

CHARTERED ACCOUNTANTS
G.P. Agrawal & Co.

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7th May, 2018

To
The Board of Directors,
M/s. Macfarlane & Company Limited
Belgharia,
Kolkata - 700056.

Dear Sir,

We are enclosing herewith 4 copies of your Statement of Profit and Loss for the year ended 31st March, 2018 and the Balance Sheet as on that date together with our Audit Reports thereon.

We have great pleasure in informing you that our appointment, if made, will be in accordance with the applicable provisions of the Companies Act, 2013 (the Act). In this connection we hereby certify that

- i) We are eligible for appointment and are not disqualified for appointment under the Act, the Chartered Accountants Act, 1949 and Rules and Regulations made therein.
- ii) The proposed appointment is within the term allowed under the Act.
- iii) The proposed appointment is within the limits laid down by or under the authority of the Act.
- iv) There is no proceeding against the auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct.

Yours faithfully,
For G. P. Agrawal & Co.
Chartered Accountants
FR No. 302082E


(CA. Ajay Agrawal)
Partner

Membership No. 17643



Independent Auditor's Report

To The Members of Macfarlane & Company Limited

Report on the Ind AS Financial Statements of
MACFARLANE & COMPANY LIMITED

We have audited the Ind AS financial statements of Macfarlane & Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows & changes in the Equity of the Company in accordance with the accounting principles

**BALANCE SHEET AS AT 31ST MARCH, 2018 AND STATEMENT OF PROFIT &
LOSS FOR THE YEAR ENDED ON THAT DATE**

as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 (As amended). This responsibility includes the 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 Ind AS financial statements that give a true and fair view and for preventing and detecting fraud. It also includes the selection and application of appropriate accounting policies and estimates that are reasonable and prudent, and the 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 Ind AS financial statements that give a true and fair view and for preventing and detecting fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on the Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and other matters to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Act and other applicable auditing standards issued by the Institute of Chartered Accountants of India. Those standards require us to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

G.P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Report
To The Members of **Macfarlane & Company Limited**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Macfarlane & Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows & changes in the Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (As amended) under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (As amended). 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 Ind AS 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 Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards & pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



Independent Auditor's Report (Contd.)

To The Members of **Macfarlane & Company Limited**

Report on the Ind AS Financial Statements (Contd.)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profit including other comprehensive income, its cash flows and changes in Equity 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 Subsection (11) of Section 143 of the Act, we give in the "Annexure A," a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



Independent Auditor's Report (Contd.)

To The Members of **Macfarlane & Company Limited**

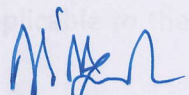
Report on the Ind AS Financial Statements (Contd.)

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company did not have any pending litigations which requires disclosure in its Ind AS financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **G. P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E


(CA. Ajay Agrawal)

Partner

Place: Kolkata

Date: 7th May, 2018

Membership No. 017643



Independent Auditor's Report (Contd.)

To The Members of **Macfarlane & Company Limited**

Annexure - A to the Independent Auditors' Report

Statement referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Macfarlane & Company Limited on the Ind AS Financial Statements for the year ended 31 March, 2018:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipments.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) The title deeds of immovable properties of the Company are held in the name of the Company.
- (ii) The Company's nature of operations does not require it to hold Inventories. Hence, provisions of clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and as such the provisions of clause (iii)(a), (iii)(b) & (iii)(c) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The company has not made any loan or investment or furnished any guarantee or securities within the meaning of sections 185 & 186 of the Act. Hence, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified and as such the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, 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, goods & service tax, cess and other material statutory dues, to the extent applicable to it, with the appropriate authorities. According to the information and explanations given to us, no undisputed statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

Independent Auditor's Report (Contd.)

To The Members of **Macfarlane & Company Limited**

Annexure - A to the Independent Auditors' Report (Contd.)

- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, goods & service tax, cess and other material statutory dues. Hence, provisions of clause (vii)(b) of paragraph 3 of the Order are not applicable to the Company.
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government. Also, there are no dues to debenture holders. Hence, provisions of clause (viii) of paragraph 3 are not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer or further public offer or term loans. Hence, the provisions of clause (ix) of paragraph 3 of the said Order are not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanations given to us, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the course of our audit.
- (xi) The company has not paid or provided for any managerial remuneration during the year and as such the provisions of clause (xi) of paragraph 3 of the said Order are not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Hence, the provisions of clause (xii) of Paragraph 3 of the Order are not applicable to the company.
- (xiii) All transactions of the Company with the related parties are in compliance with sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year under review. Hence, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non cash transactions with its directors or persons connected with them and as such the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.



Independent Auditor's Report (Contd.)
To The Members of Macfarlane & Company Limited

Independent Auditor's Report (Contd.)
To The Members of **Macfarlane & Company Limited**

Annexure - A to the Independent Auditors' Report (Contd.)

- (xvi) The Company is not a non-banking financial company and hence the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

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 (ICFR) framework by the Company considering the essential components of internal control as set out in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). Their responsibility includes the design, implementation and maintenance of adequate internal financial controls that effectively and efficiently manage the company's business risks, the safeguarding of its assets, the prevention and detection of errors and frauds, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Act.

Place: Kolkata

Date: 7th May, 2018

For **G. P. Agrawal & Co.**
Chartered Accountants

Firm's Registration No. - 302082E


(CA. Ajay Agrawal)

Partner

Membership No. 017643

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') issued by the Institute of Chartered Accountants of India (ICAI) under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI, whose standards and 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 aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 internal 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 opinion on the Company's internal financial controls over financial reporting.



Independent Auditor's Report (Contd.)

To The Members of **Macfarlane & Company Limited**

Annexure - B to the Independent Auditors' Report on even date on the financial statements of MACFARLANE & COMPANY LIMITED

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

We have audited the Internal Financial Controls over financial reporting of **Macfarlane & Company Limited** ("the Company"), as of March 31, 2018, in conjunction with our Audit of 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 Act.

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 deemed to be prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and 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 evaluation the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 opinion on the Company's internal financial controls system over financial reporting.



Independent Auditor's Report (Contd.)

To The Members of **Macfarlane & Company Limited**

Annexure - B to the Independent Auditors' Report on even date on the financial statements of MACFARLANE & COMPANY LIMITED (Contd.)

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 internal purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial 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, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India.

For **G. P. Agrawal & Co.**
Chartered Accountants

Firm's Registration No. - 302082E

(CA. Ajay Agrawal)

Partner



MACFARLANE & COMPANY LIMITED

9/1, R. N. MUKHERJEE ROAD, KOLKATA - 700 001

CIN L51909WB1919PLC003356

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in lakhs)

PARTICULARS	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	103.15	52.34
(b) Financial assets			
(i) Investments	3	0.04	0.04
(c) Other non-current assets	4	0.56	0.53
		103.75	52.91
(2) Current assets			
(a) Financial assets			
(i) Investments	5	103.87	149.92
(ii) Trade receivables	6	22.17	18.04
(iii) Cash and cash equivalents	7	11.98	5.49
(b) Other current assets	8	8.66	2.88
		146.68	176.33
Total Assets		250.43	229.24
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	9	10.00	10.00
(b) Other equity	10	230.28	209.31
		240.28	219.31
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	11	5.61	5.73
		5.61	5.73
(2) Current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	12	1.29	1.11
(b) Other current liabilities	13	0.38	0.07
(d) Current tax liabilities (net)	14	2.87	3.02
		4.54	4.20
Total Equity & Liabilities		250.43	229.24

The accompanying notes 1 to 18 are an integral part of the Financial Statements.

As per our report of even date attached

For G. P. AGARWAL & CO.
CHARTERED ACCOUNTANTS
 Firm's Registration No.302082E

CA, AJAY AGRAWAL
 PARTNER
 MEMBERSHIP NO.017643

A. K. VIJAY

A. K. NANDA

G. D. RATHI

DIRECTORS

Place : Kolkata
 Dated : 7th May, 2018

Secretary



MACFARLANE & COMPANY LIMITED

9/1, R. N. MUKHERJEE ROAD, KOLKATA - 700 001

CIN L51909WB1919PLC003356

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in lakhs)

PARTICULARS	Note No.	Year Ended 31st March, 2018 Rs.	Year Ended 31st March, 2017 Rs.
I Revenue from operations	15	27.11	28.42
II Other income	16	7.98	12.23
III Total income (I + II)		<u>35.09</u>	<u>40.65</u>
IV Expenses			
Employee benefits expense	17	1.20	0.30
Other expenses	18	<u>6.72</u>	<u>8.20</u>
		<u>7.92</u>	<u>8.50</u>
V Profit before tax (III - IV)		<u>27.17</u>	<u>32.15</u>
VI Tax expense			
(1) (a) Current tax		6.20	6.65
(b) Income-tax for earlier year		-	5.69
(2) Deferred tax		-	-
		<u>6.20</u>	<u>12.34</u>
VII Profit for the year (V - VI)		<u>20.97</u>	<u>19.81</u>
VIII Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the period (VII+VIII)		<u>20.97</u>	<u>19.81</u>
IX Earnings per equity share			
(1) Basic		11.22	10.60
(2) Diluted		11.22	10.60

The accompanying notes 1 to 18 are an integral part of the Financial Statements.

As per our report of even date attached

For **G. P. AGARWAL & CO.**
CHARTERED ACCOUNTANTS
 Firm's Registration No.302082E

CA, AJAY AGRAWAL
PARTNER
 MEMBERSHIP NO.017643

Place : Kolkata
 Dated : 7th May, 2018



A. K. VIJAY

A. K. NANDA

G. D. RATHI
 DIRECTORS

Secretary

MACFARLANE & COMPANY LIMITED
9/1, R. N. MUKHERJEE ROAD, KOLKATA - 700 001

CIN L51909WB1919PLC003356

(Rs. in lakhs)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Year Ended 31st March, 2018 Rs.	Year Ended 31st March, 2017 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	27.17	32.15
Profit on Sale of Investments - Current (Net)	(1.31)	(1.97)
Interest Received	(0.03)	(0.03)
Operating Profit before Working Capital Changes	25.83	30.15
Adjustments for:		
Other Non-Current Assets	(0.03)	0.81
Other Current Liabilities	0.36	(0.05)
Trade Receivable	(10.03)	(6.70)
Cash Generated from Operations	16.13	24.21
Direct Taxes paid	(6.22)	(12.01)
Net Cash Flow from Operating Activities (A)	9.91	12.20
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Income from Investments	1.31	1.97
Interest received	0.03	0.03
Purchase of Property, plant and equipment	(50.81)	-
(Purchase)/Sale of Investment	46.05	(11.03)
Net Cash used in Investing Activities (B)	(3.42)	(9.03)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net Cash used in Financing Activities (C)	-	-
Net Changes in Cash & Cash Equivalent (A+B+C)	6.49	3.17
Cash & Cash Equivalent - Opening Balance	5.49	2.32
Cash & Cash Equivalent - Closing Balance	11.98	5.49

* Represent Cash and cash equivalents as indicated in Note No.7

The above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 (Statement of Cash Flow)

Notes referred to above form an integral part of the Cash Flow Statement

In terms of our Report of even date attached herewith.

For G. P. AGARWAL & CO.
 CHARTERED ACCOUNTANTS
 Firm's Registration No.302082E

CA, AJAY AGRAWAL
 PARTNER
 MEMBERSHIP NO.017643



Place : Kolkata
 Dated : 7th May, 2018

A. K. VIJAY
 A. K. NANDA
 G. D. RATHI

DIRECTORS

SECRETARY

MACFARLANE & COMPANY LIMITED

9/1, R. N. MUKHERJEE ROAD, KOLKATA-700 001

FINANCIAL YEAR 2017 - 2018

1. NOTES TO THE FINANCIAL STATEMENTS:

General corporate information:

Macfarlane & Company Limited ('the Company') incorporated in 1919 has its Registered Office at 9/1, R. N. Mukherjee Road, Birla Building, 6th Floor, Kolkata-700 001. The Company is listed on The Calcutta Stock Exchange Limited. The Company has no manufacturing activity. Company's source of income is renting of immovable property and income from investment.

The financial statements for the year ended 31st March, 2018 were approved by the Board of Directors and authorized for issue on 7th May, 2018.

Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation of Financial Statements

The financial statements of the Company are prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services. 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 the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of Estimates

The preparation of the Financial Statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year. Accounting estimate could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, these effects are disclosed in the notes to financial statements.

(d) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i.) Financial assets carried at amortised cost

A Financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect 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 on the principal amount outstanding.

ii.) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

iii.) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iv.) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected



MACFARLANE & COMPANY LIMITED
9/1, R. N. MUKHERJEE ROAD, KOLKATA-700 001
FINANCIAL YEAR 2017 - 2018

v.) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(d) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Rent income/lease rentals are recognized on accrual basis in accordance with the terms of agreements.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Gain/(Loss) on sale of Current/ Non Current Investments are recognized at the time of redemption/sale and at fair value at each reporting period.

Dividend income is recognised when the company's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(e) Provisions and Contingent liabilities

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Contingent liability is a possible obligation that arises 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 is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.

(f) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(g) Cash & Cash Equivalents

The Company considers all liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(h) Taxation

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is calculated at current statutory Income Tax Rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax assets/ liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/ virtually certain to be realized.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws to the extent it is likely to give future economic benefits in the form of availability to set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(i) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculation, diluted



MACFARLANE & COMPANY LIMITED
9/1, R. N. MUKHERJEE ROAD, KOLKATA-700 001
FINANCIAL YEAR 2017 - 2018

(j) **Cash Flow Statement**

Cash Flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company are segregated.

(k) **Property, Plant and equipment**

Property, Plant and equipments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase cost including import duties and non refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

- (l) Depreciation on Property, plant and equipment have been provided on Written down value method as per Schedule - II of the Companies Act, 2013. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis:

Estimated useful lives of the assets are as follows:

Buildings	30 to 60 years
Plant and Equipments	3 to 15 years

iii) **Earning Per Share:**

	31st March, 2018	31st March, 2017
Profit after tax	20.97	19.81
Paid up Ordinary Shares (Nos. in lakhs)	1.87	1.87
Basic & Diluted Earning Per Share (Rs.)	11.22	10.60

iv) **Related party disclosures :**

a) Holding Company --

M/s Texmaco Infrastructure & Holdings Limited

b) Key Management Personnel :

Mr. A. K. Vijay, Director

c) Transaction with related parties :

As on 31-Mar-18	As on 31-Mar-17
Nil	Nil

Holding Company : Texmaco Infrastructure & Holdings Limited

- v) Since there is no significant timing difference is arising on account of depreciation calculated as per Companies Act, 2013 and Income Tax Act, 1961, the Deferred Tax is not recognised.

- vi) Since the WDV of tangible assets becomes less than 5% of the assets' original cost as on 01/04/2017, so, no depreciation has been provided during the year ended 31/03/2018 as per Schedule - II of the Companies Act, 2013.



Property, plant and equipment:

(Rs. in lakhs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1st April, 2017	Additions during the year	Deduction/ Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	For the year	Deduction/ Adjustment during the year	As at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	52.33	50.81	-	103.14	-	-	-	-	103.14
Building	0.01	-	-	0.01	-	-	-	-	0.01
Plant & Machinery	0.00	-	0.00	-	-	-	-	-	-
Electrical Installations	0.00	-	-	0.00	-	-	-	-	0.00
Total	52.34	50.81	0.00	103.15	-	-	-	-	103.15

Assets : Property, plant and equipment (PPE):

(Previous Year)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1st April, 2016	Additions during the year	Deduction/ Adjustment during the year	As at 31-Mar-17	As at 1st April, 2016	For the year	Deduction/ Adjustment during the year	As at 31st March, 2017	
Land	51.33	1.00	-	52.33	-	-	-	-	52.33
Building	0.01	-	-	0.01	-	-	-	-	0.01
Plant & Machinery	0.00	-	-	0.00	-	-	-	-	0.00
Electrical Installations	0.00	-	-	0.00	-	-	-	-	0.00
Total	51.35	1.00	-	52.35	-	-	-	-	52.34
G/Total	51.35	1.00	-	52.35	-	-	-	-	52.34

3 Investment

Non Current (Carried at amortised cost)
Government Securities (Matured)
(Lodged as Security with Central Excise)
12 Year National Plan Saving Certificates
12 Year National Defense Certificates

Year Ended
31st March, 2018
Rs.

Year Ended
31st March, 2017
Rs.

0.01

0.01

0.03

0.03

0.04

0.04

4 Other Non-current assets

Security Deposit at CESC Ltd.

0.56

0.53

5 Investments

Current (Carried at Fair value through Profit or Loss)
In Mutual Funds (Unquoted)

4,612.518 (Previous Year 7,111.990) units of SBI Ultra Short Term Debt fund Direct Plan Growth

103.87

149.92

6 Trade Receivable

Unsecured, considered good

22.17

18.04

7 Cash and cash equivalents

Cash in hand
Balance with Scheduled Banks (in Current A/c's)

0.06

0.02

11.92

5.47

11.98

5.49

8 Other current assets

CGST Recovery
SGST Recovery
Tax deducted at source

5.91

0.04

0.03

-

2.72

2.84

8.66

2.88

9 Share Capital

Authorised
3,80,000 Ordinary Shares of Rs.5/- each
1,00,000 Deferred Shares of Rs.1/- each

19.00

19.00

1.00

1.00

20.00

20.00

Issued, Subscribed & Paid-up
1,86,860 Ordinary Shares of Rs.5/- each
66,000 Deferred Shares of Rs.1/- each

9.34

9.34

0.66

0.66

Shares held by Holding Company



(Rs. in lakhs)

Reconciliation of shares outstanding at the beginning & at the end of the period

Particulars	31st March, 2018		31st March, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year				
Ordinary	186,860	9.34	186,860	9.34
Deferred	66,000	0.66	66,000	0.66
		10.00		10.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year				
Ordinary	186,860	9.34	186,860	9.34
Deferred	66,000	0.66	66,000	0.66
		10.00		10.00

Rights, Preferences & Restrictions:

- The Company has two class of shares referred to as ordinary shares having a par value of Rs.5/- and deferred shares having a par value Re. 1/-.
- Every member holding an Ordinary Share shall be entitled to one vote and every member holding five Deferred Shares shall be entitled to one vote.
- In the event of liquidation of the company the surplus assets shall be divisible amongst the holders of ordinary shares in payment of the amount of capital paid up or credited as paid up on the ordinary shares in priority to any payment in respect of Deferred shares. Thereafter any surplus assets shall be divisible amongst the holders of deferred shares in payment of the amount paid up or credited as paid up on the Deferred shares. The remaining surplus assets shall be divisible amongst the holders of Ordinary shares and Deferred Shares in proportion to the amount paid up credited as paid up on the Ordinary shares and Deferred shares respectively.

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

Name of Shareholders	31st March, 2018		31st March, 2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
M/s. Texmaco Infrastructure & Holdings Limited (Formerly M/s. Texmaco Limited)	139,265	74.53	139,265	74.53
Ordinary	16,551	25.08	16,551	25.08
Deferred				

	Year Ended 31st March, 2018 Rs.	Year Ended 31st March, 2017 Rs.
10 Other equity		
A. Capital Redemption Reserve		
Balance as per last account		
B. Surplus in the Statement of Profit and Loss		
Balance as per last account		
Add: Profit for the year	209.23	189.42
Closing balance	20.97	19.81
	230.20	209.23
	230.28	209.31
11 Other Financial liabilities (Non current)		
Security Deposits against Rent		
Employees Benevolent Fund	5.61	5.60
Less: Transferred to Sundry Dr./Cr. Balance adjusted	0.13	0.13
	(0.13)	-
	5.61	5.73
12 Other Financial liabilities (Current)		
Amount due to Preference Shareholders	0.05	0.05
Outstanding Expenses	1.24	1.06
	1.29	1.11
13 Other current liabilities :		
TDS from Contractor's Services.	0.02	0.01
TDS from Professional's Services.	-	0.06
CGST Payable	0.18	-
SGST Payable	0.18	-
	0.38	0.07
14 Current tax liabilities (net)		
Provision for Taxation	6.43	6.65
Less:- Advance tax	3.56	3.63
	2.87	3.02
15 Revenue from operation:		
Income from Renting of House property		
M/s. Bansal Motor Corporation, Kolkata	22.61	22.42
M/s. Kalindee Rahee - JV, Kolkata	4.50	



MACFARLANE & COMPANY LIMITED

9/1, R. N. MUKHERJEE ROAD, KOLKATA - 700 001

CIN L51909WB1919PLC003356

Notes on financial statements

(Rs. in lakhs)

		Year Ended 31st March, 2018 Rs.	Year Ended 31st March, 2017 Rs.
16	Other Income		
	Net gain on Sale of Current Investments	1.31	1.97
	Fair value gain on current investments	6.64	10.23
	Interest on Security Deposit	0.03	0.03
		7.98	12.23
17	Employee Benefits Expense		
	Salary, Gratuity & Bonus	1.20	0.30
		1.20	0.30
18	Other expenses		
	Electricity (Net)	0.10	0.15
	Rates & Taxes	0.60	0.60
	Repairs & Maintenance	0.73	0.58
	Insurance	0.04	0.04
	Advertisement	0.31	0.41
	Miscellaneous expenses	0.72	1.55
	Auditors' Remuneration	0.27	0.19
	Conveyance expenses (Local)	0.08	0.06
	Postage & Telephones expenses	0.04	0.04
	Stationery & Printing expenses	0.34	0.25
	Swachh Bharat & K K Cess	0.01	0.03
	Service charges (Net)	3.59	3.35
	Diminution in value of plant & machinery	0.00	-
	Sundry Debit/Credit balance adjusted (Net)	(0.12)	0.46
	Interest	-	0.46
	Professional tax	0.03	0.03
		6.72	8.20

Signatories to Notes on Accounts

Secretary

A. K. VIJAY

A. K. NANDA

G. D. RATHI

DIRECTORS

Dated : 7th May, 2018

G. P. AGRAWAL & CO.

Partner