B M CHATRATH & CO LLP
(FORMERLY B M CHATRATH & CO.)
CHARTERED ACCOUNTANTS
LLPIN AAJ-0682

REGD. OFFICE : CENTRE POINT, 4th FLOOR, Suite No. 440
21, HEMANTA BASU SARANI, KOLKATA - 700 001
TEL : 2248-4575/4667/6810/6798, 2210-1385
FAX/TEL : 2248-9934
E-mail : bmccal@bmchatrath.in
website : www.bmchatrath.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MACFARLANE & COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying Ind AS financial statements of **Macfarlane & Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement & the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for matters stated in Section 134 (5) of the Companies Act ("the Act") with respect to the preparation of these Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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

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

4. We have taken into account the provisions of the Act & the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. 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.

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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.

6. 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 judgment, including the assessment of the risks of material misstatement of 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.

7. 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

8. 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, 2017, and its profit (including other comprehensive income) and its cash flows and the Statement of Changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Company's (Auditor's Report) Order 2016 ("The Order") issued by the Central Government of India in terms of Section 143 (11) of the Act and on the basis of such checks of the Books and Records of the Company as we considered appropriate and according to the information and explanations given to us we give in annexure "A" a statement on the matters specified in paragraphs 3 & 4 of the Order.

10. 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 of the aforesaid Ind AS financial statements;

(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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Ind AS financial statements;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (As Amended).

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

(f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company & the operating effectiveness of such controls, refer to our Separate Report in Annexure 'B';

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note No. II of Notes to Accounts.

ii. The Company did not have any Long-term Contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 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 21.

For B M Chatrath & Co LLP
Chartered Accountants
Firm Regn. No. 301011E/E300025

(Sunil Kumar Basu)
Partner
Membership No.: 054484

'Centre Point'
21, Hemant Basu Sarani
Kolkata-700 001
Date: 15th May, 2017

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Annexure 'A' to the Independent Auditors' Report

Referred to in Paragraph 10(f) of the Independent Auditors' Report of even date to the Members 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")

1. We have audited the internal financial controls over financial reporting of **Macfarlane & Company Limited** ("the Company"), as of March 31, 2017, 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

2. The Company's Board of Directors 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

3. 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.

4. 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.

5. 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.

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Meaning of Internal Financial Controls over Financial Reporting

6. 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

7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the company has in all material respects adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st 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 B M Chatrath & Co LLP
Chartered Accountants
Firm Regn. No. 301011E/E300025

(Sunil Kumar Basu)
Partner
Membership No.: 054484

'Centre Point'
21, Hemant Basu Sarani
Kolkata-700 001
Date: 15th May, 2017

M CHATRATH & CO LLP
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The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

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

(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 as disclosed in Note No.2 on Fixed Assets are held in the name of the company.

(ii) The Company's nature of operations does not require it to hold Inventories. Accordingly the Paragraph 3 (ii) of the Order is not applicable.

(iii) (a) The Company has not granted loans to the body corporate/s covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), accordingly the Paragraph 3(iii) (a) of the Order is not applicable.

(b) Since the Company has not granted loans to the body corporate/s covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), accordingly the Paragraph 3(iii) (b) of the Order is not applicable.

(c) Since the Company has not granted loans to the body corporate/s covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), accordingly the Paragraph 3(iii) (c) of Paragraph 3 of the Order are not applicable.

(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 Companies Act, 2013. Accordingly the provisions of clause (iv) of Paragraph 3 of the said order is not applicable to the company.

(v) The Company has not accepted any deposits from the Public, within the meaning of Sections 73, 74, 75 & 76 of the Act & the Rules famed there under to the extent notified accordingly 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.

B M CHATRATH & CO. CHARTERED ACCOUNTANTS

NOIDA :- A-78, 2nd Floor, Sector - 4, Noida - 201301 (Uttar Pradesh) India, Ph. : 0120-4742001 to 4742008
DELHI :- Flat No. - 10, 45 Friends Colony East, New Delhi 110065
MUMBAI :- A/9, Sai Prasad, 2nd Floor, Rajshree Shahu Maharaj Cross Road. (Telly Gulley Cross Road), Andheri East, Mumbai- 400069, Ph. : 022-32231382
HYDERABAD :- 295/2RT, Vijaynagar Colony, Near St. Anns School, Hyderabad - 500057, Ph - 040-23311541

B M CHATRATH & CO LLP
(FORMERLY B M CHATRATH & CO.)
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REGD. OFFICE : CENTRE POINT, 4th FLOOR, Suite No. 440
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(vii) (a) According to the information and explanations given to us and the records of the Company examined by us the company generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues with the appropriate authorities

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, excise duty, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(viii) According to the records of the Company, examined by us & the information & explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any Financial Institution or Bank or Govt. Or dues to Debenture Holders as of the Balance Sheet date.

(ix) The Company did not raise any money by way of Initial Public Offer or Further Public Offer & Term Loans. Hence the provisions of the clause (ix) of paragraph 3 of the said order are not applicable to the company.

(x) During the course of our examination of the Books & Records of the Company carried out in accordance with the Generally Accepted Auditing Practices in India & according to the information & explanations given to us, we have neither come across any instance of Material Fraud by the company or on the Company by its officers or Employers obtain or Employees, noticed or reported during the year nor we have been informed of any such case by the Management.

(xi) The company has not paid/provided any for Managerial Remuneration during the year accordingly the provisions of clause the said order are not applicable to the company.

(xii) As the Company is not a Nidhi Company & Nidhi Rules 2014 are not applicable to it, the provisions of clause 3(xi) of Paragraph (3) of the order are not applicable to the company.

(xiii) The Company has entered into transactions with related parties' incompliance with the provisions of Sections 177 & 188 of the Act.

The details of such Related Party Transactions have been disclosed in the Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) The Company has not made any preferential allotment or private placement of shares of fully or partly converted convertible Debentures during the year under review. Accordingly the provisions clause (xiv) of Paragraph 3 of the order is not applicable to the company.

B M CHATRATH & CO LLP CHARTERED ACCOUNTANTS

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(xv) The Company has not entered into any non cash transactions with its Directors or Persons connected with him accordingly the provisions clause (xv) of paragraph 3 of the order are not applicable to the company.

(xvi) The company is not required to be registered under 451A of the Reserve Bank of India Act, 1934 accordingly the provisions of clause (xvi) of paragraph 3 of the order are not applicable to the company.

For B M Chatrath & Co LLP
Chartered Accountants
Firm Regn. No. 301011E/E300025

(Sunil Kumar Basu)
Partner
Membership No.: 054484

'Centre Point'
'21, Hemant Basu Sarani
Kolkata-700 001
Date: 15th May, 2017

MACFARLANE & COMPANY LIMITED
9.1 R. N. MUKHERJEE ROAD, KOLKATA - 700 001
CIN L51909WB1919PLC003356

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

(Figures in INR)

	PARTICULARS	Note No.	IND AS Period Ended 31-Mar-17	IND AS Period Ended 31-Mar-16
	Revenue from operations	17	2,842,080	2,842,080
	Other income	18	1,222,652	981,161
	Total income (I + II)		4,064,732	3,823,241
	Expenses			
	Employee benefits expenses	19	30,000	58,332
	Finance costs			
	Other expenses	20	820,015	561,564
			850,015	619,896
	Profit/(loss) before exceptional items and tax (I - IV)		3,214,717	3,203,345
	Exceptional items		-	-
VII	Profit/(loss) before tax (V - VI)		3,214,717	3,203,345
VIII	Tax expense			
	(1) (a) Current tax		664,860	604,015
	(b) Income-tax for earlier year		568,680	-
	(c) Provision for income tax (Written back)	20 A		
	(2) Deferred tax		-	-
			1,233,540	604,015
X	Profit/(loss) from continuing operations (VII - VIII)		1,981,177	2,599,330
X	Profit/(loss) from discontinued operations (VII - VIII)		-	-
X	Tax expense of discontinued operations		-	-
XI	Profit/(loss) from discontinued operations (after tax) (X - XI)		-	-
XI	Profit/(loss) for the period (IX + XII)		1,981,177	2,599,330
XIV	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			
			-	-
	Total comprehensive income for the period (XIII + XIV)		1,981,177	2,599,330
XV	Earnings per equity share (for continuing operations)			
	(1) Basic			
	(2) Diluted		10.60	13.91
XV	Earnings per equity share (for discontinued operations)			
	(1) Basic		-	
	(2) Diluted			
XVII	Earnings per equity share (for discontinued and continuing operations)			
	(1) Basic		10.60	13.91
	(2) Diluted			

See accompanying notes to the financial statements

Notes referred to above form an integral part of the Profit & Loss

Terms of our Report of even date attached herewith

For B. M. CHATRATH & CO.
CHARTERED ACCOUNTANTS

B M CHATRATH & CO LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 301011E / E300025

(S. K. BASU)
PARTNER
MEMBERSHIP NO. 054484

S. K. BASU
Partner
Membership No. 054484

Place: Kolkata
Dated: 15th May, 2017

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in INR)

	2016-2017	2015-2016
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax and Exceptional Items	3,214,717	3,762,221
Profit on Sale of Investments - Current (Net)	(196,939)	(1,536,381)
Interest Received	(3,016)	(3,656)
Operating Profit before Working Capital Changes & Exceptional items	**3,014,762**	**2,222,184**
Adjustments for:		
Other Non-Current Assets	81,263	(3,656)
Other Current Liabilities	(4,950)	78,311
Trade Receivable	(669,638)	(648,045)
Exceptional items	-	-
Cash Generated from Operations	**2,421,437**	**1,648,794**
Direct Taxes paid	(1,201,395)	(612,544)
Net Cash Flow from Operating Activities (A)	**1,220,042**	**1,036,250**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Income from Investments	196,939	1,536,381
Interest Received	3,016	3,656
Purchase Fixed Assets		
Purchase/Sale of Investment	(1,102,574)	(3,236,381)
Net Cash used in Investing Activities (B)	**(902,619)**	**(1,696,344)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid		-
Received against Unsecured Loans	-	-
Net Cash used in Financing Activities (C)	-	-
Net Changes in Cash & Cash Equivalent (A+B+C)	**317,423**	**(660,094)**
Cash & Cash Equivalent - Opening Balance	**231,488**	**891,582**
Cash & Cash Equivalent - Closing Balance	**548,911** *	**231,488**

* Represent Cash and Bank Balances as indicated in Note No.8

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 B. M. CHATRATH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 301011E

B M CHATRATH & CO LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 301011E / E300025

(S. K. BASU)
PARTNER
MEMBERSHIP NO. 054484

S. K. BASU
Partner
Membership No. 054484

Place : Kolkata
Dated : 15TH MAY 2017

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 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS:

A STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31/03/2017

(Rs In INR)

a Equity Share Capital

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Share Capital			
Authorized			
3,80,000 Ordinary Shares of Rs 5/- each	1,900,000	1,900,000	1,900,000
1,00,000 Deferred Shares of Rs 1/- each	100,000	100,000	100,000
	2,000,000	2,000,000	2,000,000
Issued, Subscribed & Paid-up			
1,86,860 Ordinary Shares of Rs 5/- each	934,300	934,300	934,300
66,000 Deferred Shares of Rs 1/- each	66,000	66,000	66,000
	000,300	1,000,300	1,000,300

b Other Equity

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	Capital Redemption Reserve	Retained earnings	other comprehensive income	
Balance at the beginning of the reporting period (01/04/2015)	8,200	15,666,483	-	15,674,683
Fair Value of Investment as per Ind AS at the beginning of the reporting period (01/04/2015)	-	675,938	-	675,938
	8,200	16,342,421	-	16,350,621
Income for the year		2,482,268	-	2,482,268
Fair Value of Investment as per Ind AS		117,062		117,062
Balance at the end of the reporting period (31/03/2016)	8,200	18,941,751	-	18,949,951
Fair Value of Investment as per Ind AS		1,022,697		1,022,697
Income for the year		958,481		958,481
Balance at the end of the reporting period (31/03/2017)	8,200	20,922,929	-	20,931,129

Reconciliation of equity as previously reported under IGAAP to Ind AS

(Rs In INR)

SL NO	PARTICULARS	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transaction to Ind AS	Ind AS	IGAAP	Effect of transaction to Ind AS	Ind AS
	ASSETS						
(1)	Non-current assets						
(a)	Property, plant and equipment	5,133,750	-	5,133,750.00	5,133,750	-	5,133,750
(b)	Financial assets						
	(i) Investments	3,850	-	3,850.00	3,850	-	3,850
	(ii) Trade receivable						
(c)	Other non current assets	130,890	-	130,890.00	134,546		134,546
		5,268,490	-	5,268,490	5,272,146	-	5,272,146
(2)	Current assets						
(a)	Financial assets						
	(i) Investments	10,535,561	675,938	11,211,499	13,771,942	117,062	13,889,004
	(ii) Trade receivables	489,622	-	489,622	1,133,209		1,133,209
	(iii) Cash and cash equivalents	891,582	-	891,582	231,488		231,488
	(iv) Others	100,000	-	100,000	100,000		100,000
(b)	Other current assets	513,380	-	513,380	1,130,382		1,130,382
		12,530,145	675,938	13,206,083	16,367,021	117,062	16,484,083
	Total Assets	17,798,635	675,938	18,474,573	21,639,167	117,062	21,756,229
	EQUITY AND LIABILITIES						
	Equity						
(a)	Equity Share Capital	1,000,300	-	1,000,300	1,000,300	-	1,000,300
(b)	Other equity	15,674,683	675,938	16,350,621	18,832,889	117,062	18,949,951
		16,674,983	675,938	17,350,921	19,833,189	117,062	19,950,251
	LIABILITIES						
(1)	Non-current liabilities						
(a)	Financial liabilities						
	Other financial liabilities excluding provisions	498,292	-	498,292	573,028		573,028
(2)	Current liabilities						
(a)	Financial liabilities						
	Other financial liabilities excluding provisions	75,080		75,080	78,577	-	78,577
(b)	Other current liabilities	44,095	-	44,095	44,173	-	44,173
(c)	Provisions		-	-	-		-
(d)	Current tax liabilities (net)	506,185	-	506,185	1,110,200	-	1,110,200
		1,123,652		1,123,652	1,805,978	-	1,805,978
	Total Equity & Liabilities	17,798,635	675,938	18,474,573	21,639,167	117,062	21,756,229

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

In terms of our Report of even date attached herewith

B M CHATRATH & CO LLP
CHARTERED ACCOUNTANTS
KOLKATA

MACFARLANE & COMPANY LIMITED
9/1, R. N. MUKHERJEE ROAD, KOLKATA-700 001
FINANCIAL YEAR 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS:

B Reconciliation statement of Profit & Loss as previously reported under IGAAP to Ind AS

(Rs. In INR)

SL NO.	PARTICULARS	Year ended 31st March, 2016 IGAAP	Effect of transaction to Ind AS	Ind AS
	Revenue from operations	2,842,080	-	2,842,080
	Other income	1,540,037	(558,876)	981,161
	Total income	4,382,117	(558,876)	3,823,241
	EXPENSES			
	Employee benefits expenses	58,332	-	58,332
	Finance costs	-	-	-
	Other expenses	561,564	-	561,564
	Total expenses (IV)	619,896	-	619,896
	Profit/(loss) before tax	3,762,221	(558,876)	3,203,345
	Tax Expenses			
	Current Tax	604,015	-	604,015
	Provision for income tax Written back	-	-	-
	Income tax paid related to earlier years	-	-	
		604,015		604,015
	Profit/(loss) for the period after tax	3,158,206	(558,876)	2,599,330
	Other comprehensive income		-	
X	Total comprehensive income for the period	3,158,206	(558,876)	2,599,330

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note
In terms of our Report of even date attached herewith

Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31.03.2016

There are no material adjustments of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31-03-2016

C CORPORATE INFORMATION

Macfarlane & Company Limited ("the Company") incorporated in 1919 has its Registered Office at 9/1, R. N. Mukherjee Road, Birla Building, 8th 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.

D FIRST-TIME ADOPTION

(i) Overall Principle

These Financial Statements of Macfarlane & Company Limited for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note E have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information.

For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). An explanation on the transition from previous GAAP to Ind AS affecting the Company's Balance Sheet, Statement of Profit & Loss, is set out in Note A and B. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note D (ii)

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other 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.

(ii) 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 period to period. 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.

M. CHATRATH & CO.
CHARTERED ACCOUNTANTS

(iii) Fair valuation of investments (fixed maturity plans and other mutual funds)

Under the previous GAAP, investments in fixed maturity plans and other 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 diminution in the value investments, 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 have been recognized in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31st March 2016 except otherwise mentioned in para D (ii)

(iv) Investment property

Under the previous GAAP investment properties were presented as part of Property, Plant and Equipments. Under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet. There is nò impact on the total equity or profit as a result of this adjustment

E. SIGNIFICANT ACCOUNTING POLICIES

(i) Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method

The Company based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used

- Buildings 60 years
- Plant & Equipment 15 years

The Company assesses at each balance sheet date whether there is any indication that a Property, plant and equipment may have been impaired. If any such indication exists, the Company estimates the recoverable amount of the Property, plant and equipment. If such recoverable amount of the Property, plant and equipment or the recoverable amount of the cash generating unit to which the Property, plant and equipment belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the Asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

(ii) Depreciation

Tangible Fixed Assets
Depreciation on Assets is calculated on their respective costs and is computed on the basis of remaining useful life as ascertained by technical expert and management estimate on written down value method. On other Assets, depreciation has been provided on written down value method in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act '2013 except certain assets for which useful life of assets has been ascertained based on report of technical expert and management estimates. All assets costing Rs 5,000 or below are fully depreciated in the year of addition

(iii) 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 to/deducted to the fair value on initial recognition

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

a) Financial assets carried at amortized cost
A financial asset is subsequently measured at amortized 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

b) Investment in Equity Instruments at fair value through other comprehensive income

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'

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CHARTERED ACCOUNTANTS

c) Financial assets at fair value through profit & loss

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

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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) Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs)

v) Revenue Recognition

Rent income/lease rentals are recognized on accrual basis in accordance with the terms of agreements

Other income comprises primarily of Interest income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental income and Claims (if any) etc

Interest income from a financial asset is recognized 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

Dividend income is recognized as and when right to receive payment is established provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.
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

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

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

(vi) 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

Minimum Alternative Tax (MAT) credit is recognized as an assets only when and to the extent there is a convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an assets in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit & Loss. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period

(vii) 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 calculating diluted earnings per share, the net profit or loss for the year attributable to ordinary shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential ordinary shares

(viii) 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 operating revenue generating, financing and investing activities of the Company are segregated

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FINANCIAL YEAR 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS:

F *Earning Per Share:*

	As on 31-Mar-17	As on 31-Mar-16
Profit after tax	1,981,177	2,599,330
Paid up Ordinary Shares (Nos.)	186,860	186,860
Basic & Diluted Earning Per Share (Rs.)	**10.60**	**13.91**

G 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-17	As on 31-Mar-16
Holding Company	Texmaco Infrastructure & Holdings Limited	Nil	Nil

H 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 recognized as per Ind AS 12 issued by ICAI

I Since the WDV of tangible assets becomes less than 5% of the assets' original cost as on 01/04/2016, so, no depreciation has been provided during the period ended 31/03/2017 as per Schedule - II of the Companies Act, 2013