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INDEPENDENT AUDITORS' REPORT

To
The Members of
Afco Industrial and Chemicals Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of Afco Industrial and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



Chandabhoj & Jassoobhoj

Chartered Accountants

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 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 financial position of the Company as at March 31, 2017, and its financial performance including other comprehensive income, its cash flows and the 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 sub-section (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;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



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- 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 the holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management. Refer Note no. 21 to the Ind AS Financial Statements.

For and on behalf of
Chandabhoy & Jassoobhoy
Chartered Accountants
Firm Registration No. 101647W



Bhupendra T. Nagda
Partner
Membership No. F - 102580

Mumbai: May 23, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in para 1 of Independent Auditors' Report of even date to the members of Afco Industrial and Chemicals Limited on the Ind AS financial statements for the year ended 31st March 2017.

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We have been informed that the fixed assets have been physically verified by the management at reasonable intervals and the discrepancies noticed on verification between the physical assets and the book records were not material and these have been properly dealt with in the books of account. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and based on the records examined by us, the title deeds of the immovable properties are held in the name of the company.
- ii) The Company did not have any operation during the year. Accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3 (iii) of the Order are not applicable to the Company for the year under audit.
- iv) According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security nor made any investments as specified in Section 185 and 186 of the Act. Clause 3(iv) of the Order is, therefore, not applicable to the Company for the year under audit.
- v) The Company has not accepted any deposits during the year and hence the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made thereunder are not applicable to the Company.
- vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii) a. According to the information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, profession tax, cess and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no material undisputed statutory dues outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute as at March 31, 2017.
- viii) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any loans from any financial institutions or banks or Government nor has it issued any debentures.

Chandabhoy & Jassoobhoy

Chartered Accountants

- ix) The Company has not raised any money by way of public offer and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company for the year under audit.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees was noticed or reported during the year.
- xi) According to the information and explanations given to us and based on the records examined by us, no managerial remuneration has been paid or provided during the year. Accordingly, the provisions of Clause (xi) of the Order are not applicable to the Company for the year under audit.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, provisions of clause 3(xiv) of the Order, 2016 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Clause 3(xv) of the Order is, therefore, not applicable to the Company during the year.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Clause 3(xvi) of the Order is, therefore, not applicable to the Company.

For and on behalf of
Chandabhoy & Jassoobhoy
Chartered Accountants
Firm Registration No. 101647W



Bhupendra T. Nagda
Partner
Membership No. F - 102580

Mumbai: May 23, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in para 2 (f) under 'Report on Other Legal and Regulatory Requirements' in of the Independent Auditors' Report of even date to the members of Afco Industrial and Chemicals Limited on the Ind AS financial statements for the year ended 31st March 2017

Report on the Internal Financial Controls over Financial Reporting 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 Afco Industrial and Chemicals Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

Chandabhoj & Jassoobhoj

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(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on 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 Chandabhoj & Jassoobhoj
Chartered Accountants
Firm Registration No.: - 101647W



Bhupendra T. Nagda
Partner
Membership No. F - 102580



Mumbai: May 23, 2017

Afco Industrial and Chemicals Limited

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31st MARCH, 2017

Sr. No.	Particulars	Note No	31st March, 2017	31st March, 2016	31st March, 2015
ASSETS					
1)	Non Current Assets				
a)	Property, Plant & Equipment	3	29,18,463	30,08,625	20,29,474
b)	Financial Assets				
(i)	Investments	4	61,59,360	34,84,957	45,84,738
(ii)	Others Financial Assets	5	2,12,956	2,12,956	2,12,956
			92,90,779	67,06,538	68,27,168
2)	Current Assets				
a)	Financial Assets				
(i)	Trade Receivables		-	-	11,250
(ii)	Cash and Cash Equivalents	6	1,50,376	2,29,163	3,36,896
(iii)	Others Financial Assets	5	20,33,121	6,78,134	15,13,821
b)	Other Current Assets		2,508	2,508	2,508
			21,86,005	9,09,805	18,64,475
	Total Assets		1,14,76,784	76,16,343	86,91,643
EQUITY AND LIABILITIES					
EQUITY					
1)	Equity Share Capital	7	76,05,000	76,05,000	76,05,000
2)	Other Equity	8	(11,08,438)	(35,90,101)	(22,53,771)
			64,96,562	40,14,899	53,51,229
LIABILITIES					
1)	Non Current Liabilities				
a)	Provisions	9	32,08,214	31,51,507	27,85,533
			32,08,214	31,51,507	27,85,533
1)	Current Liabilities				
a)	Financial Liabilities				
(i)	Trade Payables		-	-	4,98,433
(ii)	Other Financial Liabilities	10	17,65,638	4,19,980	56,448
b)	Other Current Liabilities	11	6,370	29,957	5,54,881
			17,72,008	4,49,937	5,54,881
	Total Liabilities		49,80,222	36,01,444	33,40,414
	Total Equity and Liabilities		1,14,76,784	76,16,343	86,91,643

Significant accounting policies 2

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For CHANDABHOY & JASSOQBHOY

Chartered Accountants

Firm's Registration No. 101647W



Bhupendra Nagda

Partner

Membership No. 102580

Mumbai

Date: 23 MAY 2017



For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CIN-1124110M111983PLC012744



N.H. Datanwala

Director

DIN- 00047544

Mumbai

Date: 23 MAY 2017



R. Jayshree

Director

DIN- 00081620

Mumbai

Date: 23 MAY 2017

Afco Industrial and Chemicals Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Sr. No.	Particulars	Note No.	31st March, 2017	31st March, 2016
I]	Revenue from Operations	-	-	-
II]	Other Income	12	1,10,809	76,125
III]	Total Income [I+II]		1,10,809	76,125
IV]	Expenses			
4)	Depreciation and Amortization Expenses	3	79,670	11,234
6)	Other Expenses	13	2,25,059	3,01,440
	Total Expenses [IV]		3,04,729	3,12,674
V]	Profit / (Loss) Before Exceptional Items and Tax [III-IV]		(1,93,920)	(2,36,549)
VII]	Profit / (Loss) Before Tax [V-VI]		(1,93,920)	(2,36,549)
VIII]	Tax Expenses			
1)	In respect of Earlier Years		(1,180)	-
	Total Tax Expenses [VIII]		(1,180)	-
IX]	Profit / (Loss) for the Period from Continuing Operations [VII+VIII]		(1,92,740)	(2,36,549)
X]	Other Comprehensive Income			
(i)	Items that will not be classified to Profit or Loss	14	26,74,403	(10,99,781)
XI]	Total Income for the Period [IX+X] (Comprising Profit (Loss) and Other Comprehensive Income for the period)		24,81,663	(13,36,330)
XII]	Earning Per Equity Share (For Continuing Operations)			
1)	Basic		(2.53)	(3.11)
2)	Diluted		(2.53)	(3.11)

Significant accounting policies

2

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For CHANDABHOY & JASSOQBHOY
Chartered Accountants
Firm's Registration No. 101647W



Bhupendra Nagda
Partner
Membership No. 102580



For and on behalf of the Board of Directors of
Afco Industrial and Chemicals Limited
CIN- U24110MH11983PLC012744



N.H. Datanwala
Director
DIN- 00047544



R. Jayshree
Director
DIN- 00081620

Mumbai
Date: 23 MAY 2017

Mumbai
Date: 23 MAY 2017

Mumbai
Date: 23 MAY 2017

Afco Industrial and Chemicals Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Sr. No.	Particulars	31st March, 2017	31st March, 2016
A]	Cash Flow from Operating Activities		
	Net Profit / (Loss) before tax and extraordinary items	(1,92,740)	(2,36,549)
	Adjustment for		
	> Depreciation	79,670	11,234
	> Dividend Income	(41,829)	(57,940)
	> Interest Expenses		(1,310)
	> Interest Income	(4,848)	
	> Profit / Loss on sale of shares / fixed asset [Net]	48,468	12,694
	Operating profit / (Loss) before working Capital changes	(1,11,279)	(2,71,871)
	Adjustment for:		
	> (Increase) / Decrease in Trade & Other Receivables, Other Assets	(13,54,985)	11,250
	> (Increase) / Decrease in Inventories		
	> Increase / (Decrease) in Trade Payables and Provisions, Other Liability	13,78,776	10,96,718
	Cash From Operations	(87,488)	8,36,097
	Currency Alignment on Conversion of Accounts of Non Integral foreign Branches & on Fixed assets and Investments		
	Direct Taxes Paid (Net)		
	Net Cash generated from / (Used in) Operating Activities	(87,488)	8,36,097
B]	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(37,975)	(10,03,080)
	Interest Income	4,848	1,310
	Dividend Income	41,829	57,940
	Net Cash from / (Used in) Investing activities	8,702	(9,43,830)
C]	Cash Flow from Financing Activities		
	Repayment of Short Term Borrowings		
	Cash Flow from Financing Activities		
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B+ C)	(78,787)	(1,07,733)
	Cash and Cash Equivalents as at the beginning of the year	2,29,163	3,36,896
	Cash and cash equivalents at the end of the year	1,50,376	2,29,163

Significant accounting policies

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For CHANDABHOY & JASSOOBHIOY

Chartered Accountants

Firm's Registration No 101647W



Bhupendra Nagda

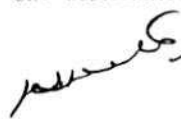
Partner

Membership No. 102580

Mumbai
Date: 23 MAY 2017



For and on behalf of the Board of Directors of
Afco Industrial and Chemicals Limited
CIN - U85100MH1962PLC012345



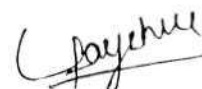
N.H. Datanwala

Director

DIN- 00047544

Mumbai

Date:



R. Jayshree

Director

DIN- 00081620

Mumbai

Date:

23 MAY 2017 23 MAY 2017

Afco Industrial and Chemicals Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2015

A) EQUITY SHARE CAPITAL

Balance at the Beginning of the Reporting Period i.e. on 1st April, 2014	Changes in Equity Share Capital during the Year 2014 - 15	Balance at the End of the Reporting Period i.e. on 31st March, 2015
76,05,000	-	76,05,000

B) OTHER EQUITY

	Share Application Money Pending Allotment	Equity Component of Compound Financial Instruments	Reserves & Surplus					Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a Foreign Operation	Other Items of Other Comprehensive Income (Specify Nature)	Money Rec'd against Share Warrants	Total
			Capital Reserves	Securities Premium Reserve	General Reserve	Other Reserve (Statutory Reserve Fund)	Other Reserve (Capital Redemption Reserve)								
Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	(23,21,702)	-	-	-	-	-	-	-	(23,21,702)
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	10,58,438	-	-	-	-	-	10,58,438
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings	-	-	-	-	-	-	(9,78,474)	-	-	-	-	-	-	-	(9,78,474)
Any Other Change (to be specified)	-	-	-	-	-	-	(12,033)	-	-	-	-	-	-	-	(12,033)
Balance at the End of the Reporting Period	-	-	-	-	-	-	(35,12,209)	-	10,58,438	-	-	-	-	-	(22,53,771)



Afco Industrial and Chemicals Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2016

A) EQUITY SHARE CAPITAL

Balance at the Beginning of the Reporting Period i.e. on 1st April, 2015	Changes in Equity Share Capital during the Year 2015 - 16	Balance at the End of the Reporting Period i.e. on 31st March, 2016
76,05,000	-	76,05,000

B) OTHER EQUITY

	Share Application Money Pending Allotment	Equity Component of Compound Financial Instruments	Reserves & Surplus						Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a Foreign Operation	Other Items of Other Comprehensive Income (Specify Nature)	Money Rec'd against Share Warrants	Total
			Capital Reserves	Securities Premium Reserve	General Reserve	Other Reserve (Statutory Reserve Fund)	Other Reserve (Capital Redemption Reserve)	Retained Earnings								
Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	(33,12,209)	-	10,58,438	-	-	-	-	-	(22,53,771)
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	(10,99,781)	-	-	-	-	-	(10,99,781)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings	-	-	-	-	-	-	-	(2,36,549)	-	-	-	-	-	-	-	(2,36,549)
Any Other Change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Reporting Period	-	-	-	-	-	-	-	(35,48,758)	-	(41,343)	-	-	-	-	-	(35,90,101)



Afco Industrial and Chemicals Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2017

A) EQUITY SHARE CAPITAL

Balance at the Beginning of the Reporting Period i.e. on 1st April, 2016	Changes in Equity Share Capital during the Year 2016 - 17	Balance at the End of the Reporting Period i.e. on 31st March, 2017
76,05,000	-	76,05,000

B) OTHER EQUITY

	Share Application Money Pending Allotment	Equity Component of Compound Financial Instruments	Reserves & Surplus						Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a Foreign Operation	Other Items of Other Comprehensive Income (Specify Nature)	Money Rec'd against Share Warrants	Total
			Capital Reserves	Securities Premium Reserve	General Reserve	Other Reserve (Statutory Reserve Fund)	Other Reserve (Capital Redemption Reserve)	Retained Earnings								
Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	(55,48,758)	-	(41,343)	-	-	-	-	-	-	(85,90,101)
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the Beginning of the Reporting Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	26,74,403	-	-	-	-	-	-	26,74,403
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings	-	-	-	-	-	-	(1,92,740)	-	-	-	-	-	-	-	-	(1,92,740)
Any Other Change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Reporting Period	-	-	-	-	-	-	(57,41,498)	-	26,33,060	-	-	-	-	-	-	(11,08,438)



Afco Industrial and Chemicals Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

1. Company overview

Afco Industrial & Chemicals Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 ('the Act') and a subsidiary of The Bombay Burmah Trading Corporation, Limited.

2. Significant Accounting Policies

A) Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements for the year ended March 31, 2017 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Accordingly, the Company has prepared an opening Ind AS Balance Sheet as at April 1, 2015 and comparative figures for the year ended March 31, 2016 are also in compliance with Ind AS. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 22.1.

The management and authorities have the power to amend the financial statements in accordance with Section 130 and 131 of the Act.

B) Basis of preparation and presentation

i) Basis of Preparation

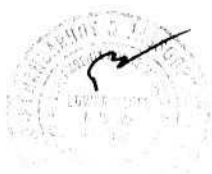
The financial statements have been prepared on a historical cost basis, except for Certain financial assets and liabilities measured at fair value / Amortised Cost (refer accounting policy regarding financial instruments).

ii) Current-non-current classification

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

a) An asset shall be classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or



Afco Industrial and Chemicals Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian rupees)

- It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.

- b) All assets other than current assets shall be classified as non-current.
- c) A liability shall be classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the company's normal operating cycle;
 - It is held primarily for the purpose of being traded;
 - It is due to be settled within twelve months after the reporting date; or
 - The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

- d) All liabilities other than current liabilities shall be classified as non-current.
- e) Based on the nature of activities of the company, the operating cycle for the purpose of classification of its assets & liabilities as current non-current is considered as 12 months.

iii) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated

iv) Key estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates.

v) Property, plant and Equipment

Property, Plant & Equipments are stated at historical cost. As per Indian Accounting Standards (IndAS) the carrying amount of Property, Plant & Equipment as at the end of financial year 2014-15 has been considered as the deemed cost in preparation of financial statements for the financial year 2016-17 and comparatives.



Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes inward freight, duties, taxes and

Afco Industrial and Chemicals Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian rupees)

incidental expenses related to acquisition and installation incurred up to the date of commissioning of the assets.

vi) Depreciation and amortisation

Depreciation is provided on the written down value method ('WDV') based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions is provided pro-rata from the date the assets are put to use. The fixed assets individually costing less than Rs 5000 are depreciated fully in the year of purchase.

In accordance with the provision of Schedule II of the Companies Act 2013, the Company has revised the useful life of its fixed assets from 1st April 2014. In case of fixed assets where useful life was exhausted as determined above, the Company has adjusted the net residual value as at 1st April 2014 aggregating Rs 12,033 to retained earnings in financial statements.

vii) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset 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 statement of profit and loss. If at the balance sheet date there is an indication that 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 depreciable historical cost.

viii) Employee benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. and the expected cost of ex-gratia is recognised in the year in which the employee renders the related service.



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

(b) Post-employment benefits

i) **Defined Contribution Plans:** The Company's contribution to the recognised provident fund is a defined contribution plan. The contributions paid or payable by the Company under the scheme are recognised as an expense in the statement of profit and loss in the year in which the employee renders the related service.

(ii) **Defined Benefit Plans:** The Company's gratuity scheme is a defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income.

ix) Investments

Investments are carried at Fair value through Other Comprehensive Income. In case of quotations not available for investments, the fair value is deemed to approximate to cost.

x) Income taxes

Tax expense comprises of current tax and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Earnings per share

The basic and diluted earnings per share (EPS) is computed by dividing Net Profit after tax for the year by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

xii) Revenue Recognition

Dividend income is recognised when the right to receive payment is established

xiii) Provisions and Contingencies

a) A provision is recognized when the Company has a present obligation as a result of past events 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying benefits is remote, no provision or disclosure is made.

xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

a) Financial assets

Classification : On initial recognition, a financial asset is classified as, measured at:

- Amortised cost
- Fair Value through Other comprehensive Income (FVOCI)
- Fair value through Profit and Loss (FVTPL)



Afco Industrial and Chemicals Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian rupees)

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Equity investments

All equity investments are measured at fair value through Other Comprehensive Income

b) Financial Liabilities

Classification: Financial liabilities are measured at Amortised cost.



Note 3. Property, Plant & Equipment

Particulars	Tangible Assets							Total Tangible Assets
	Freehold Land	Buildings	Plant & Machinery	Office Equipment	Computers	Furniture & Fixture	Vehicle	
For the Year Ended 31st March, 2015								
Gross Carrying Amount								
Deemed Cost as at 1st April, 2014	1,849,790	66,600	5,433,178	649,435	1,877,613	1,148,054	87,015	11,111,685
Closing Gross Carrying Amount	1,849,790	66,600	5,433,178	649,435	1,877,613	1,148,054	87,015	11,111,685
Accumulated Depreciation								
As at 1st April, 2014	-	53,021	5,283,852	631,420	1,877,613	1,121,702	86,980	9,054,588
Depreciation charge during the year	-	622	8,637	-	-	6,330	-	15,589
Disposals	-	-	11,087	947	-	-	-	12,033
Closing Accumulated Depreciation	-	53,643	5,303,576	632,366	1,877,613	1,128,032	86,980	9,082,211
For the Year Ended 31st March, 2016								
Gross Carrying Amount								
Deemed Cost as at 1st April, 2015	1,849,790	66,600	5,433,178	649,435	1,877,613	1,148,054	87,015	11,111,685
Additions	-	1,003,080	-	-	-	-	-	1,003,080
Disposals	-	-	2,096,380	94,073	1,877,613	638,640	-	4,706,706
Closing Gross Carrying Amount	1,849,790	1,069,680	3,336,798	555,362	-	509,414	87,015	7,408,059
Accumulated Depreciation								
As at 1st April, 2015	-	53,644	5,303,637	632,366	1,877,553	1,128,032	86,980	9,082,212
Depreciation charge during the year	-	730	6,782	-	-	3,722	-	11,234
Disposals	-	-	2,090,710	93,383	1,877,553	632,366	-	4,694,012
Closing Accumulated Depreciation	-	54,374	3,219,709	538,983	-	499,388	86,980	4,399,434
For the Year Ended 31st March, 2017								
Gross Carrying Amount								
Opening as at 1st April, 2016	1,849,790	1,069,680	3,336,798	555,362	-	509,414	87,015	7,408,059
Additions	-	-	-	-	37,975	-	-	37,975
Disposals / Transfers	-	-	1,851,671	331,143	-	447,652	-	2,630,466
Closing Gross Carrying Amount	1,849,790	1,069,680	1,485,127	224,219	37,975	61,762	87,015	4,815,568
Accumulated Depreciation								
As at 1st April, 2016	-	54,374	3,219,709	538,983	-	499,388	86,980	4,399,434
Depreciation charge during the year	-	49,412	5,330	-	22,736	2,192	-	79,670
Disposals	-	-	1,814,499	324,540	-	442,960	-	2,581,999
Closing Accumulated Depreciation	-	103,786	1,410,540	214,443	22,736	58,620	86,980	1,897,105
Net Carrying Amount as on 31st March, 2015	1,849,790	12,957	129,602	17,069	0	20,021	35	2,029,474
Net Carrying Amount as on 31st March, 2016	1,849,790	1,015,306	117,089	16,379	-	10,026	35	3,008,625
Net Carrying Amount as on 31st March, 2017	1,849,790	965,894	74,587	9,776	15,239	3,142	35	2,918,463



Afco Industrial and Chemicals Limited

Note 4. Non Current Investments

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 31st March, 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
A] Investments in Equity Instruments:			-			-			-
i) Other Entities:			-			-			-
- 952 (previous year : 952) Equity shares of Rs.100 each fully paid of Bombay Burma Trading Employees Welfare Company Limited	-	95,200	95,200	-	95,200	95,200	-	95,200	95,200
- 59,660 (previous year : 59,660) Equity shares of Rs.2 each fully paid of Bombay Dyeing & Manufacturing Company Limited	49,51,780	-	49,51,780	28,36,833	-	28,36,833	38,12,274	-	38,12,274
- 336 (previous year : 336) Equity shares of Rs.10 each fully paid of Tata Chemicals Limited	2,01,180	-	2,01,180	1,25,412	-	1,25,412	1,48,512	-	1,48,512
- 1 (previous year : 1) Equity shares of Rs.100 each fully paid of National Peroxide Employees Welfare Company Limited	-	100	100	-	100	100	-	100	100
- 360 (previous year : 240) Equity shares of Rs.2 each fully paid of Larsen and Tourbo Limited	5,66,964	-	5,66,964	2,91,888	-	2,91,888	4,12,560	-	4,12,560
- 949 (previous year : 949) Equity shares of Rs.10 each fully paid of Gujarat Narmada Valley Fertilisers Limited	2,72,410	-	2,72,410	77,438	-	77,438	64,342	-	64,342
- 18 (previous year : 18) Equity shares of Rs.10 each fully paid of Ultratech Cement Company Limited	71,726	-	71,726	58,086	-	58,086	51,750	-	51,750
Total Non Current Investment	60,64,060	95,300	61,59,360	33,89,657	95,300	34,84,957	44,89,438	95,300	45,84,738



Afco Industrial and Chemical Limited

Note 5. Other Financial Assets

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non Current	Current	Non Current	Current	Non Current
i)	Others						
	a) Other Deposits	-	2,12,956	-	2,12,956	-	2,12,956
	b) Other Receivables	15,79,454	-	5,13,302	-	-	-
	c) Staff Loan / Advance	4,53,667	-	-	-	-	-
	d) Other Related Party (Specify)	-	-	1,64,832	-	15,13,821	-
		20,33,121	2,12,956	6,78,134	2,12,956	15,13,821	2,12,956
	Total	20,33,121	2,12,956	6,78,134	2,12,956	15,13,821	2,12,956



Note 6. Cash & Cash Equivalents

Sr. No.	Particulars	31st March, 2017	31st March, 2016	31st March, 2015
i)	Balances with banks: - In current accounts	1,50,376	2,29,163	3,36,896
	Total	1,50,376	2,29,163	3,36,896



Note 7. Equity Share Capital

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Authorised Share Capital			
80,000 equity shares of ₹ 100/- each (Previous Year 80,000 of ₹ 100/ each)	8,000,000	8,000,000	8,000,000
50,000 11.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 50,000 of ₹ 100/ each)	5,000,000	5,000,000	5,000,000
	13,000,000	13,000,000	13,000,000
Issued, Subscribed and paid-up			
76,050 Equity Shares of ₹ 100/ each (Previous year 76,050 of ₹ 100/ each)	7,605,000	7,605,000	7,605,000
	7,605,000	7,605,000	7,605,000

a) Terms and Rights attached to Equity Shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The Company declares and pays dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

b) Reconciliation of the shares outstanding at the beginning and at the end of reporting year.

Particulars	Number of Shares	Amount in Rs
Equity Shares of Rs. 100/- each As at 1st April, 2015	76,050	7,605,000
Increase during the year 2015 - 16	-	-
Equity Shares of Rs. 100/- each As at 31st March, 2016	76,050	7,605,000
Increase during the year 2016 - 17	-	-
Equity Shares of Rs. 100/- each As at 31st March, 2017	76,050	7,605,000

c) Details of shares held by each shareholder holding more than 5% shares

Sr. No.	Name of the Shareholders	As at 31st March, 2017	% Holding	As at 31st March, 2016	% Holding	As at 31st March, 2015	% Holding
1	The Bombay Burmah Trading Corporation Limited (Including its Nominees)	76,050	100.00	76,050	100.00	76,050	100.00
		76,050	100.00	76,050	100.00	76,050	100.00



Afco Industrial and Chemicals Limited

Note 8. Other Equity

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Other Comprehensive Income	26,33,060	(41,343)	10,58,438
Retained Earnings	(37,41,498)	(35,48,758)	(33,12,209)
Total	(11,08,438)	(35,90,101)	(22,53,771)

Other Comprehensive Income

Particulars	As at 31st March, 2017 (In Lakhs)	As at 31st March, 2016 (In Lakhs)	As at 31st March, 2015 (In Lakhs)
Opening Balance	(41,343)	10,58,438	-
Additions / Transfers			
- Transfer from Statement of Profit & Loss	26,74,403	(10,99,781)	10,58,438
Closing Balance	26,33,060	(41,343)	10,58,438

Retained Earnings

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Opening Balance	(35,48,758)	(33,12,209)	(23,21,702)
Add : Profit(Loss) for The Year	(1,92,740)	(2,36,549)	(9,78,474)
Less : Fixed assets charged off due to change in useful life as per Companies Act, 2013 (Refer #2.B.vi)	-	-	(12,033)
Closing Balance	(37,41,498)	(35,48,758)	(33,12,209)



Afco Industrial and Chemicals Limited

Note 9 : Provisions

Particulars	31st March, 2017		31st March, 2016		31st March, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Provisions for Employee Benefits - Gratuity	-	3,61,088	-	2,84,817	-	1,69,477
Provisions for Employee Benefits - Leave	-	28,47,126	-	28,66,690	-	26,16,056
Total	-	32,08,214	-	31,51,507	-	27,85,533

Afco Industrial and Chemicals Limited

Note 10. Other Financial Liabilities

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non Current	Current	Non Current	Current	Non Current
a)	Expenses payable	2,32,963	-	4,19,980	-	2,81,315	-
b)	Due to related Party	15,32,675	-	-	-	-	-
c)	Other payables	-	-	-	-	2,17,118	-
	Total	17,65,638	-	4,19,980	-	4,98,433	-

Afco Industrial and Chemicals Limited

Note 11. Other Liabilities

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non Current	Current	Non Current	Current	Non Current
a)	Others Liabilities						
	- Statutory Liability	6,370	-	29,957	-	56,448	-
	Total	6,370	-	29,957	-	56,448	-



Afco Industrial and Chemicals Limited

Note 12. Other Income

Sr. No.	Particulars	31st March, 2017	31st March, 2016
a)	Interest Income	3,667	1,310
b)	Dividend Income	41,829	57,940
c)	Other Non Operating Income (Net of Expenses Directly Attributable to Such Incomes)	65,313	16,875
	Total	1,10,809	76,125



Afco Industrial and Chemicals Limited

Note 13. Other Expenses

Sr. No.	Particulars	31st March, 2017	31st March, 2016
1	Power, fuel and oil	-	44,497
2	Insurance	37,091	28,693
3	Rates and Taxes	16,240	19,993
4	Rent	17,808	17,808
5	Compensation for use of facilities	14,520	14,520
6	Postage, telegrams and telephones	-	5,252
7	Repairs and Maintenance		
	- Other repairs	4,650	4,650
8	Legal and Professional Fees	9,250	23,868
9	Payment to auditors (refer note 16)	24,045	24,045
10	Security charges	-	11,291
11	Fixed assets written off	48,468	12,694
12	Interest Paid	-	55
13	Miscellaneous expenses	12,987	14,074
14	Land Development Expenses	40,000	80,000
	Total	2,25,059	3,01,440



Note 14 : Other Comprehensive Income (OCI)

Sr. No.	Particulars	31st March, 2017 (Rs.)	31st March, 2016 (Rs.)
A]	Items that will not be reclassified to Profit or Loss		
i)	Equity Instruments through other comprehensive income	26,74,403	(10,99,781)
Total [A]		26,74,403	(10,99,781)



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

15. Micro, Small and Medium Enterprises

Based on the information and records available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2017 and as at 31 March 2016.

16. Payment to auditors' (excluding service tax)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Statutory Audit fee	20,000	20,000
Reimbursement of expenses	4045	4045
Total	24,045	24,045

17. Segment reporting

Based on guiding principles in the AS 17 - "Segment Reporting," the primary business segment of the Company is manufacturing and marketing of Electronic components (heat sinks and heat dissipaters). As the Company operates in a single primary business segment, disclosure requirements are not applicable. There is no reportable secondary segment.

18. Earnings per share

Particulars	31 March 2017	31 March 2016
Net profit/(loss) attributable to equity shareholders (as per the statement of profit and loss)	(192,740)	(236,549)
Calculation of weighted average number of equity shares for basic and diluted earnings per share		
Number of equity shares at the beginning of the year	76,050	76,050
Number of equity shares at the end of the year	76,050	76,050
Weighted average number of equity shares outstanding during the year	76,050	76,050
Basic and diluted earnings per equity share of Rs 100 each	(2.53)	(3.11)



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

19. Related Party Disclosures

Related party and nature of the related party relationship where control exists, irrespective of whether or not there have been transactions between the related parties:

Holding Company (ultimate control):

The Bombay Burmah Trading Corporation Limited

Associate:

Inor Medical Products Limited (ceased to be an associate w.e.f. 1 October 2014)

Transactions with related party have been set out as below:

Particulars	31 March 2017		31 March 2016	
	Holding Company	Associate	Holding Company	Associate
Compensation for use of facilities (paid)	14,520	-	14,520	-
Expenses reimbursed (expense)	45,831	-	331,433	-
Capital expenditure reimbursed	-	-	863,080	-
Expenses charged (income)	6,318,001	-*	5,219,327	-*
Closing balance (payable) / receivable	(1,532,675)	-*	164,832	-*

*Not applicable since Inor Medical Products Limited has ceased to be an Associate Company w.e.f. 1 October 2014.

20. Deferred taxes

Particulars	31 March 2017	31 March 2016
Deferred Tax Asset		
Provision for leave encashment / Gratuity	991,338	885,808
On unabsorbed business losses	440,357	384,899
Total (A)	1,431,695	1,270,707
Deferred tax (Asset) / liabilities		
Difference in Written Down Value of fixed assets/ Depreciation	(1009)	11,284
Total (B)	(1009)	11,284
Deferred tax assets (net) (A) – (B)	1,432,704	1,259,423

Deferred tax asset is recognised only to the extent of deferred tax liabilities, as this amount is considered to be virtually certain of realisation. The remaining amount of deferred tax assets Rs 1,432,704 (Previous Year: Rs 1,259,423) is not recognised as it is not considered to be virtually certain of realisation.



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

21. Specified Bank Notes

As required by notification no. G.S.R.308 (E) dated 30th March,2017 , the details of Specified Bank Notes (SBN's) held and transacted during the period 8th November 2016 to 31st December 2016 are provided below:

	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	50,000	15,265	65,265
(+) Cash withdrawn from bank	-	1,70,000	1,70,000
(-) Permitted payments	-	1,11,306	1,11,306
(-) Amount deposited in Banks	50,000	-	50,000
Closing cash in hand as on 30.12.2016	-	73,959	73,959

22. Other Notes

22.1 : Transition to Ind AS

For the purposes of reporting as set out in Note 2.A., we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

Exemptions availed

a) Deemed cost

Ind AS 101 permits the adopter to elect to continue with the carrying value for all its property, plants and equipment recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP, and use it as the deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value, which will be treated as deemed cost as on the date of transition.

b) Derecognition of previously recognised financial instruments

Ind AS 101 permits an entity to derecognise particular equity investments (other than equity investments in subsidiaries and associates) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition).

Reconciliation of Balance sheet as at 31st March, 2016 & 1st April, 2015 and Reconciliation of Statement of Profit & Loss for the period ended 31st March, 2016 is provided in Annexure 1

22.2 : Financial instruments – Fair values and risk management

Financial instruments – Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

A. Accounting classification and fair values

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2017								
Financial Assets								
Non-Current Investments	-	60,64,060	95,300	61,59,360	60,64,060	-	95,300	61,59,360
Current Investments	-	-	-	-	-	-	-	-
Financial Liabilities								
Non-Current Borrowings	-	-	-	-	-	-	-	-



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

March 31, 2016								
Financial Assets								
Non-Current Investments	-	33,89,657	95,300	34,84,957	33,89,657	-	95,300	34,84,957
Current Investments	-	-	-	-	-	-	-	-
Financial Liabilities								
Non-Current Borrowings	-	-	-	-	-	-	-	-
April 1, 2015								
Financial Assets								
Non-Current Investments	-	44,89,438	95,300	45,84,738	44,89,438	-	95,300	45,84,738
Current Investments	-	-	-	-	-	-	-	-
Financial Liabilities								
Non-Current Borrowings	-	-	-	-	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	Market comparison technique: The valuation model is based on market multiples derived from quoted prices	a. Forecast annual revenue growth RATE b. Forecast EBITDA c. Adjusted market multiple	The estimated fair value would increase (decrease) if: - the annual revenue growth rate



Afco Industrial and Chemicals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

	of companies comparable to the investee and the expected revenue and EBITDA of the investee.		were higher/ (lower) - the EBITDA margins were higher/(lower)
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C. Financial risk management

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments and long term debt.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Interest rate risk
- Price risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk: Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of following financial assets represents the maximum credit exposure:

Cash and cash equivalents

The Company held cash and cash equivalents of INR 150376 at March 31, 2017 (March 31, 2016: INR 229163; April 1, 2015: INR 336896). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing.



Afco Industrial and Chemicals Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian rupees)

Liquidity risk: Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and

stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk: Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to

Market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Interest rate risk :Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Price Risk :Price risk the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices not related to interest rate risk or currency exchange risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Capital Management :The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The disclosures as per IndAS are to the extent applicable, relevant, significant or material in the preparation and presentation of these financial statements.



Afco Industrial and Chemicals Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian rupees)

23. Other information

Information with regard to other matters specified in Schedule III to the Companies Act, 2013, is either nil or not applicable to the Company for the year.

As per our report of even date attached.

For CHANDABHOY & JASSOOBHOY

Chartered Accountants

Firm's Registration No: 101647W



Bhupendra Nagda

Partner

Membership No: 102580



For and on behalf of the Board of Directors of

Afco Industrial and Chemicals Limited

CIN-U24110MH1983PLC012744



N.H. Datanwala

Director

DIN-00047544



R. Jayshree

Director

DIN-00081620

Mumbai:

23 MAY 2017

Mumbai:

23 MAY 2017

Mumbai:

23 MAY 2017

Afco Industrial and Chemicals Limited

Annexure : 1

RECONCILIATION OF BALANCE SHEET AS AT 31st MARCH, 2016 & 1st APRIL, 2015

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Sr. No.	Particulars	Note No.	IGAAP 31st March, 2016	IndAS Adjustments	IndAS 31st March, 2016	IGAAP 1st April, 2015	IndAS Adjustments	IndAS 1st April, 2015
ASSETS								
1) <u>Non Current Assets</u>								
	a) Property, Plant & Equipment	3	3,088,625	80,000	3,008,625	2,029,474	-	2,029,474
	b) Financial Assets							
	(i) Investments	4	3,526,300	41,343	3,484,957	3,526,300	1,058,438	4,584,738
	(ii) Others Financial Assets	5	212,956	-	212,956	212,956	-	212,956
			6,827,881	121,343	6,706,538	5,768,730	1,058,438	6,827,168
2) <u>Current Assets</u>								
	a) Financial Assets							
	(i) Trade Receivables		-	-	-	11,250	-	11,250
	(ii) Cash and Cash Equivalents	6	229,163	-	229,163	336,896	-	336,896
	(iii) Others Financial Assets	5	678,134	-	678,134	1,513,821	-	1,513,821
	b) Other Current Assets		2,508	-	2,508	2,508	-	2,508
			909,805	-	909,805	1,864,475	-	1,864,475
	Total Assets		7,737,686	121,343	7,616,343	7,633,205	1,058,438	8,691,643
EQUITY AND LIABILITIES								
EQUITY								
	1) Equity Share Capital	7	7,605,000	-	7,605,000	7,605,000	-	7,605,000
	2) Other Equity	8	(3,468,758)	(121,343)	(3,590,101)	(3,312,209)	1,058,438	(2,253,771)
			4,136,242	(121,343)	4,014,899	4,292,791	1,058,438	5,351,229
LIABILITIES								
1) <u>Non Current Liabilities</u>								
	a) Provisions	9	3,151,507	-	3,151,507	2,785,533	-	2,785,533
			3,151,507	-	3,151,507	2,785,533	-	2,785,533
1) <u>Current Liabilities</u>								
	a) Financial Liabilities							
	(i) Trade Payables		-	-	-	-	-	-
	(ii) Other Financial Liabilities	10	419,980	-	419,980	498,433	-	498,433
	b) Other Current Liabilities	11	29,957	-	29,957	56,448	-	56,448
			449,937	-	449,937	554,881	-	554,881
	Total Liabilities		3,601,444	-	3,601,444	3,340,414	-	3,340,414
	Total Equity and Liabilities		7,737,686	(121,343)	7,616,343	7,633,205	1,058,438	8,691,643

NOTES TO RECONCILIATION

A Deemed Cost of Freehold Land as at 1st April, 2015, of Rs. 18,49,790/- includes Land Development expenditure.

Further, addition to Land Development (Rs. 80,000/- in 2015-16) is charged off to the Profit & Loss.

B Investments as per IndAS have been measured on Balance Sheet date at Fair Value through Other Comprehensive Income

C Other Equity comprises of changes in fair value measurement of equity instruments on reporting date



Afco Industrial and Chemicals Limited

Annexure : 1

RECONCILIATION STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st MARCH, 2016

Sr. No.	Particulars	Note No.	IGAAP 31st March, 2016	IndAS Adjustments	IndAS 31st March, 2016
I]	Revenue from Operations	12	-	-	-
II]	Other Income	13	76,125	-	76,125
III]	Total Income [I+II]		76,125	-	76,125
IV]	Expenses				
	1) Cost of Material Consumed	14 (a)	-	-	-
	2) Changes in Inventories of Finished Goods, Stock In Trade and Work In Progress	14 (b)	-	-	-
	3) Employee Benefits Expense	15	-	-	-
	4) Depreciation and Amortization Expenses	3	11,234	-	11,234
	5) Excise Duty		-	-	-
	6) Other Expenses	16	2,21,440	80,000	3,01,440
	Total Expenses [IV]		2,32,674	80,000	3,12,674
V]	Profit / (Loss) Before Exceptional Items and Tax [III-IV]		(1,56,549)	(80,000)	(2,36,549)
VII]	Profit / (Loss) Before Tax [V-VI]		(1,56,549)	(80,000)	(2,36,549)
VIII]	Tax Expenses				
	1) In respect of Earlier Years		-	-	-
	Total Tax Expenses [VIII]		-	-	-
IX]	Profit / (Loss) for the Period from Continuing Operations [VII+VIII]		(1,56,549)	(80,000)	(2,36,549)
X]	Other Comprehensive Income				
	(i) Items that will not be classified to Profit or Loss	17	-	(10,99,781)	(10,99,781)
XI]	Total Income for the Period [IX+X] (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(1,56,549)	(11,79,781)	(13,36,330)

NOTES TO RECONCILIATION

A Difference on measurement of equity instruments at Fair value through Other Comprehensive Income

