

**Company Name: Kilburn Engineering+ (2018-2019)**

**Topic: Statement change in Equity**

**Assignment-4**

**Please state the summarized 'state of changes in equity' for the last two years with all figures in Rs. Crores**

Particulars	Equity Capital	Other Equity	Total Comprehensive Income	Dividend (Including Tax)	Surplus Carried forward to the 'Other Equity'
FY ending March'17	₹ 132.55 Cr	₹ 921.5 Cr			
FY-17-18 Operations			₹ 40.72 Cr	₹ 31.9 Cr	₹ 8.83 Cr
FY-17-18 After Operations	₹ 132.55 Cr	₹ 93.03 Cr			
FY-17-18 Equity Offerings	₹ 132.55 Cr	₹ 93.03 Cr			
FY-17-18 Miscellaneous					
FY-17-18 End	₹ 132.55 Cr	₹ 93.03 Cr			
FY-18-19 Operations			₹ 57.14 Cr	₹ 15.86 Cr	₹ 73 Cr
FY-18-19 After Operations	₹ 132.55 Cr	₹ 85.73 Cr			
FY-18-19 Equity Offerings					
FY-18-19 Buybacks					
FY-18-19 Miscellaneous					
FY-18-19 End	₹ 13.25	₹ 85.78			

**Observations on Statement of Changes in Equity:**

**Total Comprehensive Income:**

The balance sheet as at March 31, 2019 the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year the ended. The company had an unexpected loss owing to its investments.

**Other Equity:**

Capital Redemption Reserve - The Company had made an offer of buyback of its own fully paid up equity shares through the methodology of "Open Market Purchase through Stock Exchange". The Company bought back 2,40,032 equity shares for an aggregate amount of INR 63.54 lacs by utilizing Securities Premium Account to the extent of INR 39.53 lacs. Capital Redemption Reserve of INR 24.01 lacs has been created being the nominal value of the shares bought back

**Dividends Including Dividend Distribution Tax:**

The Company recognizes a liability to make cash or non-cash distributions to its equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. This could be attributed to the fact that the company has had a hike on its "Other Comprehensive Income" leading to an overall decline in the Other Equity

**Mention the five biggest 'other equity' items (along with their proportions)**

Other Equity Items	As of March 31, 2019,	Proportion percentage	As of March 31, 2018	Proportion percentage	Remarks
Retained Earnings	₹ 72.35	75%	₹ 68.15	81%	The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 and it get credited with retained earnings by INR 3.62 lacs, net of tax, as on the transition date.
General Reserves	₹ 8.43	9%	₹ 8.43	10%	General Reserves are a portion of the retained earnings which is allotted for the particular purpose. These are essentially used to meet unforeseen future loss if in case it occurs.
Net Cash Flow Hedges	₹ 5.77	-6%	₹ 3.97	-5%	A Cash Flow Hedge is used when an entity is looking to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability
Net equity investments at fair value through other Comprehensive Income	₹ 7.63	-8%	₹ 2.07	2%	Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

**mention one item that is probably missing and mention one items that you have found interesting in the 'statement of changes in equity'.**

**Missing Item:**

**Employee Share Options (ESOPs):**

1. The company does not have huge growth in the upcoming period from its actual core business.
2. As it is paying dividends to its existing shareholders, the offering of borrowing money at lesser After-Tax Cost is clearly not a major borrowing of the company.
3. The long-term liability owing to which it has not gave the option of Employee shares.

**Interesting Item:**

**Net Loss on Equity Investments at Fair Value through Other Comprehensive Income:**

1. The company may have an irrevocable election to present in other comprehensive income subsequent changes in the fair value.
2. There is a loss around 9 Cr in the other comprehensive Income item which is the part of it.
3. The fall of total comprehensive income from Rs 4.07 Cr in the FY ending march 18 to Rs Rs 5.71 Cr in the ending march 19.

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