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**FIORA SERVICES LIMITED**  
**ANNUAL FINANCIAL STATEMENTS**  
**FY 2017-18**

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**N. M. RAIJI & CO.**  
*Chartered Accountants*  
Universal Insurance Building,  
Pheroza Shah Mehta Road,  
Mumbai-400 001. INDIA  
Telephone: 2287 0068  
2287 3463  
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## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Fiora Services Limited**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Fiora Services Limited** ('the Company'), which comprise the balance Sheet as at 31<sup>st</sup> March 2018 and 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 significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and the statement of changes in equity of the company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the Indian Accounting Standards 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone Ind AS financial statements.

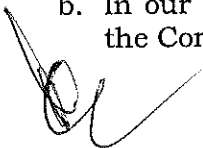
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and its financial performance including other comprehensive income, its cash flows and its changes in equity for the year ended on that date.

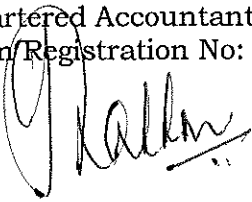
### **Report on Other Legal and Regulatory Requirements**

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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of section 143 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 purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c. The balance Sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement & statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
- e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
- f. The company has generally adequate internal financial controls system in place and the same are generally operating effectively.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer note no. 6 (c) forming part of standalone Ind AS financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **N. M. RAIJI & CO.**  
Chartered Accountants  
Firm/Registration No: 108296W



**CA. Y. N. THAKKAR**  
Membership No: 33329

Place: Mumbai  
Date: 18<sup>th</sup> April, 2018

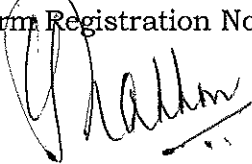
**Annexure to the Independent Auditor's report of even date**

{Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Fiora Services Limited (the Company)}

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, physical verification of major items of fixed assets was conducted by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size and operations of the company and the nature of its assets. On the basis of explanations received, in our opinion, the discrepancies found on physical verification were not significant.
- c) The Company does not own any immovable property. Hence no disclosure in respect of title deeds of immovable properties is required to be made;
- ii) The Company does not have any inventory. Accordingly this clause is not applicable;
- iii) The Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub clauses (a), (b) & (c) , are not applicable;
- iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities given.
- v) The Company has not accepted any deposits from the public.
- vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for the products of the Company.
- vii) a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, GST and any other statutory dues with the appropriate authority. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
- b) There are no disputed dues on account of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or GST that have not been deposited;
- viii) The Company has not defaulted in repayment of loans or borrowings to any financial institutions or banks or government or dues to debenture holders;

- ix) The Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments). The Company does not have any term loans;
- x) During the year, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported, during the course of our audit.
- xi) The Company has not paid or provided for any managerial remuneration during the year;
- xii) The Company is not a Nidhi Company; accordingly this clause is not applicable.
- xiii) All the related party transactions are in compliance with the Section 177& 188 of the Act to the extent applicable, and the details have been disclosed in the Financial Statement as required by the applicable Indian Accounting Standards (Refer Note no.9 forming part ofstandalone Ind AS Financial Statements).
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) The Company has not entered into any non-cash transactions with directors or person connected with him requiring compliance of Section 192 of the Act.
- xvi) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.

For **N. M. RAIJI & CO.**  
Chartered Accountants  
Firm Registration No: 108296W



**CA. Y. N. THAKKAR**  
Partner  
Membership No: 33329

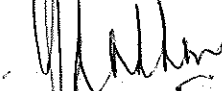
Place: Mumbai  
Date: 18<sup>th</sup>April, 2018

**FIORA SERVICES LIMITED**  
**Balance Sheet as at 31st March 2018**

		Rs. Lakhs	
Particulars	Note No.	Figures as at 31.03.2018	Figures as at 31.03.2017
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4.1	103.48	211.17
Intangible assets	4.1	1.86	156.95
<b>Financial assets</b>			
(i) investments	4.2	861.00	780.00
(ii) Loans	4.3	16.29	48.20
Deferred tax assets (net)	4.4	226.68	247.74
Other non-current assets	4.5	91.18	123.59
<b>Total Non-Current Assets</b>		<b>1,300.49</b>	<b>1,567.65</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
(i) Investments	4.6	1,276.56	1,025.00
(ii) Trade receivables	4.7	178.47	57.66
(iii) Cash and cash equivalents	4.8	71.73	117.60
(iv) Loans	4.9	5.55	15.88
(v) Others	4.10	95.12	157.55
Current Tax Assets (Net)	4.11	23.73	15.20
Other current assets	4.12	100.46	88.72
		<b>1,751.62</b>	<b>1,477.61</b>
<b>TOTAL</b>		<b>3,052.11</b>	<b>3,045.26</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	4.13	151.91	151.91
Other Equity	4.14	2,279.27	2,168.81
<b>Total Equity</b>		<b>2,431.18</b>	<b>2,320.72</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	4.15	74.85	174.53
<b>Total non-current liabilities</b>		<b>74.85</b>	<b>174.53</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade payables	4.16	380.49	405.31
(ii) Other financial liabilities	4.17	10.15	8.54
Provisions	4.18	59.89	22.59
Other current liabilities	4.19	34.75	78.12
Current Tax Liabilities		60.80	35.45
<b>Total current liabilities</b>		<b>546.08</b>	<b>550.01</b>
<b>Total Liabilities</b>		<b>620.93</b>	<b>724.55</b>
<b>TOTAL</b>		<b>3,052.11</b>	<b>3,045.26</b>
Significant Accounting policies and Notes to Accounts	1 to 15		

As per our report attached.

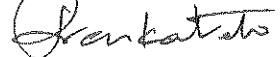
For N. M. RAJI & CO.,  
 Chartered Accountants  
 (Registration number 108296W)



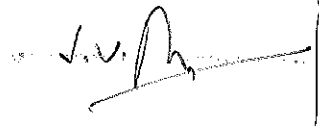
C.A. Y.N. THAKKAR  
 Partner  
 Membership Number: 33329  
 Mumbai

Dated: 18 APR 2018

For and on behalf of the Board,



Directors



Mumbai

Dated: 18 APR 2018

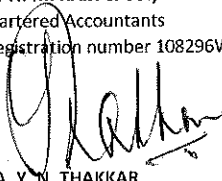
**FIORA SERVICES LIMITED**
**Profit and loss statement for the year ended 31st March 2018**

Rs. Lakhs

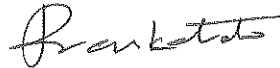
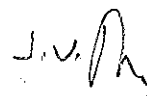
Particulars	Refer Note No.	Figures for the year ended 31.03.2018	Figures for the year ended 31.03.2017
I. Revenue from operations	5.1	3,127.56	4,415.08
II. Other income	5.2	85.62	107.31
<b>III. Total Revenue (I + II)</b>		<b>3,213.18</b>	<b>4,522.39</b>
IV. Expenses:			
Employee benefits expense	5.3	1,356.20	1,986.61
Finance Cost	5.4	-	10.79
Depreciation and amortization expense	4.1	78.25	106.24
Other expenses	5.5	1,454.36	1,966.11
<b>Total expenses</b>		<b>2,888.81</b>	<b>4,069.75</b>
<b>V. Profit/(loss) before exceptional and tax (III-IV)</b>		<b>324.37</b>	<b>452.64</b>
VI. Exceptional items		-	-
<b>VII. Profit/(loss) before tax (V- VI)</b>		<b>324.37</b>	<b>452.64</b>
VIII. Tax expense:			
(1) Current tax		82.98	146.00
(2) Deferred tax		23.60	11.10
(3) (Excess)/short provision for tax		-	(0.05)
<b>Total Tax Expenses</b>		<b>106.58</b>	<b>157.05</b>
<b>IX. Profit (Loss) for the year from continuing operations (VII-VIII)</b>		<b>217.79</b>	<b>295.59</b>
X Profit/(loss) from discontinuing operations		-	-
XI Tax expense of discontinuing operations		-	-
<b>XII Profit/(loss) from Discontinuing operations (after tax) (IX-X)</b>		<b>-</b>	<b>-</b>
<b>XIII Profit (Loss) for the year (IX + XII)</b>		<b>217.79</b>	<b>295.59</b>
XIV Other Comprehensive Income / (Loss)	5.6		
Items that will not be reclassified to profit or loss		72.96	(368.90)
Income tax relating to items that will not be reclassified to profit or loss		2.54	17.65
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>75.50</b>	<b>(351.25)</b>
<b>XV Total Comprehensive Income for the period (XIII+XIV)</b>		<b>293.29</b>	<b>(55.66)</b>
XVI Earnings per equity share: (for continuing operations)	12		
Basic		143.37	194.59
Diluted		143.37	194.59
Significant Accounting policies and Notes to Accounts	1 to 15		

As per our report attached.

 For N. M. RAJI & CO.,  
 Chartered Accountants  
 (Registration number 108296W)

  
 C.A. Y. N. THAKKAR  
 Partner  
 Membership Number: 33329  
 Mumbai  
 Dated: 18 APR 2018

For and on behalf of the Board,

Directors

 Mumbai  
 Dated: 18 APR 2018



**FIORA SERVICES LIMITED**

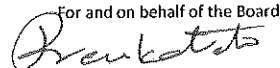
**CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018**

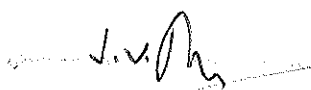
Sl no.	Particulars	1.4.2017 to 31.03.2018		1.4.2016 to 31.03.2017
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit before Taxes and Exceptional Items		324.37	452.64
	Adjustments for :			
	Depreciation & Amortization	78.25		106.24
	Interest income on Security deposit valued at amortised cost	-		(6.91)
	Changes in fair value of Investment (Net)	(65.07)		(16.08)
	Amortisation of def lease expense IND AS	-		5.68
	Provision for doubtful debts	2.00		-
	Provision for doubtful debts written back	-		(6.89)
	Finance cost	-		10.79
	Interest income	(11.58)		(70.98)
	(Profit)/Loss on sale of Property, plant and equipment (Net)	7.90		0.37
	(Profit)/Loss on sale of investments	(0.49)		(3.62)
	Provision no longer required written back	(8.36)		-
	Provision for employee benefit	(62.05)		(35.79)
	Dividend from Investments	-		(4.50)
			(59.40)	(21.69)
	<b>Operating Profit Before Working Capital Changes</b>		<b>264.97</b>	<b>430.95</b>
	Adjustments for :			
	Decrease/(increase) in Loans and advances	42.23		(27.10)
	Decrease/(increase) in Other Assets	48.69		3.92
	Decrease/(increase) in Trade Receivables	(120.81)		4.65
	(Decrease)/increase in trade payables	(24.82)		(1.43)
	(Decrease)/increase in Other Liabilities	(47.75)		(18.32)
			(102.46)	(38.28)
	Cash generated from operations		162.51	392.67
	Direct taxes/advance tax paid (net)	(42.57)		(74.38)
			(42.57)	(74.38)
	<b>Net Cash from Operating Activities</b>		<b>119.94</b>	<b>318.29</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Property, plant and equipment/ Intangible assets	(13.09)		(95.04)
	Proceeds from sale of Property, plant and equipment/ Intangible assets	204.53		4.44
	Purchase of current investments	(311.00)		(1,032.00)
	Proceeds from sale/maturity of current investments	125.00		490.00
	Loan given	-		(500.00)
	Repayment of Loan given	-		1,050.00
	Interest received on Loan given	-		67.33
	Interest received others	11.58		3.65
	Dividend from Investments	-		4.50
	<b>Net cash (used In)/from Investing Activities</b>		<b>17.02</b>	<b>(8.12)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Inter Corporate Deposit taken	-		300.00
	Repayment of Inter Corporate Deposit taken	-		(300.00)
	Interest Paid	-		(10.79)
	Dividends / Dividend Taxes Paid	(182.83)		(228.54)
	<b>Net cash (used In)/from Financing Activities</b>		<b>(182.83)</b>	<b>(239.33)</b>
<b>D</b>	<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(45.87)</b>	<b>70.84</b>
	OPENING CASH AND CASH EQUIVALENTS (Note 4.8)		117.60	46.76
	CLOSING CASH AND CASH EQUIVALENTS (Note 4.8)		<b>71.73</b>	<b>117.60</b>

Notes: i) Cash and cash equivalents consists of cash on hand and balances with bank.  
 ii) All figures in brackets are outflows.  
 iii) Previous year's figures have been regrouped wherever necessary.

As per our report attached  
 For N.M.RAJU & CO.,  
 Chartered Accountants  
 (Registration number 108296W)

C.A. V. N. THAKKAR  
 Partner  
 Membership Number: 33329  
 Mumbai

For and on behalf of the Board,  


  
 Directors  
 Mumbai

18 APR 2018

18 APR 2018

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**FIORA SERVICES LIMITED**

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Statement of Changes in Equity for the year ended March 31st,2018

**a. Equity Share Capital**

	Number	Rs. Lakhs
<b>Equity shares of Rs 100 each issued, subscribed and fully paid</b>		
At 1st April 2016	1,51,905	151.91
Issue of share capital	-	-
At 1st April 2017	1,51,905	151.91
Issue of share capital	-	-
At 31st March 2018	1,51,905	151.91

**FIORA SERVICES LIMITED**

Statement of Changes in Equity for the year ended March 31st, 2018

**b. Other Equity**

Rs. Lakhs

Particulars	Reserves and Surplus					Remeasurment on Defined Benefit Plan	Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings surplus In Profit and Loss Account	Equity Instruments through Other comprehensive Income		
Balance at 01st April 2016	45.00	25.00	410.06	1,946.90	30.78	(4.73)	2,453.01
Total Comprehensive Income for the year (net of tax)	-	-	-	295.59	(344.80)	(6.45)	(55.66)
Dividends Including Tax thereon				(228.54)			(228.54)
Balance at 01st April 2017	45.00	25.00	410.06	2,013.95	(314.02)	(11.18)	2,168.81
Total Comprehensive Income for the year (net of tax)				217.79	81.00	(5.50)	293.29
Dividends Including Tax thereon				(182.83)	-	-	(182.83)
Balance at 31st March 2018	45.00	25.00	410.06	2,048.91	(233.02)	(16.68)	2,279.27

## Note 1

During the current year, the Board of Directors has declared an Interim Dividend of Rs.100 Per Equity Share aggregating to Rs.182.83 lakhs including dividend distribution tax in respect of the year ended 31st March, 2018.

During the previous year, the Board of Directors had declared an Interim Dividend of Rs.125 Per Equity Share aggregating to Rs.228.54 lakhs including dividend distribution tax in respect of the year ended 31st March, 2017

## **Fiara Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2018**

#### **Note 1**

##### **Company information**

Fiara Services Limited (The company ) is a public Limited company domiciled in India and is incorporated under the provisions of the Indian Companies Act, 1956. The registered office of the company is located at GAT No. 810/811, Wagholi village, Haveli Nagar Road, Pune - 411 027.

The company renders various services like sourcing, warehousing, distribution, clearing and forwarding, accounting and other ancilliary services. The company is a subsidiary of Trent Brands Limited. Trent Limited. is the ultimate parent company.

#### **Note 2**

##### **2.1 Basis of preparation**

These are the separate financial statements as prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 and referred under Section 133 of the Companies Act, 2013.

The financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on 18th April, 2018.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value or amortised cost (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian rupees (INR) in lakhs, which is also the Company's functional currency. All values are rounded off to the nearest INR lakhs upto two decimals, except when otherwise indicated.

##### **2.2 Summary of Significant accounting policies**

###### **a) Foreign currencies**

Foreign currency transactions are accounted at the rates prevailing on the date of transaction.

Year-end monetary assets and liabilities are translated at the exchange rate ruling on the date of the Balance Sheet.

Exchange differences on settlement/conversion are adjusted to the Statement of Profit and Loss.

Non monetary items measured at historical cost/fair value are translated using the exchange rate prevailing on the date of transaction /fair value measurement respectively.

###### **b) Fair value measurement**

The Company measures certain financial instrument at fair value at each balance sheet date:

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## **Fiara Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2018**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 (if level 1 feed is not available/appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company's board approves the policies for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held as part of discontinued operations. Where seen required/appropriate external valuers are involved. The board reviews the valuation results. This includes a discussion of the major assumptions used in the valuations.

#### **c) Revenue recognition**

##### **Operating revenues**

Revenue from services rendered is recognised on accrual basis.

##### **Interest Income**

Interest income is recognised on an accrual basis using effective interest rate (EIR) method.

##### **Dividends**

Dividend income is recognised when the Company's right to receive the payment is established.

#### **d) Taxes on Income**

##### **Current Tax**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax asset or current tax liabilities are offset if a legally enforceable right exists to set off recognised amounts.

##### **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

Deferred tax relating to items recognised outside the statement of profit and loss (consistent with applicable accounting standards) is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities.

## Flora Services Limited

### Notes to the financial statements for the year ended 31st March, 2018

#### e) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation on tangible assets is provided on "Straight line basis", in accordance with IND AS 16 'Property, Plant and Equipment' with useful life as prescribed in Schedule II of the Companies Act, 2013 as below except improvements to leasehold property which are amortised over the period of lease term.

Assets	Useful life in years
Building	60
Plant & Equipment	15
Furniture and Electric Installation	10
Office Equipment	5
Computers /Computer server	3/6
Vehicles	8

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of profit and loss in the year the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

#### f) Intangible assets

Intangible assets acquired are initially recorded at cost.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. In case of finite lives, following useful economic life has been considered.

Assets	Useful life in years
Computer software	5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## **Fiara Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2018**

#### **g) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **h) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rents under operating leases are recognised in the Statement of Profit and Loss on straight line basis ,except where escalation in rent is in line with expected general inflation.

Lease arrangements where lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

#### **i) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the asset's recoverable amount and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

#### **j) Provisions**

##### **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. The reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain the amount of the receivable can be measured reliably.

##### **Contingent liabilities**

A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **Flora Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2018**

#### **k) Employee benefits**

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under defined contribution plan, the Company's only obligation is to pay a fixed amount. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method. The Company has the following employee benefit plans:

#### **(i) Contribution to Provident fund ,family pension fund,ESIC and labour welfare fund:**

Company's contributions during the year towards Government administered Provident Fund, Family Pension Fund, ESIC and Labour Welfare Fund are charged to the Profit and Loss statement as incurred.

#### **(ii) Gratuity**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC) . The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognises actuarial gains or losses immediately in other comprehensive income, net of taxes.

#### **(iii ) Other retirement benefit**

Provision for other retirement / post retirement benefits in the form of long term compensated absences (leave encashment) is made on the basis of actuarial valuation.

#### **l) Financial instruments**

##### **i)Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value (purchase value plus transaction costs that are attributable to the acquisition of the financial asset), amortised cost or at cost. 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.

##### **Subsequent measurement**

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL)

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

##### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss Statement.



## **Fiora Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2018**

#### **Equity instruments measured at FVTOCI or FVTPL**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

#### **Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

#### **ii) Non-derivative financial liabilities**

Financial liabilities are classified as either "financial liabilities at fair value through profit or loss" or "other financial liabilities".

(a) Financial liabilities are classified as "financial liabilities at fair value through profit or loss" if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognized in profit or loss. Fair value is determined as per IND AS 113 'fair value measurement'.

(b) Other financial liabilities, including loans and borrowing, are initially measured at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the EIR method.

#### **Derecognition of financial liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **iii) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Flora Services Limited

### Notes to the financial statements for the year ended 31st March, 2018

#### Note 3

##### Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following Judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

**Lease of properties and equipments not in legal form of lease:** In assessing the applicability to arrangement entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of transaction including legally enforced arrangement and other significant terms and conditions of the arrangement to conclude whether the arrangement meet the criteria under Appendix C to IND AS 17 'Leases'.

Consequently, the Company has segregated on an estimated basis the total service fees received in terms of the arrangement into the embedded lease component and the service fees component.

**Provision for doubtful advances and trade receivables:** The company is not significantly exposed to credit risk as most of the services are rendered to holding company and fellow subsidiaries. Similarly advance to parties are made in normal course of business as per terms and condition of contract. Since the amount involved is not material, the Company does not calculate any credit loss for trade receivables and advances to parties as required under IND AS 109 'Financial Instrument' however the company provides for doubtful advances and trade receivables based on its judgement about recoverability of amount.

**Taxes:** Deferred tax assets are recognised for unused tax losses and tax credit to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Deferred tax assets have been recognised based on the likely timing and the level of future taxable profits.

**Discounting of deposit:** The company has considered SBI Base rate of respective periods in which transaction had occurred for measuring deposit, being financial assets /Liabilities, at amortised cost.

**Escalation in lease rentals:** For recognising the lease rentals on straight line basis, the escalation of lease rentals is considered to be in line with the expected general inflation level.

**Defined benefit plans:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.1**
**PROPERTY, PLANT AND EQUIPMENT**

Rs. Lakhs

Particulars	Buildings	Plant & Equipment	Furniture & Fixures	Office equipment	Computers	Vehicle	Total
<b>Cost:</b>							
As at 31st March 2016	191.68	135.60	136.49	111.78	147.73	73.52	796.80
Additions	-	-	0.79	6.60	17.77	30.17	55.33
Disposals / Transfers	-	-	(0.63)	(0.35)	(18.63)	(13.97)	(33.56)
<b>As at 31st March 2017</b>	<b>191.68</b>	<b>135.60</b>	<b>136.65</b>	<b>118.03</b>	<b>146.87</b>	<b>89.72</b>	<b>818.55</b>
Additions	-	-	-	5.28	12.93	9.69	27.91
Disposals / Transfers	(191.68)	(88.71)	(100.14)	(66.35)	(84.01)	(7.70)	(538.59)
<b>As at 31st March 2018</b>	<b>-</b>	<b>46.89</b>	<b>36.51</b>	<b>56.97</b>	<b>75.79</b>	<b>91.71</b>	<b>307.86</b>
<b>Accumulated Depreciation:</b>							
As at 31st March 2016	164.11	50.25	79.00	90.88	132.78	29.81	546.83
Depreciation charge for the year	27.10	14.59	12.85	13.12	11.06	10.61	89.33
Disposals / Transfers	-	-	(0.63)	(0.34)	(18.64)	(9.17)	(28.78)
<b>As at 31st March 2017</b>	<b>191.21</b>	<b>64.84</b>	<b>91.22</b>	<b>103.66</b>	<b>125.20</b>	<b>31.25</b>	<b>607.38</b>
Depreciation charge for the year	0.07	11.64	10.27	6.65	11.69	11.67	52.01
Disposals / Transfers	(191.27)	(52.66)	(71.15)	(59.58)	(76.38)	(6.13)	(457.16)
<b>As at 31st March 2018</b>	<b>-</b>	<b>23.82</b>	<b>30.37</b>	<b>50.73</b>	<b>60.52</b>	<b>36.79</b>	<b>202.24</b>
Provision for Discard		1.99	0.17				2.16
<b>Net book value</b>							
As At 31 March 2017	0.48	70.76	45.41	14.38	21.67	58.47	211.17
As at 31st March 2018	-	21.07	5.98	6.24	15.28	54.91	103.48

**Intangible assets**

Rs. Lakhs

Particulars	Computer software	Intangible Assets under development	Total
<b>Cost:</b>			
As at 31st March 2016	53.21	-	53.21
Additions	160.83	-	160.83
Disposals / Transfers	-	-	-
<b>As at 31st March 2017</b>	<b>214.04</b>	<b>-</b>	<b>214.04</b>
Additions	-	-	-
Disposals / Transfers	(175.33)	-	(175.33)
<b>As at 31st March 2018</b>	<b>38.71</b>	<b>-</b>	<b>38.71</b>
<b>Accumulated amortisation:</b>			
As at 31st March 2016	40.17	-	40.17
Amortisation charge for the year	16.91	-	16.91
Disposals / Transfers	-	-	-
<b>As at 31 March 2017</b>	<b>57.08</b>	<b>-</b>	<b>57.09</b>
Amortisation charge for the year	26.25	-	26.25
Disposals / Transfers	(0.46)	-	(0.46)
<b>As at 31st March 2018</b>	<b>82.86</b>	<b>-</b>	<b>82.87</b>
<b>Net book value</b>			
As At 31 March 2017	156.95	-	156.95
As at 31st March 2018	1.86	-	1.86

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.2****FINANCIAL ASSET - NON CURRENT INVESTMENTS:**

Sl no.	Particulars	As at 31.03.2018		As at 31.03.2017	
		No. of shares/ units	Rs. Lakhs	No. of shares/ units	Rs. Lakhs
	<b>Unquoted and fully paid unless otherwise stated</b>				
	Investment in Equity Shares:-At FVTOCI Tata International Limited	3,000	861.00	3,000	780.00
	<b>Total Investment in Equity Shares</b>		861.00		780.00
	<b>Total Non current investments</b>		<b>861.00</b>		<b>780.00</b>
	<b>AGGREGATE AMOUNT OF INVESTMENTS</b>				
	QUOTED		-		-
	UNQUOTED		861.00		780.00
			<b>861.00</b>		<b>780.00</b>

**Note 4.3****FINANCIAL ASSETS-LOANS**

Sl no.	Particulars	As at	As at
		31.03.2018	31.03.2017
		Rs. Lakhs	Rs. Lakhs
1	Unsecured considered good; Loans and advances to Employees	16.29	48.20
		<b>16.29</b>	<b>48.20</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.4****DEFERRED TAX ASSETS (NET)**

Sl no.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
1	<b>Deferred Tax Asset</b>				
	Mat Credit Outstanding	165.05		165.05	
	Retirement Benefits	37.48		56.85	
	Others	6.45		1.41	
	Depreciation	41.06		30.16	
			<b>250.04</b>		<b>253.47</b>
2	<b>Deferred Tax Liabilities</b>				
	Investments	23.36		5.73	
			<b>23.36</b>		<b>5.73</b>
	<b>Deferred Tax Assets (Net )</b>		<b>226.68</b>		<b>247.74</b>
	<b>Deferred Tax Assets (Net )</b>		<b>226.68</b>		<b>247.74</b>

**Note 4.5****Other non-current assets**

Sl no.	Particulars	As at	As at
		31.03.2018	31.03.2017
		Rs. Lakhs	Rs. Lakhs
1	Advance to Capex Creditors	-	8.82
2	Advance payment of taxes(Net)	91.18	114.77
		91.18	123.59

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.6****FINANCIAL ASSET - CURRENT INVESTMENTS**

Sl no.	Particulars	As at 31.03.2018		As at 31.03.2017	
		No. of shares/ units	Rs. Lakhs	No. of shares/ units	Rs. Lakhs
	<b>Investments in Mutual Funds At FVTPL</b>				
	<b>Unquoted and fully paid unless otherwise stated</b>				
1	Birla Sunlife Cash Plus Inst.prm. Growth	1,77,716	494.46	1,77,716	462.97
2	Tata liquid Fund Plan A	14,988	478.38	18,797	562.03
3	Tata Ultra short term fund Direct Growth	11,431	303.72		
	<b>Total current investments</b>	<b>1,92,704</b>	<b>1,276.56</b>	<b>1,96,513</b>	<b>1,025.00</b>
	<b>AGGREGATE AMOUNT OF INVESTMENTS</b>				
	QUOTED		-		-
	UNQUOTED		1,276.56		1,025.00
			<b>1,276.56</b>		<b>1,025.00</b>

**Note 4.7****FINANCIAL ASSET - TRADE RECEIVABLES**

Sl no.	Particulars	As at	As at
		31.03.2018	31.03.2017
		Rs. Lakhs	Rs. Lakhs
1	<b>Unsecured</b>		
	Considered good	178.47	57.66
		<b>178.47</b>	<b>57.65</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.8****FINANCIAL ASSET - CASH AND CASH EQUIVALENTS**

Sl no.	Particulars	As at	As at
		31.03.2018	31.03.2017
		Rs. Lakhs	Rs. Lakhs
1	Balances with banks Current Accounts	69.33	111.82
2	Cash on hand	2.40	5.78
		<b>71.73</b>	<b>117.60</b>

**Note 4.9****FINANCIAL ASSET - SHORT TERM LOANS**

Sl no.	Particulars	As at	As at
		31.03.2018	31.03.2017
		Rs. Lakhs	Rs. Lakhs
1	<u>Unsecured considered good;</u> Loans and advances to Employees	5.55	15.88
		<b>5.55</b>	<b>15.88</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.10****FINANCIAL ASSETS - OTHER CURRENT ASSETS**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	<u>Unsecured Considered good</u> Security deposits	95.12	157.55
1	<u>Unsecured Considered doubtful</u> Security deposit	2.00	-
	Less : Provision	(2.00)	-
		-	-
		<b>95.12</b>	<b>157.55</b>

**Note 4.11****CURRENT TAX ASSETS (NET)**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	<u>Unsecured considered good;</u> Advance payment of taxes - net of provision	23.73	15.20
		<b>23.73</b>	<b>15.20</b>

**Note 4.12****OTHER CURRENT ASSETS**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	<u>Unsecured considered good;</u> Advances Payment To Creditors	40.76	17.17
2	Prepaid expenses	40.38	56.01
3	Advances-Others	19.32	15.54
		<b>100.46</b>	<b>88.72</b>



**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.13  
EQUITY**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
	<b>Equity Share Capital</b>		
a	<b>Authorised Capital:</b> 2,00,000 Equity Shares of Rs.100/- each (2016-17: 2,00,000 Equity Shares of Rs.100/- each)	200.00	200.00
b	<b>Issued, subscribed &amp; paid up capital:</b> 1,51,905 Equity Shares of Rs. 100/- each fully paid-up (2016-17: 1,51,905 Equity Shares of Rs.100/- each)	151.91	151.91
		<b>151.91</b>	<b>151.91</b>

**c Reconciliation of Share Capital**

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of equity shares	Rs. Lakhs	Number of equity shares	Rs. Lakhs
Shares outstanding at the beginning of the year	1,51,905	151.91	1,51,905	151.91
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,51,905	151.91	1,51,905	151.91

**d The details of shareholders holding more than 5 % shares as at 31.03.2018 is as under:**

Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Trent Brands Limited(Holding Company)	1,36,530	89.88%	1,36,530	89.88%
Trent Limited(Ultimate Holding Company)	10,500	6.91%	10,500	6.91%

As per the records of the Company,including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**e Terms/rights attached to equity shares**

The Company has equity shares having par value of Rs. 100 per share.Each holder of Equity Shares is entitled to one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the company,the holders of Equity shares will be entitled to receive any of the remaining assets of the company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other right as available to the equity shareholders as per the provisions of Companies Act 2013 read together with the Memorandum of Association and Articles of Association of the company as applicable.

Note 4.14

OTHER EQUITY

Sr.No	Particulars	As at	As at
		31.03.2018	31.03.2017
		Rs. Lakhs	Rs. Lakhs
I)	<b>Other Reserves</b>		
	Capital Redemption Reserve	25.00	25.00
	Securities Premium	45.00	45.00
	General Reserve	410.06	410.06
		480.06	480.06
II)	Retained Earnings	2,048.91	2,013.95
III)	Equity Instruments through Other Comprehensive Income	(248.21)	(329.23)
	Income Tax on Equity Instruments through Other Comprehensive Income	15.20	15.20
	Remeasurements of the net defined benefit plans	(24.02)	(15.98)
	Income tax on Defined benefit Plan	7.33	4.79
		<b>2,279.27</b>	<b>2,168.81</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.15****LONG TERM PROVISIONS**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	Provision for employee benefits (Refer Note 10)	74.85	174.53
		<b>74.85</b>	<b>174.53</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Balance Sheet

**Note 4.16****FINANCIAL LIABILITIES-TRADE PAYABLES**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	Trade payables(Refer Note 7(b))	380.49	405.31
		<b>380.49</b>	<b>405.31</b>

**Note 4.17****FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	Creditors for capital expenditure	6.37	0.38
2	Others	3.78	8.16
		<b>10.15</b>	<b>8.54</b>

**Note 4.18****SHORT TERM PROVISIONS**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	Provision for employee benefits(Refer Note 10)	59.89	22.59
		<b>59.89</b>	<b>22.59</b>

**Note 4.19****OTHER CURRENT LIABILITIES**

Sl no.	Particulars	As at 31.03.2018 Rs. Lakhs	As at 31.03.2017 Rs. Lakhs
1	Withholding tax & Other Statutory Payments	34.75	78.12
		<b>34.75</b>	<b>78.12</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Profit &amp; Loss Account

**Note 5.1****REVENUE FROM OPERATIONS**

Sl no.	Particulars	For the year ended 31st March 2018 Rs. Lakhs	For the year ended 31st March 2017 Rs. Lakhs
1	Buying agency commission	1,680.00	1,758.00
2	Agency commssion	1,103.00	1,270.32
3	Service fees		
	<b>segregated into</b>		
	- embedded lease (Refer Note 3)	82.38	-
	- service fees	262.18	1,386.76
		<b>3,127.56</b>	<b>4,415.08</b>

**Note 5.2****OTHER INCOME**

Sl no.	Particulars	For the year ended 31st March 2018 Rs. Lakhs	For the year ended 31st March 2017 Rs. Lakhs
	<b><u>Interest Income</u></b>		
1	Interest on Loans & Advances	0.73	69.03
2	Interest on Deposits with Banks	2.35	1.95
3	Interest income on Security deposit valued at amortised cost	-	6.91
4	Interest on IT Refund	8.49	5.11
	<b><u>Dividend Income</u></b>		
5	Dividend received	-	4.50
	<b><u>Other Non Operating Income</u></b>		
6	Profit on sale of current investments	0.49	3.62
7	Insurance claim Received	-	0.11
8	Provisions no longer required written back	8.37	
9	Miscellaneous income	0.12	-
10	Changes in fair value of investment (net)	65.07	16.08
		<b>85.62</b>	<b>107.31</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Profit &amp; Loss Account

**Note 5.3****EMPLOYEE COST**

Sr. No.	Particulars	For the year ended 31st March 2018 Rs. Lakhs	For the year ended 31st March 2017 Rs. Lakhs
1	Salaries, Wages, Exgratia etc.	1,188.14	1,776.82
2	Contribution to Provident, Gratuity Fund, ESIC etc.	85.97	98.56
3	Workmen and staff welfare expenses	82.09	111.23
		<b>1,356.20</b>	<b>1,986.61</b>

**Note 5.4****FINANCE COST**

Sr. No.	Particulars	For the year ended 31st March 2018 Rs. Lakhs	For the year ended 31st March 2017 Rs. Lakhs
1	Interest on loan	-	10.79
		-	10.79

**Note 5.5****OTHER EXPENSES**

Sr. No.	Particulars	For the year ended 31st March 2018 Rs. Lakhs	For the year ended 31st March 2017 Rs. Lakhs
1	Power and Fuel	52.66	63.91
2	Repairs to Building	17.12	21.37
3	Repairs others	93.57	76.38
4	Rent	115.66	202.97
5	Rates and Taxes	12.50	8.01
6	Insurance	0.86	1.24
7	Advertisement	-	0.15
8	Travelling expenses	89.95	78.15
9	Professional and Legal charges	161.89	627.64
10	Stationery and Printing	15.75	21.46
11	Bank charges	0.18	0.09
12	Postage, Telegrams and Telephones	94.00	82.63
13	General expenses	146.94	126.33
14	Cleaning expenses	36.58	36.22
15	Local conveyance	40.33	44.17
16	Security charges	109.65	115.11
17	Business support service expenses	52.97	51.30
18	Warehouse outsourcing expenses	325.57	334.92
19	Designing outsourcing expnses	75.27	69.19
20	Directors fees	5.01	4.50
21	Loss on sale/ discard of fixed assets	7.90	0.37
		<b>1,454.36</b>	<b>1,966.11</b>

**FIORA SERVICES LIMITED**

Notes forming part of the Profit &amp; Loss Account

**Note 5.6****OTHER COMPREHENSIVE INCOME**

Sl. No.	Particulars	For the year ended 31st March 2018 Rs. Lakhs	For the year ended 31st March 2017 Rs. Lakhs
1	<b>Items that will not be reclassified to profit or loss</b>		
	Equity instruments through other comprehensive income	81.00	(360.00)
	Income Tax on equity instruments through other comprehensive income	-	15.20
	Remeasurment on defined benefit plan	(8.04)	(8.90)
	Income tax on defined benefit plan	2.54	2.45
		<b>75.50</b>	<b>(351.25)</b>

**Note 6****Commitments and contingencies****(a) Operating lease commitments****Company as Lessee**

The company has entered into certain arrangements in the form of operating lease to operate business. As per terms of the arrangements, the company has obligation of regular payment for use of property. Some of the arrangements include minimum lock in period clause for regular payment of lease rent or payments of similar nature. Certain arrangements also include renewal and escalation clause as mutually agreed period between the parties.

The company has paid Rs.115.66 lakhs (2016-17 :Rs.202.97 lakhs) during the year towards lease payment. Future minimum rentals payable under non-cancellable operating leases as at 31 March 2018 are, as follows:

	Rs Lakhs	
	31 March 2018	31 March 2017
Within one year	Nil	Nil
After one year but not more than five years	Nil	Nil
More than five years	Nil	Nil
	Nil	Nil

**(b) Capital and other Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil (2016-17: Rs.1.00 lacs.)

(c) Contingent Liability in respect of income tax matters is Rs.46.58 lakhs (2016-2017: Rs. 18.29 lakhs)

**Note 7****General Expenses****7 (a). General Expenses include :**

	Rs Lakhs	
	31 March 2018	31 March 2017
Audit Fees	2.85	2.30
Fees for Taxation Matters	0.30	0.30
Other Services	1.51	2.11
Out of pocket expenses	0.08	-
Provision/ Write Off (+) - Write back (-) for doubtful debts/advances (net)	2.00	-

7(b) There are no Micro and Small Enterprises , to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

7(c) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2018.(As at 31st March 2017: Rs.Nil)

**Note 8****Operating Segment Reporting**

The company's Board considers providing services as the main business of the entity and all other activities are incidental to the main business. It operates in a single geographical location. Accordingly, there are no other separate reportable segments in terms of IND AS 108 on "Operating Segments" and thus no further disclosures are made.

**Note 9****Related Party Transactions****(i) Parties where control exists**

Trent Brands Limited - Holding Company / Trent Limited - Ultimate holding Company

(89.88% (2016-17: 89.88%) Equity Share Capital is held by Trent Brands Limited, 100% subsidiary of Trent Limited as at 31st March, 2018)

(6.91% (2016-17: 6.91%) Equity Share Capital is held by Trent Limited-Ultimate Holding company as at 31st March, 2018)

**Other Related Parties with whom transactions have taken place during the year:****Fellow Subsidiary**

Flora Hypermarket Limited

Nahar Retail Trading Services Limited

Flora Business Support Services Limited (formerly known as Westland Limited )



**Others**

Flora Services Limited Employees' Group Gratuity Cum Life Assurance Scheme  
Trent Hypermarket Private Limited

**Directors of the Company**

- Mr. S. V. Phene
- Mr. P.Venkatesalu
- Ms. Kalpana Merchant

**Directors of the Holding Company- Trent Brands Ltd**

- Mr. S. W Kamat (ceased w.e.f. 11th May 2017)
- Mr. P. K. Anand
- Mr. P. Venkatesalu
- Mr. S. V. Phene
- Ms. Roselyn Pereira (upto 14th September 2017)

**(ii)Related party transactions**

Rs Lakhs

	2017-2018	2016-2017
<b>Sitting fees</b>		
Directors	5.01	4.50
<b>Consultancy Fees*</b>		
Directors Holding company- Trent Brands Limited	2.78	276.55
<b>Buying, Agency Commission and Service Fees received *</b>		
a) Ultimate Holding Company		
Trent Limited	3,185.83	4,456.65
b) Fellow Subsidiaries		
Nahar Retail Trading Services Limited	-	1.24
Flora Hypermarket Limited	10.49	29.87
Flora Business Support Services Limited	165.05	10.74
c) Others		
Trent Hypermarket Private Limited	250.13	511.88
<b>Purchase/other services *</b>		
a) Ultimate Holding Company		
Trent Limited	61.41	58.11
b) Fellow Subsidiary		
Flora Business Support Services Limited	-	0.01
c) Post Employment Benefit Trust		
Flora Services Limited Employees' Group Gratuity Cum Life Assurance Scheme	29.68	35.96
<b>Interim dividend paid</b>		
a) Ultimate Holding Company		
Trent Limited	10.50	13.13
b) Holding Company		
Trent Brands Limited	136.53	170.66
<b>Interest Received</b>		
a) Fellow Subsidiary		
Flora Business Support Services Limited	-	62.44
<b>Loan given during the year</b>		
a) Fellow Subsidiary		
Flora Business Support Services Limited	-	500.00

<b>Sale of Capital goods*</b>		
a) Fellow Subsidiary		
Flora Business Support Services Limited	237.75	-
<b>Reimbursements**</b>		
a) Ultimate Holding Company		
Trent Limited	313.96	
b) Fellow Subsidiary		
Flora Business Support Services Limited	73.31	
c) Others		
Trent Hypermarket Private Limited	0.30	
<b>Recovery**</b>		
a) Ultimate Holding Company		
Trent Limited	11.82	
b) Fellow Subsidiary		
Flora Business Support Services Limited	90.57	
c) Others		
Trent Hypermarket Private Limited	0.53	
<b>Outstanding balance receivable as on 31.03.2018</b>		
a) Ultimate Holding Company		
Trent Limited	91.46	-
b) Fellow Subsidiary		
Flora Business Support Services Limited	77.18	-
c) Others		
Trent Hypermarket Private Limited	0.57	23.68
<b>Outstanding balance payable as on 31.03.2018</b>		
a) Ultimate Holding Company		
Trent Limited	-	12.07

\* Inclusive of service tax/GST

\*\*Current year transactions include reimbursements.

**Terms and conditions of transactions with related parties**

The services rendered to or received and purchases or sales, if any from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on account of trade receivable, trade payable, other receivable, other payable and interest receivable on loan at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The company has given loan to its fellow subsidiary at arms length rate of interest.

**Flora Services Limited**

Notes to the financial statements for the year ended 31st March, 2018

**Note 10**

**Employee Benefit Plans**

**(a)(i) Defined Benefit Plan-Gratuity benefit (As per Actuarial valuation as on 31st March 2018)**

Rs Lakhs

	31-Mar-18	31-Mar-17
	Gratuity (Fully funded)	Gratuity (Fully funded)
	LIC Administered Trust	LIC Administered Trust
<b>Defined benefit obligation as at 01.04.2017</b>	<b>145.47</b>	<b>140.75</b>
Current Service cost	22.23	25.87
Past Service Cost	8.15	-
Net interest expense	10.88	11.20
Benefits paid	(6.46)	(10.51)
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	9.86	-
Actuarial changes arising from changes in financial assumptions	0.70	8.12
Experience adjustments	(2.84)	(0.46)
Liabilities assumed / (settled)	(56.77)	(29.50)
<b>Defined benefit obligation as at 31.03.2018</b>	<b>131.22</b>	<b>145.47</b>
<b>Fair value of plan assets as at 01.04.2017</b>	<b>99.45</b>	<b>96.93</b>
Net interest expense	8.12	8.47
Benefits paid	(6.46)	(10.51)
Return on plan assets (excluding amounts included in net interest expense)	(0.32)	(1.24)
Assets assumed / (settled)	(57.33)	(29.50)
Contributions by employer	28.87	35.31
<b>Fair value of plan assets as at 31.03.2018</b>	<b>72.33</b>	<b>99.45</b>
<b>Net Assets and Liabilities recognised in Balance sheet</b>		
Present value of defined benefit obligation	131.22	145.47
Fair value of Plan assets	72.33	99.45
<b>Net Assets and (Liabilities) recognised in Balance sheet</b>	<b>(58.89)</b>	<b>(46.02)</b>
<b>Expenses recognised in Statement of Profit and Loss</b>		
Current Service cost	22.23	25.87
Past Service Cost	8.15	-
Net interest expense	2.76	2.73
<b>Expenses recognised in Statement of Profit and Loss</b>	<b>33.14</b>	<b>28.60</b>

	31-Mar-18	31-Mar-17
	Gratuity (Fully funded)	Gratuity (Fully funded)
	LIC Administered Trust	LIC Administered Trust
Opening amount recognised in OCI	15.97	7.07
Actual return on Plan Assets less Interest on Plan Assets	0.32	1.24
Impact of liability assumed or settled	-	-
Actuarial changes arising from changes in financial assumptions	0.70	8.12
Actuarial changes arising from changes in Demographic assumptions	9.87	-
Experience adjustments	(2.84)	(0.46)
Expenses recognised in Other comprehensive income	24.02	15.97
<b>The major categories of plan assets as a percentage of total plan</b>		
Government of India Securities	N.A.	N.A.
Corporate Bonds	N.A.	N.A.
Special Deposit Scheme	N.A.	N.A.
Equity Shares of Listed Companies	N.A.	N.A.
Property	N.A.	N.A.
Insurer Managed Funds	100%	100%
Others	N.A.	N.A.
Total	100%	100%
Expected Employers Contribution Next Year	40.00	50.00
Method of valuation	Projected Unit Credit Method	Projected Unit Credit Method
<b>Actuarial Assumptions</b>		
Discount Rate	7.55%	7.65%
Expected rate of return on plan assets	8.00%	8.00%
Future salary Increase	7.00%	7.00%
Mortality Table	Indian Assured	Indian Assured
Retirement Age	58 Years / 60 years	58 Years / 60 years

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.

Towards Gratuity, during the previous year the discount rate has changed from 7.65% to 7.55% in LIC administered Trust.

**Leaving service:**

Rates of leaving service is 15% per annum at all ages. Leaving service due to disability is included in the provision made for all causes of leaving service.

**Nature of benefits:**

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

**Governance of the plan:** The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

**Inherent risks:**

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

**Funding arrangements and policy:**

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

Maturity profile of defined benefit obligation	Rs Lakhs	
	31-Mar-18	31-Mar-17
Within 1 year	21.48	6.61
1-2 year	20.29	3.43
2-3 year	19.45	8.81
3-4 year	16.79	4.88
4-5 year	15.16	3.85
5-9 year	52.44	33.06
10 and above 10 year	67.98	499.18

The weighted average duration to the payment of these cash flows is 5.37 years.

**Sensitivity analysis:**

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Period ended 31st March 2018		Period ended 31st March 2017	
	Discount Rate	Rs. Lakhs	Discount Rate	Rs. Lakhs
Impact of increase in 50 bps on DBO	-2.62%	(3.44)	-6.91%	(10.05)
Impact of decrease in 50 bps on DBO	2.75%	3.61	7.63%	11.10
	Salary escalation rate	Rs. Lakhs	Salary escalation rate	Rs. Lakhs
Impact of increase in 50 bps on DBO	2.53%	3.32	6.87%	9.99
Impact of decrease in 50 bps on DBO	-2.45%	(3.21)	-6.27%	(9.12)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

(a)(ii) Compensated Absence liability recognised as Expense for the year is Rs.-53.04 lakhs (2016-17 Rs.-9.58 lakhs).

The above is based on the actuarial valuation report.

**Method of Valuation and actuarial assumptions**

The Defined Benefit Obligation is calculated taking into account pattern of avilment of leave whilst in service and qualifying salary on the date of avilment of leave. In respect of encashment of leave, the Defined Benefit Obligation is calculated taking into account all types of decrement and qualifying salary projected up to the assumed date of encashment.

The above disclosure is based on actuarial valuation report. The report considers assumption with respect to discount rate, salary escalation, retirement age, mortality, rates of leaving service, leave avilment pattern and disability as mentioned above for gratuity benefit plan.

Company's Contributions to defined Contribution Plans recognised as expense for the year as under:

	Rs Lakhs	
	2017-2018	2016-2017
Towards Government Administered Provident Fund / Family Pension Fund	44.73	65.28
Towards Employees State Insurance / Labour Welfare Fund	5.42	2.83

**Flora Services Limited**

Notes to the financial statements for the year ended 31st March, 2018

**Note 11**

**Income Taxes**

The major components of income tax expense for the year ended 31 March 2018 are:

	Rs Lakhs	
	31 March 2018	31 March 2017
Current income tax charge	82.98	146.00
Deferred tax relating to origination and reversal of temporary differences	23.60	11.10
(Excess)/short provision for tax	-	(0.05)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>106.58</b>	<b>157.05</b>

**Income tax relating to other comprehensive income**

	Rs Lakhs	
	31 March 2018	31 March 2017
Net loss/(gain) on remeasurements of defined benefit plans	(2.54)	(2.45)
Income Tax on Equity Instruments through Other Comprehensive Income	-	(15.20)
<b>Income tax expense charged to OCI</b>	<b>(2.54)</b>	<b>(17.65)</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 :**

	Rs Lakhs	
	31 March 2018	31 March 2017
Accounting profit before income tax	324.37	452.64
India's statutory income tax rate	27.55%	33.06%
Computed tax Expenses	89.37	149.66
Non-deductible expenses for tax purposes	5.65	-
Other adjustment as per tax applicable tax provisions	11.56	8.93
Impact of Income tax on exempt Income	-	(1.49)
(Excess)/short provision for tax	-	(0.05)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>106.58</b>	<b>157.05</b>

**Deferred tax:**

Deferred tax relates to the following:

	Rs Lakhs			
	Balance Sheet 31 March 2018	Profit & Loss 31 March 2018	Balance Sheet 31 March 2017	Profit & Loss 31 March 2017
<b>Deferred Tax Liabilities</b>				
Fair valuation of Investments	23.35	17.62	5.73	16.65
Deferred Lease Expense	-	-	-	1.88
<b>Deferred Tax Assets</b>				
Depreciation	41.05	(10.89)	30.16	6.47
Retirement Benefits	37.49	21.90	56.85	(1.82)
Amortisation of security deposits given	-	-	-	2.28
Other Provisions	6.44	(5.03)	1.41	0.49
MAT credit entitlement	165.05	-	165.05	-
<b>Deferred tax expense/(income)</b>		<b>23.60</b>		<b>11.10</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>226.68</b>		<b>247.74</b>	

**Reflected in the balance sheet as follows:**

	Rs Lakhs	
	31 March 2018	31 March 2017
Deferred tax assets	250.03	253.47
Deferred tax liabilities	23.35	5.73
<b>Deferred tax assets, net</b>	<b>226.68</b>	<b>247.74</b>

**Deferred tax assets not recognised in the books on the following**

	Rs Lakhs	
	31 March 2018	31 March 2017
Unused tax losses	-	-
Loss due to change in fair value of equity instruments	279.00	360.00

**Flora Services Limited**

Notes to the financial statements for the year ended 31st March, 2018

**Note 12**
**Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

	31 March 2018	31 March 2017
Profit attributable to Equity Shareholders (Rs. lakhs)	217.78	295.59
Weighted average number of Equity shares	1,51,905	1,51,905
(i) For Basic Earning per share	143.37	194.59
(ii) For diluted Earning per share	143.37	194.59

**Note 13**
**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets & liabilities :

Rs Lakhs

	31 March 2018				31 March 2017			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
<b>Financial assets at amortised cost</b>								
<b>Non Current:</b>								
Loan to related party								
Loan to employees	16.29				48.20			
Security deposit given								
<b>Current:</b>								
Loan to employees	5.55				15.88			
Trade receivable	178.47				57.66			
Cash and Cash Equivalent	2.40				5.78			
Bank Balances	69.33				111.82			
Other Current financial assets	95.12				157.55			
<b>Financial Assets measured at fair value through Profit and Loss:</b>								
<b>Current:</b>								
Investment in Mutual fund	1,276.56	1,276.56			1,025.00	1,025.00		
<b>Financial Assets measured at fair value through other comprehensive income</b>								
<b>Non Current:</b>								
Investment in Unquoted Equity Instrument (Tata International Ltd.)	861.00		861.00		780.00		780.00	
<b>Financial Liabilities measured at amortised cost</b>								
<b>Non current:</b>								
<b>Current :</b>								
Trade payables	380.49				405.31			
Other current financial liabilities	10.15				8.54			

Additional details for Investments measured based on Level 2 inputs are as follows:

The Company has measured its investment in TATA International Limited based on Level 2 inputs as mentioned in Ind AS 113 Fair Value Measurement

Net Asset Value of investee has been considered to measure the investments at Fair Value

The latest financials of the investee Company has been used as input for Net Asset Valuation method.

The impact of investments measured based on level 2 inputs and recognised in other comprehensive income of respective years is as follows

Rs Lakhs

Particulars	31 March 2018	31 March 2017
Equity instruments through Other comprehensive income	81.00	(360.00)

Net gain / (losses) recognised in profit and loss on account of :

Rs Lakhs

	31 March 2018	31 March 2018
Financial assets at fair value	65.07	16.08
Financial liabilities at fair value		1.22
Financial assets at amortised cost		
Financial liabilities at amortised cost		
Additional deferred tax liability impact		(1.04)

## **Fiora Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2018**

#### **Note 14**

##### **Financial risk management objectives and policies**

The company's financial risk management is an integral part of how to plan and execute its business strategies. The company's risk management policy is approved by the board.

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations and investment.

The Company is exposed to market risk, credit risk, liquidity risk etc. The Company's senior management oversees the management of these risks. The Company's senior management is overseen by the board with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below:

##### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The senior management manages market risk which evaluates and exercises control over the entire process of market risk management. The senior management recommends risk management objectives and policies, which are approved by the Board. The activities include management of cash resources, borrowing strategies, etc

The sensitivity analyses in the following sections relate to the position as at 31 March 2018.

##### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Non current investment.

##### **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks, financial institutions and other parties, foreign exchange transactions and other financial instruments.

The company is not exposed to significant concentrations of credit risk as policies are in place to cover its operation where fees is received from related parties and are primarily received through online payments. The company adopts prudent criteria in its investment policy, the main objectives of which are to reduce the credit risk associated with investment products. In relation to credit risk arising from commercial transactions, impairment losses are recognized for trade receivables when objective evidence exists that the Company will be unable to recover all the outstanding amounts in accordance with the original contractual conditions of the receivables.



**Flora Services Limited**

**Notes to the financial statements for the year ended 31st March, 2018**

**Liquidity risk**

The Company's finance department is responsible for liquidity, funding as well settlement management. In addition, the related policies and processes are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Rs Lakhs

	31 March 2018				31 March 2017			
	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	380.49			380.49	405.31			405.31
Creditors for capital expenditure	6.37			6.37	0.38			0.38
Others	3.78			3.78	8.16			8.16
Other Current Liabilities	34.75			34.75	78.12			78.12

The table below summarises the maturity profile of the Company's financial assets based on contractual undiscounted payments.

Rs Lakhs

	31 March 2018				31 March 2017			
	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Investments	1276.56	861.00		2,137.56	1,025.00	780.00		1,805.00
Trade receivables	178.47			178.47	57.66			57.66
Cash and cash equivalents	71.73			71.73	117.60			117.60
Loans	5.55	13.29	3.00	21.84	15.88	45.67	2.53	64.08
Others	95.12			95.12	157.55			157.55

**Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objectives of the Company's capital management is to maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursued of business growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, raise/ pay down debt or issue new shares.

**Note 15**

**Standards issued but not yet effective**

The standards issued, but not yet effective upto the date of issuance of the Company's financial statements is disclosed below. The Company Shall adopt this standard when it becomes effective.

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April 2018.

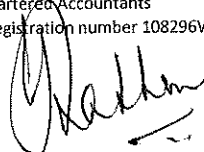
**Ind AS 116 Leases**

Ind AS 116 introduces single leases accounting module and requires recognition of assets and liabilities for all type of lease with a term of more than 12 months, unless the underlying assets is of low value. The new revenue standard will supersede existing Ind AS 17 "Leases". This standard will come into force from accounting period commencing on or after 1st April 2019.

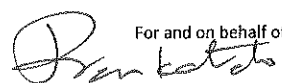
The Company is in the process of analysing the impact of the proposed standards.

As per our report attached.

For N. M. RAJJI & CO.,  
Chartered Accountants  
(Registration number 108296W)



C.A. Y. N. THAKKAR  
Partner  
Membership Number: 33329  
Mumbai  
Dated: 18 APR 2018

For and on behalf of the Board,  


 Directors

Mumbai  
Dated: 18 APR 2018