fully paid-up		40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
	Add: Forfeited Ordinary Shares (Amount originally paid-up)							
			40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000

12.4 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.

12.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e., Ordinary Shares having par value of ₹10 per share. Each holder of the Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

12.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

Holding Company - Birla Corporation Limited 100%	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000

12.7 No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

12.8 The Company has not allotted any equity shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

12.9 No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

12.10 No calls are unpaid by any Director or Officer of the Company during the year.

(Amount in ₹)

		Refer Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
13	**OTHER EQUITY**				
	Retained Earnings	13.1	(213,57,174)	(213,07,636)	(20,970,461)
			(2,13,57,174)	(2,13,07,636)	(2,09,70,461)

		As at 31st March 2017	As at 31st March 2016
13.1	**Retained Earnings**		
	Balance at the beginning of the year	(213,07,636)	(209,70,461)
	Add: Loss for the year	(49,538)	(3,37,175)
	Balance at the end of the year	(213,57,174)	(213,07,636)
	Total Reserve & Surplus	(2,13,57,174)	(2,13,07,636)

		Refer Note No.	Long-term			Short-term		
			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
14	**OTHER FINANCIAL LIABILITIES**							
	Employees related Liabilities		-	-	-	14,719	10,694	20,331
			-	-	-	14,719	10,694	20,331
15	**PROVISIONS**							
	Provision for Employee Benefits		68,919	68,611	72,026	17,648	17,550	21,237
			68,919	68,611	72,026	17,648	17,550	21,237

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
16	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred Tax Liabilities			
	Arising on account of :			
	Depreciation	17,46,071	19,01,234	21,17,427
	Others	624,081	824,275	7,60,872
	Deferred Tax Liabilities (Net)	23,70,152	27,25,509	28,78,299
17	**OTHER NON CURRENT LIABILITIES**			
	Others	27,000	27,000	27,000
		27,000	27,000	27,000

BUDGE BUDGE FLOORCOVERINGS LIMITED
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Notes Financial Statements as on and for the year ended 31st March, 2017

		Refer Note No.		For the year ended 31st March 2017	For the year ended 31st March 2016
					(Amount in ₹)
18	TRADE PAYABLES				
	Trade Payables for goods and services				
	-Total outstanding dues of micro, small and medium enterprises		-	-	-
	-Others		23,000	22,900	12,835
			23,000	22,900	12,835
19	OTHER CURRENT LIABILITIES				
	Statutory Dues		-	19,305	-
	Other Payables		37,261	37,261	37,261
			37,261	56,566	37,261
20	REVENUE FROM OPERATIONS				
	License Fees			8,64,000	8,64,000
				8,64,000	8,64,000
21	OTHER INCOME				
	Interest Income				
	On Other Deposits,etc			3,020	3,020
	Net Gain/ (Loss) on sale of Investments				
	On Current investments			15,242	-
	Gain/ (Loss) on restatement of Investments (Mark to Market)			73,258	91,970
	Other Non Operating Income				
	Excess Liabilities and Unclaimed Balances written back			-	7,102
	Employees Benefits			2,79,111	2,60,119
	Miscellaneous Income			30,266	266,879
				4,00,897	6,29,090
22	DEPRECIATION AND AMORTIZATION EXPENSES				
	On Tangible Assets			9,49,702	9,76,200
				9,49,702	9,76,200
23	OTHER EXPENSES				
	Insurance			56,576	50,856
	Rates & Taxes			18,850	18,850
	Law Charges			4,12,138	10,06,128
	Auditors' Remuneration	20.1		14,375	15,458
	Other Expenses			19,554	64,399
				5,21,493	11,55,691
23.1	Auditors' Remuneration				
a	Statutory Auditors				
	Audit Fees			14,375	14,313
	Issue of Certificates			-	1,145
				14,375	15,458
24	TAX EXPENSE				
	Deferred Tax			(2,96,035)	1,97,247
				(2,96,035)	1,97,247
25	OTHER COMPREHENSIVE INCOME				
	Items that will not be reclassified to profit or loss				
	Remeasurement of the defined benifit plans			(1,98,596)	1,48,836
	Less: Tax expense on the above			59,321	44,457
	Total			(1,39,275)	104,379

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BUDGE BUDGE FLOORCOVERINGS LIMITED
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Statement of Change in Equity for the year ended 31st March, 2017

(Amount in ₹)

a) **Equity Share Capital**

Balance as at 1st April 2015	4,00,00,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2016	4,00,00,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2017	**4,00,00,000**

b) **Other Equity**

	Reserve & Surplus						Items of Other Comprehensive Income			Total
	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference Account	Retained Earnings	Debt instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
										-
Balance as at 1st April, 2015	-	-	-	-	-	(2,25,03,140)	-	-	15,32,679	(2,09,70,461)
Profit for the year						(4,41,554)				(441,554)
Other Comprehensive Income	-	-	-	-	-	1,04,379	-	-	-	104,379
Total Comprehensive Income for the year	-	-	-	-	-	(3,37,175)	-	-	-	(3,37,175)
Dividends Paid	-	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from OCI to Statement of Profit & Loss	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2016	-	-	-	-	-	(2,28,40,315)	-	-	15,32,679	(2,13,07,636)

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BUDGE BUDGE FLOORCOVERINGS LIMITED

CIN :U36994WB1996PLC076677

Statement of Change in Equity for the year ended 31st March, 2017

(Amount in ₹)

b) Other Equity

	Reserve & Surplus						Items of Other Comprehensive Income			Total
	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference Account	Retained Earnings	Debt instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2016	-	-	-	-	-	(2,28,40,315)	-	-	15,32,679	(2,13,07,636)
Profit for the year						89,737				89,737
Changes in account policy/ prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31st March, 2016	-	-	-	-	-	(2,27,50,578)	-	-	15,32,679	(2,12,17,899)
Other Comprehensive Income	-	-	-	-	-	(1,39,275)	-	-	-	(1,39,275)
Total Comprehensive Income for the year	-	-	-	-	-	(139,275)	-	-	-	(139,275)
Dividends Paid	-	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from OCI to Statement of Profit & Loss	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	-	-	-	-	-	(2,28,89,853)	-	-	15,32,679	(2,13,57,174)

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26 Contingent Liabilities and Contingent Assets:

26.1 Claims/Disputes/Demands not acknowledged as debts pending in different legal forums of:

Sl. No.	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a	Excise Duty and Service Tax	4,13,973	4,13,973	4,13,973

27 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.	-	-	-
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.	-	-	-
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	-	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
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	-	-	-

28 The Company operates in single segment.

29 The operations of the Company are under "Suspension" since 29th. October, 2003

30 **Defined Contribution Plan:**

The amount recognized as an expense for the Defined Contribution Plans are as under:

Sl. No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
a	Provident Fund	-	-
b	Superannuation Fund	-	-
c	Pension Fund	-	-

31 **Defined Benefit Plan:**

The following are the types of defined benefit plans

31.1 **Gratuity Plan**

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Paymet of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

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(in ₹I)

31.2 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its

Particulars	Gratuity	
	2016-17	2015-16
Balance at the beginning of the year	31,29,852	31,37,802
Current Service Cost	1,06,550	1,21,024
Interest Cost on Defined Benefit Obligation	2,50,210	2,51,560
Actuarial Gain and Losses arising from :		
Changes in demographic assumptions	-	-
Changes in financial assumptions	1,66,488	-
Expereince Adjustment	(2,13,333)	(2,45,494)
Benefits Paid from the Plan Assets	(3,62,736)	(1,35,040)
Balance at the end of the year	30,77,031	31,29,852

31.3 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	
	2016-17	2015-16
Balance at the beginning of the year	82,92,957	78,91,952
Interest Income on Plan Assets	6,62,964	6,32,703
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(2,45,441)	(96,658)
Employer Contributions to the Plan	-	-
Benefits Paid from the Plan Assets	(3,62,736)	(1,35,040)
Balance at the end of the year	83,47,744	82,92,957

31.4 Expenses recognized in profit or loss

Particulars	Gratuity	
	2016-17	2015-16
Current Service Cost	1,06,550	1,21,024
Interest Cost	(4,12,754)	(3,81,143)
Interest Income on Plan Assets	(3,06,204)	(2,60,119)

31.5 Remeasuremets recognzied in other comprehensive income

Particulars	Gratuity	
	2016-17	2015-16
Actuarial (gain)/ Loss on defined benefit obligation	(46,845)	(245,494)
Return on plan assets greater/ (lesser) than discount rate	2,45,441	96,658

31.6 Major Categories of Plan Assets

Particulars	Gratuity	
	2016-17	2015-16
Qualified Insurance Policy	100%	100%

The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India and Cap Assure Group Gratuity Scheme offered by SBI Life Insurance Co. Limited and HDFC Life Group variable employee benefit plan offered by HDFC Standard LIfe Insurance Company Limited and IndiaFirst New Corporate Benefit plan fro gratuity offered by IndiaFirst Life Insurance Company Limited. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

31.7 Asset-Liability Matching Strategy

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this frameowrk, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

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(in ₹)

31.8 Actuarial Assumptions

Particulars	Gratuity	
	2016-17	2015-16
Financial Assumptions		
Discount Rate	7%	8%
Salary Escalation Rate	5%	5%
Demographic Assumptions		
Mortality Rate	IAL (2006-2008) Modified Ultimate	IAL (2006-2008) Modified Ultimate
Withdrawal Rate	2%	2%

31.9 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

31.10 At 31st March 2017, the weighted average duration of the defined benefit obligation was 6 years. The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	Gratuity
31st March 2018	6,71,033
31st March 2019	11,16,035
31st March 2020	11,16,035
31st March 2021	11,16,035
31st March 2022	11,16,035
31st March 2023 to 31st March 2027	18,90,581

31.11 The Company expects to contribute NIL (previous year NIL) to its gratuity fund in 2017-18

31.12 The following payments are expected contributions to the defined benefit plan in future years:

Expected contributions	Gratuity
Within next 12 months (next annual reporting period)	NIL

31.13 Employee Benefit Expense also includes provident funds in the nature of defined benefit plans contribution amounting to NIL (previous year NIL)

31.14 Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity	
	2016-17	2015-16
Effect on DBO due to 1% increase in Discount Rate	29,14,181	29,70,789
Effect on DBO due to 1% decrease in Discount Rate	32,56,855	33,05,635
Effect on DBO due to 1% increase in Salary Escalation Rate	32,58,639	33,09,127
Effect on DBO due to 1% decrease in Salary Escalation Rate	29,09,714	29,64,977

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

32 In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as as follows:

32.1

Particulars	Amount
Gross Amount Required to be spent by the company during the year	-
Related Party transactions as per Ind AS 24 in relation to CSR Expenditure	-
Provision made in relation to CSR expenditure	-

32.2 Amount spent during the year on:

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
i	Construction/ Acquisition of any asset	-	-	-
ii	On purpose other above	-	-	-

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(in ₹)

33 Related Party Disclosures

33.1 As defined in Indian Accounting Standard-24, the Company has a related party relationship with its Holding Company

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%

33.2 Transactions during the year

Particulars	2016-2017			2015-2016		
	Holding Company	Associates	Key Management Personnel	Holding Company	Associates	Key Management Personnel
Sale of goods/services	8,64,000	-	-	8,64,000	-	-
Advances received	614	-	-	51,291	-	-
Refund of Advances Recived	614	-	-	51,291	-	-

33.3 Key Management Personnel compensation

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Short-term employee benefits	-	-
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
Total compensation	-	-

33.4 Balance Outstanding as at the balance sheet date

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Payables			
Subsidiaries	-	-	-
Associates	-	-	-
Trade Receivables			
Subsidiaries	-	-	-
Associates	-	-	-
Advances Given			
Subsidiaries	-	-	-
Associates	-	-	-
Provision for Doubtful Advances			
Subsidiaries	-	-	-
Associates	-	-	-

34 Transition to Ind AS

34.1 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.

34.2 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.

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(in ₹)

34.3 Optional Exemptions Availed

Property Plant and Equipment, Intangible Assets and Investment Properties

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets and investment property also. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities.

34.4 Mandatory Exceptions

a Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the smae date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

-Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.

b De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transctions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measuremnt of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

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Notes to Financial Statements as on and for the year ended 31st March, 2017

35.0 - Transition to Ind AS - Reconciliations (in ₹)

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 differs 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.

35.1 - Reconciliation of material items of Balance sheet as at April 1, 2015 (Transition Date) and as at March 31, 2016

Particulars	Refer Note	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 1.4.2015
ASSETS							
Other Non-Current Assets	35.4.c	27,76,217	21,85,483	49,61,700	29,97,176	23,73,479	53,70,655
Investments	35.4.a	6,28,821	5,24,600	11,53,421	6,36,289	6,09,102	12,45,391
EQUITY AND LIABILITIES							
Equity Share Capital		4,00,00,000	-	4,00,00,000	4,00,00,000	-	4,00,00,000
Other Equity		(2,29,19,672)	19,49,211	(2,09,70,461)	(2,34,65,942)	21,58,306	(2,13,07,636)
Deferred Tax Liabilities (Net)	35.4.b	21,17,427	7,60,872	28,78,299	19,01,234	8,24,275	27,25,509

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

35.2 Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
INCOME				
Revenue from Operations		8,64,000	-	8,64,000
Other Income	35.4.c	5,05,428	1,23,662	6,29,090
Total Income (A)		13,69,428	1,23,662	14,93,090
EXPENSES				
Depreciation and Amortisation Expense		9,76,200	-	9,76,200
Other Expenses		11,55,691	-	11,55,691
Exceptional items		-	-	-
Total Expenses (B)		21,31,891	-	21,31,891
Profit before Exceptional Items and Tax		(7,62,463)	1,23,662	(6,38,801)
Exceptional Items		-	-	-
Profit before Tax		(7,62,463)	1,23,662	(6,38,801)
Tax Expense:				
Deferred Tax	35.4.b	(2,16,193)	18,946	(1,97,247)
Income Tax for earlier years		-	-	-
Profit for the year		(5,46,270)	1,04,716	(4,41,554)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	35.4.c	-	1,48,836	1,48,836
Income tax relating to these items		-	44,457	44457
		-	1,04,379	1,04,379
Total Comprehensive Income for the period		(5,46,270)	2,09,095	(3,37,175)

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(in ₹)

35.3 - Reconcilliation of Total Equity

Particular	Refer Note No.	As at 31st March,2016	As at 1st April,2015
Equity under Previous Indian GAAP		**(2,34,65,942)**	**(2,29,19,672)**
On account of measuring Investments at Fair Value	35.4.a	6,48,262	5,24,600
Other IND AS adjustments	35.4.c	21,85,483	21,85,483
Impact of Tax	35.3.b	(8,24,275)	(7,60,872)
Items reclassified to OCI	35.3.c	1,48,836	-
Total adjustment to equity		**21,58,306**	**19,49,211**
Total equity under Ind AS		**(2,13,07,636)**	**(2,09,70,461)**

35.4 - Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

a. Fair valuation of investments

Under the Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2016.

b. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

c. Re-Classifications

The Company has done the following reclassifications as per the requirements of Ind-AS:

i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

ii) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.

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

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities		(3,027)		(3,027)
Net cash flow from Investing Activities		-		-
Net cash flow from Financing Activities		-		-
Net increase/(decrease) in cash and cash equivalents		(3,027)	-	(3,027)
Cash and cash equivalents as at 1 April 2015		4,87,133		4,87,133
Cash and cash equivalents as at 31 March 2016		4,84,106		4,84,106

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(in ₹)

35.6 Notes to First Time Adoption

a Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016. This increased the retained earnings by INR 91,970/- as at 31 March 2016 (1 April 2015 - INR 416532).

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2016. This increased other reserves by INR NIL as at 31 March 2016 (1 April 2015 - INR NIL).

Consequent to the above, the total equity as at 31 March 2016 increased by INR NIL (1 April 2015 - INR NIL) and profit and other comprehensive income for the year ended 31 March 2016 increased by INR NIL and INR NIL, respectively.

b Retained Earnings

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

c Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

36 Fair value of Financial Assets and Financial Libailities

As at 31st March 2017 and 31st March 2016

Particulars	31st March 2017			31st March 2016		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Mutual Funds	16,33,890	-	-	12,45,391	-	-
Other Financial Assets	-	-	4,37,758		-	-
Loans Given	-	-	3,625	-	-	3,625
Cash and Cash Equivalents	-	-	79,865	-	-	4,84,106
Total Financial Assets	16,33,890	-	521,248	12,45,391	-	487,731
Financial Liabilities						
Trade Payables	-	-	23,000	-	-	22,900
Other Financial Liability	-	-	14,719	-	-	10,694
Total Financial Liabilities	-	-	37,719	-	-	33,594

As at 1st April 2015

Particulars	FVTPL	FVOCI	Amortized Cost
Financial Assets			
Investment			
- Mutual Funds	11,53,421	-	-
Loans Given	-	-	3,625
Cash and Cash Equivalents	-	-	4,87,133
Total Financial Assets	11,53,421	-	490,758
Financial Liabilities			
Trade Payables	-	-	12,835
Other Financial Liability	-	-	20,331
Total Financial Liabilities	-	-	33,166

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37 Fair Values

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

Particulars	31st March 2017		31st March 2016		1st April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Investments	16,33,890	16,33,890	12,45,391	12,45,391	11,53,421	11,53,421
Other Financial Assets	4,37,758	4,37,758	-	-	-	-
Loan to Employees	3,625	3,625	3,625	3,625	3,625	3,625
Cash and Cash Equivalent	79,865	79,865	484,106	484,106	487,133	487,133
Security Deposits	-	-	-	-	-	-
Total Financial Assets	21,55,138	21,55,138	17,33,122	17,33,122	16,44,179	16,44,179
Financial Liabilities						
Trade Payable	23,000	23,000	22,900	22,900	12,835	12,835
Other Financial Liability	14,719	14,719	10,694	10,694	20,331	20,331
Total Fianancial Liabilities	37,719	37,719	33,594	33,594	33,166	33,166

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

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

37.4 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.

37.5 The following methods and assumptions were used to estimate the fair values:

37.5.1 The bonds and government securities being listed, the fair value has been taken at the market rates of the same as on the reporting dates. They are classified as Level 1 fair values in fair value hierarchy.

37.5.2 The fair values for loans, security deposits were calculated based on cash flows discounted using a current ledning rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

37.5.3 The fair values of non current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs inlcuding own credit risks, which was assessed as on the balance sheet date to be insignificant.

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

As at 31st March 2017 and 31st March 2016

Particulars	31st March 2017			31st March 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Mutual Funds	16,33,890	-	-	12,45,391	-	-
Loan to Employees	-	-	-	-	-	-
Cash and Cash Equivalent	-	-	-	-	-	-
Total Financial Assets	16,33,890	-	-	12,45,391	-	
Financial Liabilities						
Total Financial Liabilities	-	-	-	-	-	-

As at 1st April 2015

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Mutual Funds	11,53,421	-	-
Loan to Employees	-	-	-
Cash and Cash Equivalent	-	-	-
Total Financial Assets	11,53,421	-	-
Financial Liabilities			
Total Financial Liabilities	-	-	-

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

As at 31st March 2017 and 31st March 2016

Particulars	31st March 2017			31st March 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Other Financial Assets	-	-	4,37,758	-	-	
Loan	-	-	3,625	-	-	3,625
Cassh and Cash Equivalent	-	-	79,865	-	-	484,106
Total Financial Assets	-	-	521,248	-	-	487,731
Financial Liabilities						
Trade Payables	-	-	23,000	-	-	22,900
Other Financial Liability	-	-	14,719	-	-	10,694
Total Financial Liabilities	-	-	37,719	-	-	33,594
Investment Properties	-	-	-	-	-	-

As at 1st April 2015

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Loan	-	-	3,625
Cassh and Cash Equivalent	-	-	487,133
Total Financial Assets	-	-	490,758
Financial Liabilities			
Trade Payables	-	-	12,835
Other Financial Liability	-		20,331
Total Financial Liabilities	-	-	33,166
Investment Properties			

37.8 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.

37.9 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:

37.9.1 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.

37.9.2 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.

37.9.3 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.

38 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2017.

a

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	-	23,000	-	-	-	23,000
Other financial liabilities	14,719	-	-	-	-	14,719
Total	14,719	23,000	-	-	-	37,719

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b The following are the remaining contractual maturities of financial liabilities as at 31st March 2016.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	-	22,900	-	-	-	22,900
Other financial liabilities	10,694	-	-	-	-	10,694
Total	10,694	22,900	-	-	-	33,594

c The following are the remaining contractual maturities of financial liabilities as at 1st April 2015.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	-	12,835	-	-	-	12,835
Other financial liabilities	20,331	-	-	-	-	20,331
Total	20,331	12,835	-	-	-	33,166

39 **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	1,000	2,270	3,270
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount deposited in Banks	1,000	-	1,000
Closing cash in hand as on 30th December 2016	-	2,270	2,270

40 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.

For ALPS & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

R. S.Tulsyan
Partner
Membership No- 051793
2, Lal Bazar Street,
Kolkata - 700 001

The 24th day of May 2017

ALPS & CO. Chartered Accountants

BACHH RAJ NAHAR
DIN :00049895
Directors

GIRISH SHARMA
DIN :01192625
Directors