

**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Information**

Jenson & Nicholson (India) Limited ('JNIL or Company') is a public company domiciled in India. Its shares are listed on three Stock Exchanges in India. The Company is engaged in the manufacturing and selling of paints.

**1.1 Basis of preparation of financial statements**

**a) Basis of Accounting:**

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by SEBI. The Financial Statements have been prepared on accrual basis and under the historical cost convention.

The Accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year. Starting from 1st April, 2017, IND AS Accounting Standards, as prescribed by the Ministry of Corporate Affairs, have been applicable to the Company and the Accounting Policies would undergo necessary changes.

**b) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make judgements, estimates and assumptions that affect the reported amount revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

**c) Current and Non Current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (which has been defined to be twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

**1.2 Revenue Recognition**

- (a) All revenues, costs, assets and liabilities are accounted for on accrual basis.
- (b) Dividend income is accounted when the right to receive payment is established and known.
- (c) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts; excise duty, sales returns and sales tax/VAT.

- (d) Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- (e) Non compete fees received in a financial year are apportioned annually over the period of the Contract.

**1.3 Fixed Assets/Depreciation/Amortization**

**a) Tangible Fixed Assets**

Tangible Fixed Assets are carried at the cost of acquisition or construction, less accumulated depreciation/accumulated impairment. The cost of fixed assets comprises of its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of Buildings or Plant and Machinery is capitalized under relevant tangible asset heads.

Profit or loss on disposal of tangible assets is recognised in the statement of profit and loss. Fixed asset should be eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Subsequent expenditures related to an item of fixed assets are added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**b) Intangible Fixed Assets**

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Intangible assets are amortised on a straight-line method basis over their estimated useful life.

Gain or losses arising from the retirement or disposal of intangible assets are recognised in the profit and loss account.

**c) Depreciation**

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of assets where applicable prescribed under Schedule II to the Companies Act, 2013 and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act,2013. Pursuant to Notification of Schedule II of the Companies Act,2013, depreciation is provided on pro-rata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, prescribed under Schedule II to the Companies Act, 2013.

No depreciation is provided on Freehold Land.

Leasehold Land and Building is amortized on a straight line basis over the tenure of respective leases.

Intangible assets are amortised on a straight-line method basis over their estimated useful life.

**d) Impairment Loss**

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to cash generating unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of asset's net selling price or its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. Impairment loss in excess of Revaluation Surplus is recognised as expense in Profit & Loss Account. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exist or has decreased. Impairment loss/ reversal thereof is adjusted to the carrying value of the respective assets which in case of CGU, are allocated to its assets on pro-rata basis. Impairment loss on revalued assets/CGU previously charged as expenses in recognised as income in the Profit and Loss Account.

**1.4 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are valued at lower of cost and fair value determined on an individual investment basis. Long term investments are stated at cost unless there is a diminution, other than temporary, in value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**1.5 Valuation of Inventories**

Finished goods and work in progress are stated at lower of cost and estimated net realisable value. Cost of inventories constitutes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Raw Materials, components, stores and spares are valued at lower of cost and estimated net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realisable value.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

**1.6 Foreign Currencies**

Foreign currency transactions and balances:

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate difference between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. In circumstances where the exchange rate at reporting date may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised from, or required to disburse, a foreign currency monetary item at the balance sheet date the relevant monetary item is reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expenses in the period in which they arise.

(iv) Forward exchange contracts entered to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

**1.7 Research & Development**

Revenue expenditure on research & Development is charged to Profit & Loss Account in the year in which it is incurred. Fixed assets utilised for research and development

are capitalised and Capital expenditure on Research and Development is treated in the same way as additions to fixed assets.

**1.8 Leased Equipment**

Lease Rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss Account on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

**1.9 Amortization of expenses**

- a) Expenses incurred in connection with issue of debentures are written off over the period of such debentures or ten years whichever is earlier.
- b) Preference Share issue expenses are charged off to revenue over the period of such Preference Shares.

**1.10 Retirement Benefits**

**Provident Fund**

The company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The company has an obligation to make to good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

**Gratuity**

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date. Actuarial gains and losses are adjusted to the profit and loss account in the period in which it arises.

**Leave Encashment Plan**

The company treats accumulated leave to the extent such leave are carried forward as employee benefit for measurement purposes. The Company provides for leave encashment on actuarial basis as of balance sheet date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.

**1.11 Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid, if any, to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably or virtually certain that future taxable income will be available against which such deferred tax assets can be realized.

**1.12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

**Notes on Financial Statements**

**2 SHARE CAPITAL**

(₹ in Lacs)

		As at 31st March, 2017	As at 31st March, 2016
<b>AUTHORISED SHARE CAPITAL</b>			
2,500,000	Redeemable Preference Shares of Rs. 100/- each.	<b>2,500.00</b>	2,500.00
80,000,000	Ordinary Shares of Rs. 2/- each.	<b>1,600.00</b>	1,600.00
		<b>4,100.00</b>	4,100.00
<b>ISSUED AND SUBSCRIBED AND PAID UP:</b>			
1,000,000	14.5% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid	<b>1,000.00</b>	1,000.00
700,000	14% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid	<b>700.00</b>	700.00
37,425,595	Ordinary Shares of Rs. 2/- each, fully paid	<b>748.51</b>	748.51
		<b>2,448.51</b>	2,448.51

Of the above Ordinary Shares :

## JENSON AND NICHOLSON (INDIA) LIMITED

### Notes on Financial Statements

- 2.1 Till 1982, 5,25,000 Ordinary Shares were allotted as fully paid up by way of bonus shares, by capitalisation of Reserves.
- 2.2 b) 7,50,000 Ordinary shares were allotted as fully paid bonus shares in 1991-92 by capitalisation of General Reserves and Share Premium Account.
- 2.3 c) 1,14,17,057 Ordinary Shares of Rs. 2/- each fully paid were allotted to promoters' group and overseas corporate bodies at a premium of Rs.7.40 per share on conversion of the Optionally Convertible Debentures amounting to Rs. 1000.42 lacs issued to them and interest thereon.
- 2.4 d) 53,19,148 Ordinary Shares of Rs. 2/- each fully paid were allotted to Unit Trust of India on conversion of the Optionally Convertible Debentures amounting to Rs. 500.00 lacs issued to them at a premium of Rs.7.40 per share.

Of the above Preference Shares :

- 2.5 a) 10,00,000 14.5% Cumulative Redeemable Preference Shares of Rs.100/- each issued in three tranches in 1997-98 redeemable at par at the end of the fifth year from the dates of allotment, i.e., 25.09.2002, 27.10.2002 and 08.12.2002 with option for early redemption not exceeding 25% of the aggregate of the Preference Shares outstanding at the end of the fourth year from the date of the allotment, i.e., 25.09.2001, 27.10.2001 and 08.12.2001. These Preference Shares have not been redeemed as yet.
- 2.6 b) 7,00,000 14% Cumulative Redeemable Preference Shares of Rs. 100/- each issued in two tranches in 1998-99 are redeemable at par at the end of the fifth year, sixth year and seventh year from the respective dates of allotment i.e., 01.02.2004 and 09.02.2004, 01.02.2005 and 09.02.2005 and 01.02.2006 and 09.02.2006 in the proportion of 30%, 30% and 40% respectively. The Preference Shareholders had filed a notice for redemption of the aforesaid preference shares.

**2.7 The details of Share Holding more than 5% shares:** (₹ in Lacs)

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	% held	No. of Shares	% held	No. of Shares
Maurya Management Pvt Ltd	32.50%	12,162,214	32.50%	12,162,214

**2.8 The reconciliation of the number of shares outstanding is set out below:** (₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,74,25,595	3,74,25,595
Equity Shares at the End of the year	3,74,25,595	3,74,25,595

**3 RESERVES & SURPLUS** (₹ in Lacs)

	Balance as at 31st March, 2016	Additions during the Period	Withdrawals during the Period	Balance as at 31st March 2017
Capital Reserve	0.04	0.00	0.00	0.04
Capital Redemption Reserve	25.69	0.00	0.00	25.69
Securities Premium Account	2,229.24	0.00	0.00	2,229.24
Revaluation Reserve	2,447.13	0.00	1.44	2,445.68
Debenture Redemption Reserve - N.C.D.	350.32	0.00	0.00	350.32
Debenture Redemption Reserve - O.C.D.	34.26	0.00	0.00	34.26
General Reserve	1,483.41	0.00	0.00	1,483.41
Debit Balance in Profit & Loss A/c	(44,808.89)	328.46		(44,480.43)
	(38,238.80)	328.46	1.44	(37,911.79)

(₹ in Lacs)

### Notes on Financial Statements

		As at 31st March, 2017		As at 31st March, 2016
4	<b>LONG TERM BORROWINGS</b>			
	<b>TERM LOANS</b>			
	<b>From Banks</b>			
	Secured	923.45		923.45
	Unsecured	-	923.45	923.45
	<b>Total Long Term Borrowings</b>	<b>923.45</b>		<b>923.45</b>

Security Status:

S. NO	Name of Lenders	Original Lenders	Charge
1	Vivid Colors Pvt. Ltd.	United Bank of India, Indian Overseas Bank, IDBI, IIBI, Dombivili Nagari Sahakari Bank Ltd., Punjab Natinal Bank	<p><b>United Bank of India</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha and Shir Shailendra Prakash Sinha.</p> <p><b>Indian Overseas Bank</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha.</p> <p><b>IDBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets.</p> <p><b>IIBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all movable assets. Personal Guarantee by the promoters of the company by Shri S P Sinha and Shri Shailendra Prakash Sinha.</p> <p><b>Dombivili Nagari Sahakari Bank Ltd</b> - Hypothecation of Plant and Machinery.</p> <p><b>Punjab Natinal Bank</b> - Whole immovable properties of the company including plant &amp; machinery, spares, tools office equipments and furniture &amp; fixtures, and Personal guarantee by the promoter of the company by Shri S P Sinha.</p>

4.1 Term Loan from Banks and financial institutions (United Bank of India, Dombivli Nagari Sahakari Bank Ltd, PNB, Indian Overseas Bank, IIBI, and IDBI) are secured by equitable mortgage of immovable properties of the Company and by way of charge on movable plant and machinery, machinery spares, tools and accessories and other movables both present and future. The Term Loan from IIBI included in the above loans is also guaranteed by two of the Promoters of the Company. Term loans from IDBI, United Bank of India and Indian Overseas Bank have been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd. The term loan from Dombivli Nagari Sahakari Bank Ltd, IIBI, Canara Bank and Punjab National Bank has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprise Ltd (ACRE)

4.2 Period and amount of Continuing default (₹ in Lacs)

S No.	Name of Lenders		Amount in default as on 31st March'17	Interest	Period of Default	Amount in default as on 31st March'16	Interest	Period of Default
	Current Lenders	Original Lenders						
1	Vivid Colors Pvt Ltd	United Bank of India, Indian Overseas Bank, IDBI, IIBI, Dombivli Nagari Sahakari Bank Ltd, Punjab National Bank	923.45	6,562.86	Since 1999-2000	923.45	6,562.86	Since 1999-2000

### Notes on Financial Statements

- 4.3 The company has stopped providing interest on all loans from Banks and Financial Institutions whether secured and unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them.
- 4.4 The Security given to secured lenders in fixed assets had been charged in favour of M/s Vivid Colors Pvt Ltd with the Registrar of companies after they took the assignment of all the loans. Now the company has only one secured lender which is M/s Vivid Colors Pvt Ltd and no bank and financial institutions are lenders of the company.

#### 5 LONG TERM PROVISIONS

(₹ in Lacs)

##### Employees benefit

Gratuities	183.27	190.87
Leave Encashment	25.79	26.54
	209.06	217.42

(₹ in Lacs)

**As at  
31st March, 2017**

**As at  
31st March, 2016**

#### 6 SHORT TERM BORROWINGS

Loans Repayable on Demand

##### From Banks

Secured	4,606.19	4,606.19
Unsecured	-	4,606.19
	-	4,606.19

##### From Other Parties

Secured	3,223.75	3,523.75
Unsecured	138.61	138.61
Total	7,968.55	8,268.55

Security Status:

S. NO	Current Lendors	Original Lendors	Charge
1	Vivid Colors Pvt. Ltd.	State Bank of India, Union Bank of India, Bank of Baroda, Bank of India, SBI Home Finance Ltd, SIDBI, Canara Bank, Allahabad Bank, National Co-Operative Bank, Standard Chartered Bank, Global Trust Bank (OBC)	<p><b>State Bank of India, Union Bank of India, Bank of Baroda, Bank of India, SBI Home Finance Ltd</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati</p> <p><b>SIDBI</b> - First charge on all immovable properties of the company at Panvel, Naihati and Sikandrabad together with all building and infrastructure thereon and all Plant and Machinery attached to the earth., and second charge on all moveable assets.</p> <p><b>Canara Bank</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati.</p> <p><b>Allahabad Bank</b> - First Charge on all book debts, money receivables, stocks, lab equipments, furnitures and motor vehicles at different sites of the company, and second charge on Land and Building and Plant and Machinery attached to the earth at Panvel, Sikandrabad and Naihati.</p> <p><b>National Co-Operative Bank</b> - Includes Rs. 51.25 lacs secured by pledge of various raw materials &amp; components (imported or indigenous) and guaranteed by one of the Directors of the Company. Security documentation is pending.</p> <p><b>Standard Chartered Bank</b> - First charge on Insta Color Machines (Tinting Machines)</p> <p><b>Global Trust Bank (OBC)</b> - Second charge on all Fixed assets of the company and Personal Guarantee of Shri S P Sinha."</p>



### Notes on Financial Statements

- 6.1 Cash credit and working capital loan from banks are secured by way of charge on Company's stocks (not relating to plant and machinery), bills receivable, book debts and other movables both present and future except for certain Jensonomatic Automatic Machines hypothecated by way of a first charge in favour of a banker. Temporary overlimit taken from a bank is also guaranteed by one of the Directors of the Company. Cash Credit and working capital loans from State bank of India, Bank of Baroda, Bank of India and Union Bank of India have been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd and for Allahabad Bank & Standard Chartered Bank Global Trust Bank (OBC) have been assigned in favour of Vivid Colors Pvt Ltd.
- 6.2 Bill Discounting facility from SIDBI is secured by a charge on whole of the immovable properties of the Company together with building, Plant and Machinery and other items attached to the earth or permanently fastened to earth. Subsequently the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 6.3 Loans include Rs. 500 lacs received from Global Trust Bank (OBC) originally as Short term in 1997-98 for a period of six months as advance for issue of secured Redeemable Non-Convertible debentures of Rs. 100/- each which was subsequently renewed for a further period of six months. No repayment has been made nor any debenture has been issued as yet. Now it has been categorised as Short term as per as per Schedule VI requirements. The entire loan has been assigned in favour of M/s Vivid Colors Pvt Ltd.
- 6.4 Includes Rs 500 lacs as Short Term loan from M/s SBI Home Finance Ltd, the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 6.5 The company has stopped providing interest on all loans from Banks and Financial Institutions whether secured and unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them.
- 6.6 Short Term Borrowings from other parties amounting to Rs 3223.75 lacs (previous year 3523.75 lacs) secured by mortgaged of 55% shares pledged of Jenson & Nicholson Paints Pvt Ltd (a subsidiary of Jenson and Nicholson (India) Ltd).
- 6.7 The Security given to secured lenders in fixed assets had been charged in favour of M/s Vivid Colors Pvt Ltd with the Registrar of companies after they took the assignment of all the loans. Now the company has only one secured lender which is M/s Vivid Colors Pvt Ltd and no bank and financial institutions are lenders of the company.

Period and amount of Continuing default

(₹ in Lacs)

S No.	Name of Lenders	Original Lenders	Amount in default as on 31st March'17	Interest	Period of Default	Amount in default as on 31st March'16	Interest	Period of Default
1	Vivid Colors Pvt. Ltd.	State Bank of India, Union Bank, Bank of Baroda, Bank of India, SBI Home Finance Ltd, SIDBI, Canara Bank, Allahabad Bank, Standard Chartered Bank, National Co-Operative Bank, Global Trust Bank (OBC)	4,606.19	9,943.39	Since 1999-2000	4,606.19	9,943.39	Since 1999-2000

(₹ in Lacs)

**As at  
31st March, 2017**

**As at  
31st March, 2016**

#### 7 TRADE PAYABLE

Sundry Creditors

Due to Micro Small and Medium Enterprise

Others

**3,642.31**

**3,642.31**

3,888.12

3,888.12

Information related to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

- a) The Company has not received intimation from suppliers regarding the status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any, relating to the amounts unpaid at the year end together with interest payable as required under the said Act, has not been made.

Notes on Financial Statements

8 OTHER CURRENT LIABILITIES		(₹ in Lacs)	
Unpaid Matured Deposit	13.57		13.57
Unpaid matured debentures and interest accrued thereon			
Non Convertible Debentures			
Vivid Colors Pvt. Ltd. (IDBI)	2,342.08		2,342.08
Vivid Colors Pvt. Ltd. (NIA)	229.30		229.30
Vivid Colors Pvt. Ltd. (UTI)	813.60		813.60
Optionally Convertible Debentures	0.00		0.00
Vivid Colors Pvt. Ltd. (UTI)	902.15	4,287.13	902.15
Interest and due on borrowings		17,936.17	17,936.17
Statutory Liabilities		368.25	388.75
Payable to Employees'		620.89	795.17
Liability for Expenses		233.23	320.56
Security Deposits		4.50	12.37
Advance received against Assignment of Trade Marks		-	100.00
		<b>23,463.73</b>	<b>23,853.71</b>

There is no amount due and outstanding to be credited to Investor Education & Protection Fund as at 31.03.2017

- 8.1 Rs. 8,00,00,000/-, 20.5% Non-Convertible Debentures of Rs. 100/- each redeemable at 5% premium privately placed with IDBI are redeemable in three tranches amounting to Rs. 200 lacs, Rs. 400 lacs and Rs. 200 lacs on 1st January, 2004, 2005 and 2006. However the said debenture has not been redeemed. Subsequently the entire loan has been assigned in favour of Vivid Colors Pvt Ltd through Sirius Financial Services Pvt. Ltd.
- 8.2 Rs. 1,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with NIA were redeemable at the end of the third year from the date of allotment i.e., 25th February, 2003 at par. However the said debenture has not been redeemed yet.
- 8.3 Rs. 5,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with UTI are redeemable in three tranches of equal amount at the end of the 4th, 5th and 6th year from the date of allotment i.e., on 18th October, 2003, 2004, 2005 respectively at par. The entire loan has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprises Ltd (ACRE).
- 8.4 Rs. 10,00,00,000, 13.5% Optionally Convertible Debentures issued to UTI consisting of Part A (10,00,000 Debentures) of Rs.50/- each converted into Equity Shares of Rs. 2/- each at a premium of Rs. 7.40 on 30th November, 2001. Optional Part B (10,00,000 Debentures) of Rs.50/- each convertible into Equity Shares of Rs.2/- each at a premium of Rs.7.40 on notice being served. If option is not exercised, it shall be redeemed at par in 3 equal instalments on 31st May, 2004, 2005, 2006 respectively. However nothing has happened on this front as yet. The entire loan has been assigned in favour of Vivid Colors Pvt. Ltd. through Asset Care & Reconstruction Enterprises Ltd (ACRE).
- 8.5 All the Non-Convertible Debentures and Optionally Convertible Debentures are to be secured by an equitable mortgage of the Company's all immovable properties both present and future and hypothecation of other movable assets save and except stock and book debts (by way of second charge) ranking pari-passu with mortgage / charge created in favour of Vivid Colors Pvt Ltd Security documentations are pending for 15% NCD placed with NIA, 15% NCD placed with UTI and 13.5% OCD placed with UTI.

Status of Security (₹ in Lacs)

Status of Security	31st March, 2017	31st March, 2016
Following amounts are secured by mortgage on Fixed Assets of the Company		
Unpaid matured debentures and interest accrued thereon	4,287.13	4,287.13
Interest and due on borrowings	16,506.25	16,506.25

- 8.6 Due to non-payment of debts, Asset Care Reconstruction Enterprises Limited (ACRE) had acquired the possession of SIKANDRABAD PROPERTY situated at Sikandrabad, Plot No.21 & 22 UPSIDC, Industrial Area, Distt. Bulandshahar, UP in exercise of powers conferred u/s 13(4) of the said Act, on 21st May, 2013, During this year the surplus land situated at Sikandrabad Plot No. 21 has been sold by Asset Care & Reconstruction Enterprises (ACRE) under SARFAESI Act in exercise of the powers conferred u/s 13(4) of the said Act. ACRE thereafter assigned the loan of Canara Bank to M/s Vivid Colors Pvt. Ltd. on 18th November, 2014. After assignment of Canara Bank's Loan by ACRE, the SARFAESI act is automatically withdrawn. During the year M/s Sirius Financial Services Pvt Ltd has also assigned all the loans from Banks and Financial Institutions which they have take over from IFCI to M/s Vivid Colors Pvt Ltd. The Security given to secured lenders in fixed assets has also been charged in favour of M/s Vivid Colors Pvt Ltd with the Registrar of companies after they took the assignment of loans. Now the company has only one secured lender which is M/s Vivid Colors Pvt ltd and no bank and financial institutions are lenders of the company.



### Notes on Financial Statements

(₹ in Lacs)

#### 9 SHORT TERM PROVISIONS

##### Employees benefit

Gratuities	103.63		82.65
Leave Encashment	11.22		8.87
PF Contributions	9.12	123.97	0.00
Provision for Premium on NCD		40.00	40.00
Provision for Tax (net of advance payment of tax)		115.11	77.37
		279.09	208.89

#### 10 Schedules to the Accounts

(₹ in Lacs)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION								NET BLOCK		
	Cost / Revaluation as at 31.03.16	Additions	Deductions	Cost/ Revaluation as at 31.03.2017	Depreciation				Impairment				As at 31.03.2017	As at 31.03.2016	
					As at 31.03.16	Provided	On Revaluation	On Deductions	As at 31.03.2017	As at 31.03.2016	Provided	As at 31.03.2017			
<b>I. Tangible Assets:</b>															
Freehold Land	386.61			386.61	-	-	-	-	-	-	-	-	-	386.61	386.61
Leasehold Land	108.29			108.29	20.61	0.19	0.89	-	21.70	-	-	-	-	86.60	87.68
Buildings	1,029.40			1,029.40	821.61	1.34	0.55	-	823.50	148.83	-	148.83	-	57.07	58.96
Plant and Equipments	14,801.53	6.39		14,807.92	6,060.78	9.75	-	-	6,070.54	8,666.29	-	8,666.29	-	71.10	74.46
Furniture & Fixtures	995.63	1.17		996.79	929.13	0.22	-	-	929.34	65.83	-	65.83	-	1.62	0.67
Vehicles	46.15			46.15	46.15	-	-	-	46.15	-	-	-	-	-	-
<b>Total Tangible Assets</b>	<b>17,367.62</b>	<b>7.55</b>	<b>-</b>	<b>17,375.18</b>	<b>7,878.28</b>	<b>11.50</b>	<b>1.44</b>	<b>-</b>	<b>7,891.22</b>	<b>8,880.96</b>	<b>-</b>	<b>8,880.96</b>	<b>-</b>	<b>603.00</b>	<b>608.38</b>
Previous Year	17,366.66	0.96	-	17,367.62	7,732.38	111.27	34.64	-	7,878.28	8,880.96	-	8,880.96	-	60,838,440.04	753.32
<b>II. Intangible Assets:</b>															
Trade Mark	2,399.64	-		2,399.64	2,399.64	-	-	-	2,399.64	-	-	-	-	-	-
Computer Software	42.10	-		42.10	20.94	7.06	-	-	27.99	-	-	-	-	14.11	21.17
<b>Total Intangible Assets</b>	<b>2,441.74</b>	<b>-</b>	<b>-</b>	<b>2,441.74</b>	<b>2,420.58</b>	<b>7.06</b>	<b>-</b>	<b>-</b>	<b>2,427.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.11</b>	<b>21.17</b>
Previous Year	2,441.74	-	-	2,441.74	2,413.52	7.06	-	-	2,420.58	-	-	-	-	21.17	28.22
<b>Total Fixed Assets (I+II)</b>	<b>19,809.36</b>	<b>7.55</b>	<b>-</b>	<b>19,816.92</b>	<b>10,298.86</b>	<b>18.55</b>	<b>1.44</b>	<b>-</b>	<b>10,318.85</b>	<b>8,880.96</b>	<b>-</b>	<b>8,880.96</b>	<b>-</b>	<b>617.11</b>	<b>629.55</b>
Previous Year	19,808.40	0.96	-	19,809.36	10,145.90	131.05	5.73	339.69	9,942.99	9,588.19	-	9,588.19	-	629.55	1,234.19

(₹ in Lacs)

#### 11 NON CURRENT INVESTMENTS

	As at 31st March, 2017	As at 31st March, 2016
<b>Other Investments (At cost, fully paid up, non trade, Unquoted)</b>		
<b>Investment in Equity Instruments</b>		
In Equity shares of subsidiary company (At Cost) Trade, Unquoted 1,65,000 Equity shares of Rs. 10/- each fully paid up in Jenson Nicholson Paints Pvt Ltd	16.50	16.50
<b>Others</b>		
500 'B' Class Shares of Rs.10/- each of J&N Employees' Consumers' Co- operative Stores Limited, fully paid	0.05	0.05
500 Equity Shares of Rs.10/- each of The Co-operative Stores Limited, Delhi, fully paid	0.05	0.05
<b>Investments in Debentures and Bonds</b>		
30 - 1/2 % Debenture of Rs.100/- each of East India Clinic Limited, fully paid.	0.03	0.03
Rs. 4,500/- 5% Registered Debenture Stock (non-redeemable) of East India Clinic Limited, fully paid	0.05	0.05
	16.68	16.68

As at  
31st March, 2017      As at  
31st March, 2016

#### 12 Long Term Loans & Advances (Unsecured, Considered Good)

Security Deposits	22.40	23.26
	22.40	23.26

Notes on Financial Statements

13 INVENTORIES	31st March, 2017	As at 31st March, 2016	31st March, 2016	As at
Raw Materials	420.33		386.33	
Less: Provision for Stocks Lying in Naihati Containers	367.44	52.89	367.44	18.89
Less: Provision for Stocks Lying in Naihati Work-in-Progress	36.66		35.90	
Less: Provision for Stocks Lying in Naihati Finished Goods	12.90	23.76	12.90	23.01
Less: Provision for Stocks Lying at Naihati Stock in Trade	10.89		4.33	
Stores and Spare Parts	4.33	6.56	4.33	0.00
Less: Provision for Stocks Lying at Naihati	75.68		103.12	
Stock in Trade	14.77	60.91	14.77	88.34
Stores and Spare Parts	27.60		27.91	
Less: Provision for Stocks Lying in Naihati	26.57	1.03	26.57	1.34
	<u>145.15</u>		<u>138.92</u>	
<b>14 TRADE RECEIVABLE (UNSECURED)</b>				(₹ in Lacs)
Overdue for a period of exceeding six months:				
Considered Good	59.32		94.09	
Doubtful	943.04		799.34	
	1,002.35		893.43	
Less : Provision for Doubtful Debts	943.04	59.32	799.34	94.09
Other Receivables				
Considered Good		51.61		293.92
		<u>110.93</u>		<u>388.00</u>
<b>15 CASH AND CASH EQUIVALENTS</b>				
Cash on hand		1.36		0.49
Cheques on Hand		0.06		-
Balance with Scheduled Banks		89.70		228.17
Deposit with Banks maturity more than 3 months but less than 12 months		2.39		2.39
		<u>93.50</u>		<u>231.05</u>
<b>16 Short Term Loans &amp; Advances (Unsecured, considered good)</b>				
<b>Deposits</b>		2.56		0.33
<b>Other loans and advances</b>		-		
i) Advances/Claims revocerable in cash or in kind		1.56		72.48
ii) Prepaid Expenses		5.84		5.62
iii) Balance with statutory/ government authorities		7.19		-
		<u>17.16</u>		<u>78.43</u>
<b>(Unsecured, considered doubtful)</b>				
Other loans and advances				
i) Advances/Claims revocerable in cash or in kind		322.93		322.93
Less : Provision for doubtful		322.93		322.93
		<u>-</u>		<u>-</u>
<b>17 Other Current Assets</b>				
Due from Subsidiary		-		63.95
		<u>-</u>		<u>63.95</u>

### Notes on Financial Statements

(₹ in Lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>18 Revenue from Operations</b>		
(a) Sale of Products	422.69	4,009.83
Less: Excise Duty	46.42	350.70
	376.26	3,659.13
<b>Particulars of Sale of Products</b>		
Paints	422.68	4009.83
(b) Other Operating Income		
Scrap Sales	9.72	9.80
Insurance Claims Received	-	0.16
Job Work Charges	364.81	84.80
Miscellaneous Income	14.51	16.76
	389.03	111.52
Total Revenue from Operations	765.29	3,770.65
<b>19 OTHER INCOME</b>		
Interest on Income tax Refund	9.64	-
Assignment/Transfer of TradeMarks	600.00	-
Miscellaneous Income	2.99	0.23
	612.63	0.23
<b>20 CONSUMPTION OF MATERIALS ETC.</b>		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Raw Materials & Components		
Opening Stock	386.33	473.52
Add : Purchases	257.26	1,266.26
	643.60	1,739.78
Less : Closing Stock	420.33	386.33
	223.27	1,353.45
Containers		
Opening Stock	35.90	50.38
Add : Purchases	23.66	220.79
	59.57	271.17
Less : Closing Stock	36.66	35.90
	22.91	235.27
	246.17	1,588.71
<b>CIF value of Imports</b>		
Raw Material	-	-
Capital Goods	-	-
Finished Goods	-	-
	-	-
<b>Particulars of Material Consumed</b>		
Acids & Chemicals	5.36	218.27
Pigments	41.54	267.10
Resins	134.76	711.14
Solvents	41.61	156.94
Others	-	-
Total	223.27	1,353.45
of which	%	%
Imported	0.00%	0.00%
Indigenous	223.27	100.00%
	100.00%	1,353.45
	223.27	1,353.45

### Notes on Financial Statements

(₹ in Lacs)

	For the year ended 31st March, 2017	For the Year ended 31st March, 2016
<b>21 Change in Inventories of Finished Goods, Stock in Process and Stock in Trade</b>		
Opening Work in Progress	4.33	30.54
Closing Work in Progress	10.89	4.33
	(6.56)	26.21
Opening Finished Stocks/Stock in Trade	110.45	809.80
Closing Finished stocks / Stock in Trade	75.68	110.45
	34.77	699.35
Total	28.21	7265.56
<b>22 Employee Benefits Expense</b>		
Salaries and Wages	281.60	631.65
Contribution to Provident & Other Funds	35.11	39.32
Staff Welfare Expenses	18.98	43.50
	335.69	714.47
<b>23 Other Expenses</b>		
Consumption of Stores & Spare Parts	7.21	11.81
Power & Fuel	30.71	40.55
Rent	8.18	89.14
Repairs & Maintenance - Building	5.01	5.34
Repairs & Maintenance - Plant & Machinery	5.07	3.83
Repairs & Maintenance - Office and Others	19.98	12.47
Insurance	2.92	5.72
Freight	18.29	339.43
Travelling	31.97	107.39
Sales Promotion, Discounts and Marketing Exp.	10.17	251.81
Cash Discounts	0.81	137.51
Security Charges	20.50	21.03
Consultancy & Legal Exp.	32.59	44.33
Auditors' Remuneration		
As Audit Fee	1.00	1.00
For Tax Audit Fees	0.60	0.60
For Company Law Matters		
For Other Services	0.96	0.90
Reimbursement of Expenses	1.44	0.42
	4.00	2.92
Directors' Sitting Fee	1.80	2.63
Provision for Doubtful Debts	143.69	53.32
Miscellaneous	77.91	162.13
	420.83	1,291.35

### Notes on Financial Statements

(₹ in Lacs)

23.1 Store and Spares Consumed	%	( ₹ in Lacs )	%	( ₹ in Lacs )
Imported				
Indigenous	100%	7.21	100%	11.81
		7.21		11.81

### 24 Earnings Per Equity Shares

(₹ in Lacs)

	For the year ended 31st March, 2017	For the Year ended 31st March, 2016
Profit after Tax (Loss)	328.46	(1,032.48)
Preference Dividend	243.00	243.00
Adjusted Profit (Loss) after taxation	85.46	(1,275.48)
Weighted Average Number of Equity Shares	37,425,595	37,425,595
Basic Earnings Per Equity Share (Loss) (Face Value ₹ 2/- per share)	0.23	(3.41)

Diluted Earnings per share have not been disclosed for both the years as potential ordinary shares, ordinary if converted into shares, will have anti dilutive effect.

25. The Insolvency and Bankruptcy Code, 2016 came into effect in the month of December, 2016 and BIFR has been abated. Hence the Company's reference before BIFR stands abated. Consequently, Board will decide over making application to NCLT.
26. The company has incorporated a wholly owned subsidiary in the name of Jenson & Nicholson Colours Pvt. Ltd on 05/05/2017.
27. **Contingent liabilities not provided for in respect of:**

S. No.	Particulars	31st March, 2017 (₹ in lacs)	31st March, 2016 (₹ in lacs)
1	Sales Tax Matter under Appeal	373.54	239.19
2	Income Tax Matter under Appeal	50.00	53.83
3	Panvel Octroi under dispute	71.91	71.91
4	Excise Duty under Appeal	669.90	638.20
5	Interest on custom duty payable	341.28	322.56
6	Arrear Pref. Share Dividend	4374	4131.00
7	Interest payable under dispute	739.67	739.67
8	Interest on loans originally taken from banks, financial institutions and other lenders now all are assigned in favour of M/s Vivid Colors Pvt. Ltd. which has not been provided after 31st March' 2006.	219193.40	176928.23
9	Claim against the company not acknowledged as debts [Various Suppliers' Claims under dispute (Principal and Interest thereon)]	25601.22	20243.40
10	Claim against the company for given corporate guarantees including interest thereon	30393.31	25593.47
11	Interest on loan from Vivid Colors Pvt. Ltd	4111.89	3620.77
12	Claim by Kolkata Port Trust on account of difference in rent.	208.07	208.07

### 28. DEFERRED TAX

In view of carry forward losses, in drawing up the Accounts, the Company has not considered the impact of Net Deferred tax assets after setting off deferred tax liability arising out of timing difference. Deferred Tax Assets have not been recognized in accounts since it cannot be stated with reasonable certainty that there will be sufficient future income to recover such deferred tax assets.

**Notes on Financial Statements**

**29. SEGMENT REPORTING**

As the Company's business activity falls within a single business segment viz. paints and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

**30. RELATED PARTIES**

Related party disclosures in accordance with the Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India, the related parties are as follows:

**A) RELATED PARTY RELATIONSHIPS**

Description of Party	Relationship
1. Mr. B.C. Srivastava	Managing Director-KMP
2. Mr. Joginder Batra	Chief Financial Officer-KMP
3. Mr. Yogesh Kumar Gautam	Company Secretary -KMP
4. Bihar Hotels Limited	Enterprise under common control
5. Jenson & Nicholson Paints Pvt. Ltd.	Subsidiary of the Company

**B) SUMMARY OF TRANSACTIONS**

(₹ in Lacs)

Particulars	Subsidiaries		Enterprise under Common control		Key Managerial Personnel	
	2017	2016	2017	2016	2017	2016
Sale of Material	-	-	0.85	5.51	-	-
Expenses Paid/ payable	-	-	0.50	0.52	-	-
Rent receive/ receivable	-	-	-	7.20	-	-
Reimbursement of Expenses received/ receivable	-	167.25	2.01	3.51	-	-
Royalty receivable	-	0.059	-	-	-	-
Amount received for Assignment of Trade Marks	530.00	1000.00	-	-	-	-
Remuneration paid/payable	-	-	-	-	29.87	22.89

**C. TRANSACTION DURING THE YEAR WITH RELATED PARTIES**

(₹ in Lacs)

Transactions	2017	2016
<b>Sale of goods</b>		
Bihar Hotels Ltd	0.85	5.51
<b>Expenses Paid</b>		
Bihar Hotels Ltd	0.50	0.52
<b>Reimbursement of Expenses received</b>		
Jenson & Nicholson Paints Pvt. Ltd	-	167.25
Bihar Hotels Ltd	2.01	3.50
<b>Royalty receivable</b>		
Jenson & Nicholson Paints Pvt. Ltd	-	0.059
<b>Amount/Advance received for Assignment of Trade Marks</b>		
Jenson & Nicholson Paints Pvt. Ltd.	530.00	100.00

**Note:** No amount has been written off/ written back during the year in respect of debts due from or to the related parties.



### Notes on Financial Statements

#### 31. Debts Restructuring

By virtue of Assignment of Debts, all the secured loans from banks, financial institutions & debenture holders have been settled by M/s Vivid Colors Pvt. Ltd. The security given to secured lenders in fixed assets has also been charged in favour of M/s Vivid Colors Pvt. Ltd., with the Registrar of Companies after they took the assignment of loan. Now the company has only one secured lender which is M/s Vivid Colors Pvt. Ltd. and no bank and financial institutions are lenders of the company.

#### 32. Corporate Social Responsibility

The provision of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility is not applicable to the Company as the net worth, turnover and net profit (Average Net profit calculated in accordance with the provisions of section 198) during the financial year is less than the stipulated amount. Though the policy has been framed by the Company on Corporate Social Responsibility and there is no CSR activities initiated due to lack of profits therefore there is no reporting requirement pursuant to provisions of Section 134(3)(o) of the Companies Act, 2013.

#### 33. EMPLOYEE BENEFITS (Disclosure as per AS 15 revised)

##### i) Defined Benefit Plans

##### a) Gratuity (Unfunded)

(₹ in Lacs)

		31.03.2017	31.03.2016
		IN LACS	IN LACS
<b>A</b>	<b>Expense recognised in the Statement of Profit &amp; Loss</b>		
1	Current Service Cost	10.1	10.35
2	Interest Cost	32.61	30.72
3	Expected Return on Plan Assets	-	-
4	Net actuarial (gain)/loss recognised during the year	(8.25)	(0.85)
5	<b>Total Expense</b>	34.46	40.22
<b>B</b>	<b>Change In Present Value of the Obligation during the year</b>		
1	Present Value of Obligation as at the beginning of the year	42.38	39.3
2	Current Service Cost	1.01	1.03
3	Interest Cost	3.26	3.07
4	Benefits Paid	(11.01)	(0.94)
5	Actuarial (gain)/loss on obligation	(0.82)	(0.84)
6	Present Value of Obligation as at the end of the year	34.81	42.38
<b>C</b>	<b>Change in Fair value of plan assets during the year</b>		
1	Fair value of plan assets as at the beginning of the year	-	-
2	Expected return on plan assets	-	-
3	Contribution made	-	-
4	Benefits paid	-	-
5	Fair value of plan assets as at the end of the year	-	-
<b>D</b>	<b>The Major categories of plan assets as a percentage of the fair value of total plan assets</b>		
	Investments with Insurer		
<b>E</b>	<b>The principal assumptions used in determining gratuity obligations for the Company's plan are shown below</b>		
	Discount Rate	6.9	7.7
	Expected rate of return on assets*	-	-
	Employee Turnover	2%	2%
	Mortality rate	100% ( of Indian Assured Lives)	100% ( of Indian Assured Lives)

\*Expected rate of return on plan assets is same as actual rate of return since ARD falls on 31st March

\*The gratuity scheme is not managed on funded basis.

### Notes on Financial Statements

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

(₹ in Lacs)

		Gratuity				
F	Net Liability Recognised in the Balance Sheet	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Present Value of the Obligation	34.81	42.38	39.3	36.17	37.01
	Fair Value of plan assets	-	-	-	-	-
	Funded Status [Surplus/deficit]	-	-	-	-	-
	<b>Net Liability Recognised in the Balance Sheet</b>	<b>34.81</b>	<b>42.38</b>	<b>39.3</b>	<b>36.17</b>	<b>37.01</b>
	Experience Gain/ (Loss) adjusted on plan liabilities	(1.81)	(0.21)	(3.94)	(4.5)	(3.07)
	Experience Gain/ (Loss) adjusted on plan assets	-	-	-	-	-
	Actuarial Gain/(Loss) due to change in assumptions	-	-	-	-	-

- b) Provident Fund for certain eligible employees is administered by the Company through the Trusts "Jenson & Nicholson (India) Limited Employees Provident Fund and Jenson & Nicholson (India) Limited Workers Provident Fund" covered as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a Trust provide that in a provident fund set up by the employer, being exempt under Section 17 (1) of the said Act, any shortfall in the rate of interest on contributions as compared to the rate approved by the Government for the Employees' Provident Fund administered by the Regional Provident Fund commissioner is to met by the employer. Such a provident fund would in effect be a defined benefit plan in accordance with the requirements of AS 15.

As per our attached report of even date

On behalf of the Board of Directors

**M. Mukerjee & Co.**  
Chartered Accountants

Sd/-  
**Nripendra Mohan Sahai**  
Director  
DIN: 00422704

Sd/-  
**B.C. Srivastava**  
Managing Director  
DIN: 00929674

Sd/-  
**Spandan Sengupta**  
Partner  
Membership No. 135833  
FRN No. 303013E

Sd/-  
**Kiran Sahai**  
Director  
DIN: 01279368

Sd/-  
**Ajay Kumar Srivastava**  
Director  
DIN:00110886

Place : Patna  
Dated : 8th June, 2017

Sd/-  
**Yogesh Kumar Gautam**  
Company Secretary

Sd/-  
**Joginder Batra**  
Chief Financial Officer