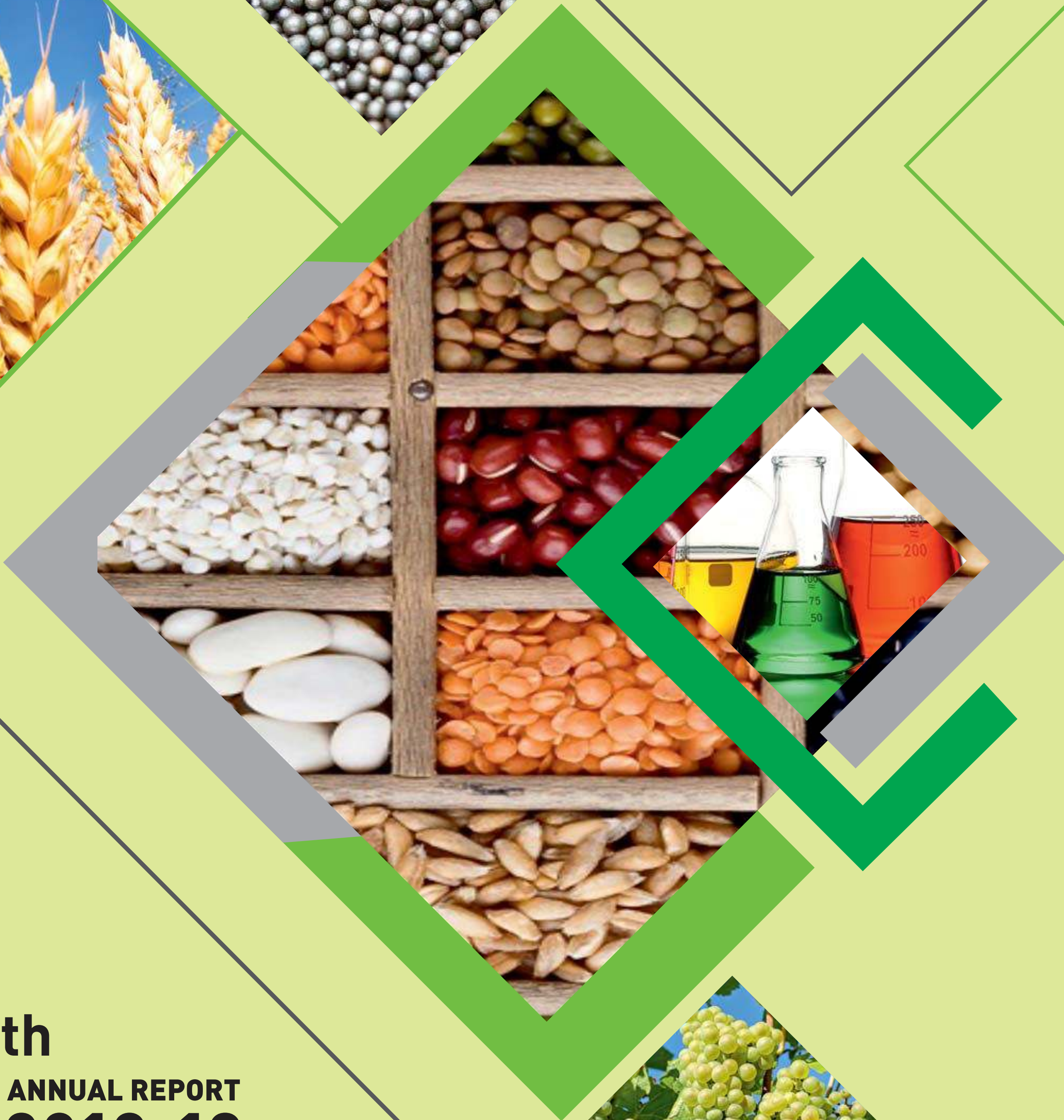


# 11th ANNUAL REPORT 2018-19

# TINNA TRADE LIMITED

# INSIDE THE REPORT

## Corporate Overview



## Management Reports



## Financial Statements



**The Admission Slip and Proxy Form are being sent together with the Annual Report**

## COMPANY INFORMATION

| | |
|---|---|
| CIN | L51100DL2009PLC186397 |
| REGISTERED OFFICE | No 6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030 |
| WEBSITE | www.tinnatrade.in |
| E-Mail | investor.ttl@tinna.in |

## BOARD OF DIRECTORS

| NAME OF DIRECTOR | DESIGNATION |
|---|---|
| Mr. Gaurav Sekhri | Chairman & Managing Director |
| Mr. Kapil Sekhri | Director |
| Mr. Ashish Madan | Non-Executive Independent Director |
| Mr. Vivek Kohli* | Non-Executive Independent Director |
| Mr. Adhiraj Amar Sarin | Non-Executive Independent Director |
| Ms. Sanvali Kaushik | Non-Executive Independent Director |

* Mr. Vivek Kohli resigned from directorship of the company w.e.f. November 3, 2018

## EXECUTIVE OFFICERS

| NAME OF OFFICER | DESIGNATION |
|---|---|
| Mr. Sanjeev Kumar Garg | Chief Operating Officer |
| Ms. Monika Gupta | Company Secretary & Compliance Officer |
| Mr. Sachin Bhargava | Chief Financial Officer |

## OUR BANKERS

| | |
|---|---|
| ICICI BANK | Gurugram, Haryana |
| SYNDICATE BANK | Vasant Vihar, New Delhi |
| STATE BANK OF INDIA | Sadar Bazar, Delhi |

## AUDITORS

| | |
|---|---|
| Statutory Auditors | M/S V.R.Bansals & Associates<br>Chartered Accountants |
| Secretarial Auditors | M/S Ajay Baroota & Associates<br>Company Secretaries |
| Internal Auditors | M/S O.P.Bagla & Associates<br>Chartered Accountants |

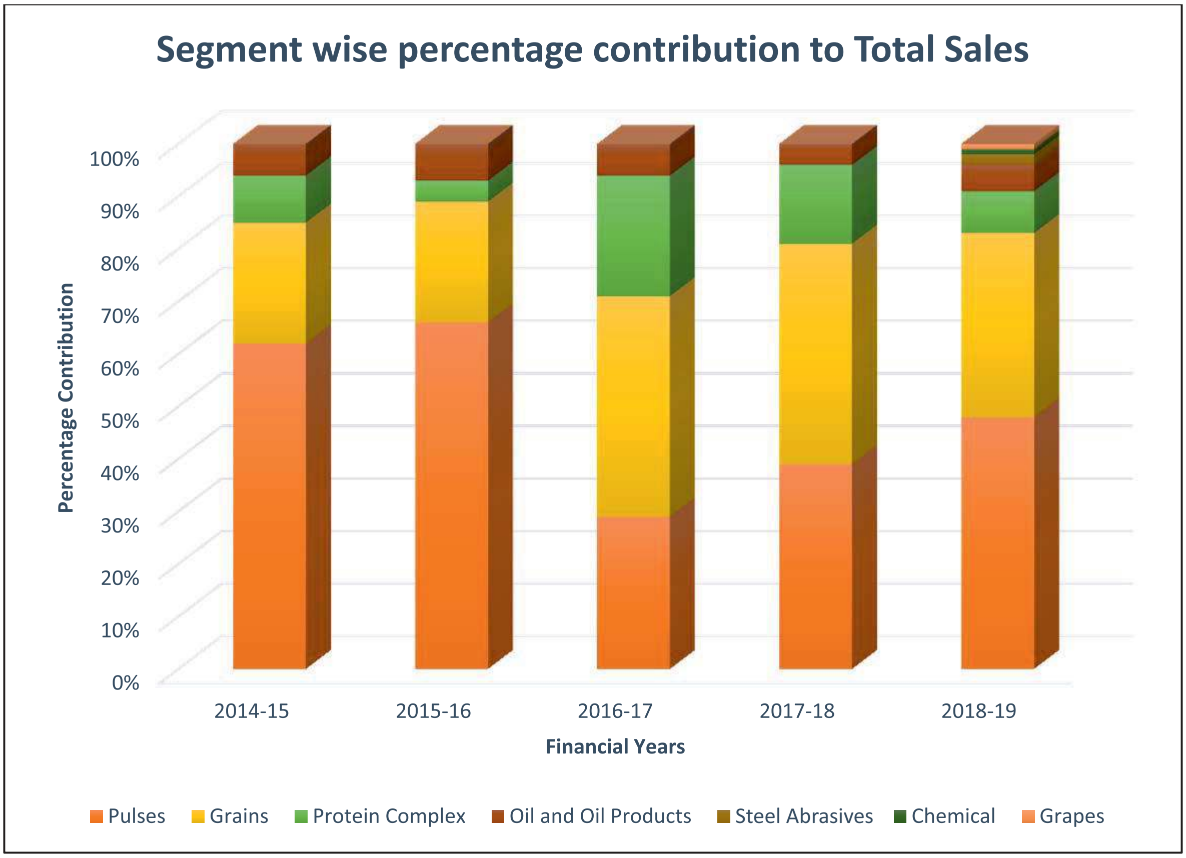
## SUBSIDIARY DETAILS

B.G.K. Infrastructure Developers Private Limited

## REGISTRAR AND TRANSFER AGENT

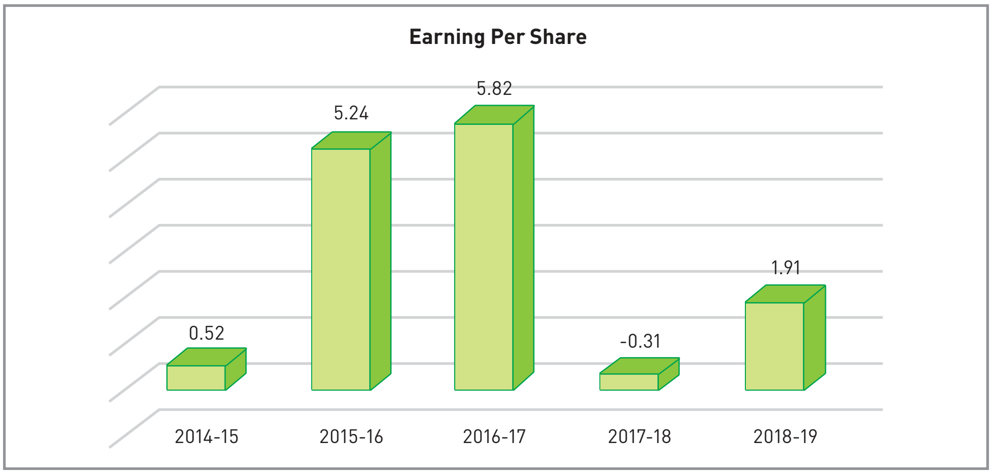
Alankit Assignments Limited
Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi – 110055
Phone: +91-1 1-42541234 / 23541234, Fax : 91-1 1- 41543474
Website : www.alankit.com Email : rta@alankit.com

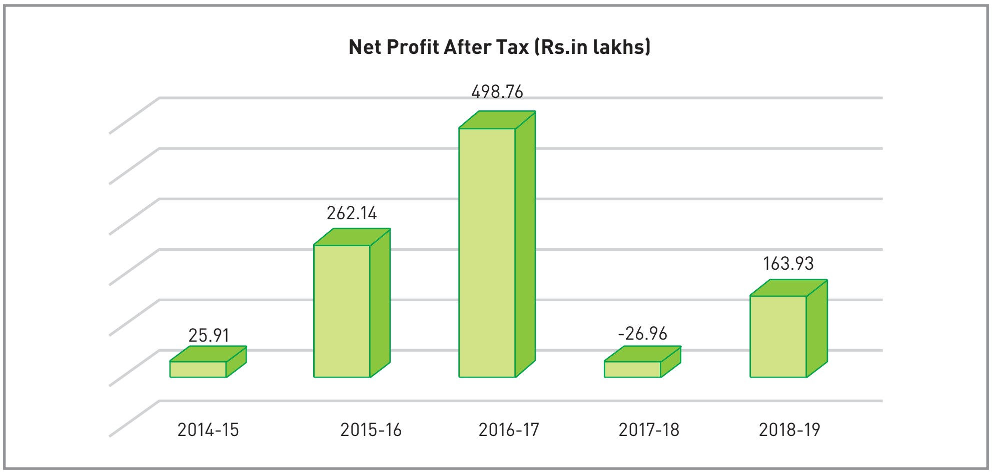
| Segment wise percentage contribution to Total Sales | | | | | |
|---|---|---|---|---|---|
| | **2014-15 (Percentage)** | **2015-16 (Percentage)** | **2016-17 (Percentage)** | **2017-18 (Percentage)** | **2018-19 (Percentage)** |
| **Pulses** | 62 | 66 | 29 | 39 | 48 |
| **Grains** | 23 | 23 | 42 | 42 | 35 |
| **Protein Complex** | 9 | 4 | 23 | 15 | 8 |
| **Oil and oil products** | 6 | 7 | 6 | 4 | 5 |
| **Steel Abrasives** | - | - | - | - | 2 |
| **Chemical** | - | - | - | - | 1 |
| **Grapes** | - | - | - | - | 1 |
| **Total** | **100** | **100** | **100** | **100** | **100** |

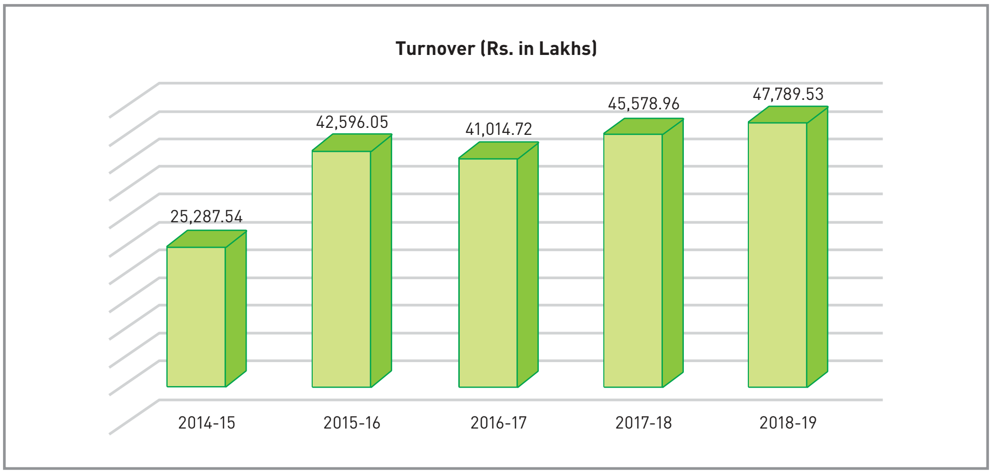



The company continues to focus on diversifying its business activities on non-agricultural products to de-risk the business and reduce dependence on Agri products.

# KEY FINANCIAL TRENDS



# Message from Chairman

*Dear Stakeholders,*

*Your company has crossed an important milestone during the FY 2018-19 by acquiring the status of a listed company. The company has got its listing approval on 16th August, 2018 & the trading of the shares of your company has begun from 20th August, 2018. My hearty congratulations to you all for this achievement.*

*We are pleased to share with you 11th Annual report for the FY 2018-19. For this FY, your Company has posted Revenue from operation of Rs. 479.97 crores and PBT of Rs. 2.06 crores.*

*Having a legacy of more than two decades of being involved in various aspects of Agri supply chain, professional management and effective and prudent risk management protocols, your company has successfully weathered through all the ups and downs of the commodity cycle and brought value to the shareholders.*

*We are a learning organization, always eager to introspect, we are continuously exploring new and profitable opportunities by pursuing new ideas and write new successful stories.*

*After a couple of years of expansion, global economic growth came down to 3.6 percent in 2018 as compared to an anticipation of 3.9 percent in the beginning of the year. US economy grew, but there was decline in the growth of European and Japanese markets. EM marketing economies also came down largely due to slowdown in China and in India as well. However, a strong and stable government in the centre shall pave the way to keep the momentum on, to grow the economy more than 7%. The agriculture sector has not performed well. However, a population of 1.3 billion require food and your company has actively been engaging itself to capture the opportunities, this presents by leveraging our fantastic procurement and distribution network.*

*During FY 2018-19, the Company has widened its portfolio by diversifying its business activities and trading in other commodities such as Steel abrasives & Construction chemicals. Your company has commenced a new business line of import and trading in steel abrasives. The company has hired a team of professionals to who have a strong techno-commercial background to look after this vertical.In the last financial year, 2141 MT of Steel abrasives with turnover of Rs. 9.4 crores has been booked.*

*For the next FY 2019-20, apart from trading in agricultural commodities, your company will continue to focus on plans to diversify into non-agricultural products like Steel abrasives, Construction chemicals and Bitumen. The company has focus to develop the non Agri business to de-risk the business from dependence on Agri products. We will built steel abrasives business more aggressively and are targeting to sell 5000 MT with turnover of Rs. 25 crores is FY 2019-20. The company is exploring the import and sale of bitumen from Middle East. We expect a good turnover in that too. In Agri, while we are active in all the commodities but we expect more business in wheat, Crude DSBO and chana in the current year.*

*Commodity prices are volatile in nature, correctly judging changing weather patterns and demand-supply are instrumental for the bottom line of a business. A prudent approach, professional management, prudent risk management and a well-defined SOP in place has been helpful to make your company one of the most consistent performers in the sector.*

*We are thankful to the shareholders for their confidence and belief in the company. We value the trust and the confidence, at the same time the management is committed and working hard to create value to the shareholders.*

*Chairman*

*Place : New Delhi*
*Date : 6th August, 2019*

# Letter from COO

Dear Shareholders

It gives me great pleasure to connect with you, for presenting our Company's Annual Report for FY19. As my first-ever address to you, I am excited to share the progress of TINNA'S performance for the year gone by.

Let me begin with a brief on the global and Indian economic scenario. The global economy witnessed a mixed growth scenario in the year 2018. While the initial part of the year 2018 was a continuation of the strong growth from the year 2017, the latter part of the year saw some decline due to weak consumer and business sentiment. The growth in 2018 was pegged at 3.6% and is expected to decline to 3.3% in 2019. Nevertheless, the Indian economy continued its northward trajectory as it posted a 7.1% growth in the year 2018 and is expected to rise to 7.3% in the year 2019, on the back of robust domestic demand, expansionary monetary policies and easing effect of inflationary pressures.

Your company is an active and important player in connecting farmers and aggregators to end users of agricultural products. Until now, we remained focused on few categories of agricultural products namely, Grains, Pulses, Oil seeds/ edible oils and proteins. In the year 2018and going forward we wish to diversify into select non-agricultural products. This is being done with conscious effort to de-risk our business from over dependence on agricultural products. In following paragraphs, I wish to give you a brief overview of various products we are actively engaged in.

India produced close to 100 MMT of wheat mainly in the states of Punjab, Haryana, Uttar Pradesh, Rajasthan and Madhya Pradesh. South India, in particular, Tamil Nadu, Karnataka and Kerala are witnessing a change in the food pattern where the traditional rice eaters are incorporating wheat as staple food. To fill the gap between the wheat producing and consuming states, a network of trade, logistics and supply chain is required throughout the year. Your company has emerged as an active player in this field.

As pulses are rich source of protein and largely consumed by the vegetarian population, Annual consumption of Pulses in the country has crossed the quantity of 25 MMT. The production of various pulses such as chick peas and tur are highly concentrated in few states whereas all other non/less producing states require the pulses to be brought to the markets from the producing areas. Your company has been engaged in the procurement of pulses from the Market's based out in Rajasthan, Madhya Pradesh & Maharashtra and supplying to all other states.

The annual production of Maize / Corn is about 23 MMT, a larger portion of this quantity about 17 MMT is produced in Kharif and about 6 MMT is produced in Rabi. Your company has actively been engaged procuring the commodity during the harvest and to distribute to end users such as Starch Industry and Poultry feed Manufacturer.

India has a large consumption of edible oil and fats and due to short fall in the local production of oil seed a big quantity of edible oil is being imported. Your company keeps a closed focus on the price trend, supply & demand, and leverages its vast experience of this sector to participate in a very vibrant and active market of edible oil.

I would like to briefly touch upon our drive to diversify into non-agricultural products like steel abrasives. We have acquired some of the best talent in the industry to build this business for us. Steel abrasives provide a structured margin as it involves techno-commercial skills. In just one year, we have built a pan Indian business. We expect sales to grow over 40% this year to touch 5000MT.

Before I conclude, I would like to thank all employees of TINNA for their hard work and strong commitment. Also, I would like to thank the management team and entire Board for their continued trust, confidence and support. I would also like to thank our customers and business partners for their loyalty and close ties. And, finally, I would like to thank you, our shareholders and investors, for placing your trust in TINNA and for supporting us as we execute the next steps in our strategy.

Chief Operating Officer

*Place : New Delhi*
*Date : 6th August, 2019*

# NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Shareholders of the Tinna Trade Limited (CIN- L51100DL2009PLC186397) will be held on Friday, 6th September, 2019 at 9:00 am at A-35, Chattarpur Central Village, Satbari, Chattarpur, Delhi – 110074 to transact the following business:

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the Financial Year ended on 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Gaurav Sekhri (DIN-00090667), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Ashish Madan (DIN: 00108676), Independent Non-Executive Director, not liable to retire by rotation, of the Company who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 7th August, 2019".

**By orders of Board of Directors**
**Tinna Trade Limited**

**(Monika Gupta)**
**Company Secretary**
**Membership No.-FCS-8015**

**Regd. Off: No.6, Sultanpur,**
**Mandi Road, Mehrauli,**
**New Delhi-110030**

**Place: New Delhi**
**Date: 06.08.2019**

**NOTES:**

1. The statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 3, set out above and also the details in respect of Directors proposed to be re-appointed at the Annual General Meeting, are annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   **THE INSTRUMENT(S) APPOINTING THE PROXY, IF ANY, SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT NO. 6 SULTANPUR, MANDI ROAD, MEHRAULI, NEW DELHI – 110030 NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING AND IN DEFAULT, THE INSTRUMENT OF PROXY SHALL BE TREATED AS INVALID. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**

   **A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

3. Register of Members and Share Transfer Books of the Company will remain closed from Friday, 30th August, 2019 to Friday, 6th September, 2019 (both days inclusive), in connection with the 11th Annual General Meeting of the Company.

4. Members are requested to intimate the Registrar and Share Transfer Agent of the Company – M/s Alankit Assignments Ltd. immediately of any change in their address, email Id and phone no. in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialised form.

5. Electronic copy of the full version of the Annual Report for the year 2018-19 and the Notice of the 11th AGM are being sent to all the members, who's E-mail IDs are registered with the Company/Depository Participant for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report, are being sent through permitted mode. These members are requested to register their email ids with DP/Registrar and receive the Annual Report and other communications in electronic form, to contribute their mite to green initiative.

6. Full version of the Annual Report and Notice of the AGM for FY 2018-19, will also be available on the Company's website www.tinnatrade.in, for download. Members desirous of receiving printed copy of the complete annual report may send a request in writing to the Registrar or the Company by post/courier or e-mail with a scanned copy of the request.

7. Brief resume of the Director seeking re-appointment in respect of the business under item no. 2 & 3 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by Institute of Company Secretaries of India are annexed thereto. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company recommend his re-appointment.

8. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent M/s Alankit Assignments Limited.

9. As per regulation 40 of the SEBI Listing Regulations and various notifications issued by SEBI in this regard, transfer of securities would be carried out in dematerialised form only with effect from 1st April, 2019, except in case of transmission or transposition of shares. However, members can continue to hold their shares in physical form. Hence, the Members who are still holding physical share certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery

10. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Shareholders holding shares in physical form may file nomination in the prescribed SH-13 form with the Company's Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be Filed with the respective Depository Participant

11. The Company is providing facility for voting by electronic means. The business set out in the Notice can be transacted through such voting. The facility for voting through polling paper would also be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-voting shall be able to vote at the Meeting.

12. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

13. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Registrar and Share Transfer Agent of the Company - M/s Alankit Assignments Ltd. a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

14. The register of Directors and Key Managerial Personnel and their shareholding as maintained under Section 170 of the Act , the register of contract & or arrangements in which directors are interested as maintained under section 189 of the Act and all the documents referred to in the accompanying Notice of AGM and Explanatory statement shall be open for inspection at the Company's Registered Office at No. 6 Sultanpur, Mandi Road, Mehrauli, New Delhi – 110030 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto and including the date of the Annual General Meeting.

15. Attendance slip, Proxy form and the route map showing directions to reach the venue of the AGM are annexed hereto.

**16. <u>Voting through electronic means</u>**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 3rd September, 2019 (10:00 am) and ends on 5th September, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th August, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

**Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/**
**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**<u>How to Log-in to NSDL e-Voting website?</u>**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at* https://eservices.nsdl.com/

*with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

| **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical** | **Your User ID is:** |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**<u>How to cast your vote electronically on NSDL e-Voting system?</u>**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to baroota@rediffmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30th August, 2019.

IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30th August, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@alankit.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XII. Mr. Ajay Baroota, (Membership no. 3495 & CP no. 3945), Prop. Ajay Baroota & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.tinnatrade.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**By orders of Board of Directors**
**Tinna Trade Limited**

**(Monika Gupta)**
**Company Secretary**
**Membership No.-FCS-8015**
**Regd. Off: No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030**

**Place: New Delhi**
**Date: 06.08.2019**

## I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

**Item No.3**

**Re-appointment of Mr. Ashish Madan (DIN: 00108676) as an Independent Non-Executive Director of the Company.**

Mr. Ashish Madan (DIN-00108676) is an independent Non-executive Director of the company. He is Chairman of Audit committee and member of Stakeholders Relationship committee of the company. He joined the Board of Directors of the Company on 7th August, 2014 as Additional Director. Mr. Madan, was appointed as an Independent Non-Executive Director to hold office for five consecutive years from 7th August, 2014 by the Members of the Company in the 6th AGM held on 27th September, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Madan, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from 7th August, 2019.

Mr. Madan is MSc Finance (Economic Policy) from S.O.A.S University of London. Additionally Master Of Finance & Control (MFC) University of Delhi, Bachelor of Art (BA) Economics (Hons) University of Delhi. Ashish has about 25 years' experience in trade finance. He has previously worked with Esanda Finance (ANZ Grindlays Banking Group), and Batlivala & Karani. He has been running a boutique trade finance firm for at least 3 decades. He is also running a commodity company (March, 2019 turnover approximately Rs.70 crores). He is a co-author of a famous book on Letters of Credit; **"Documentary Letters Of Credit, A review of cases from the courts of India",** published by LexisNexis.

**Directorship details of Mr. Madan on other boards are as follows:**

1 Adam Smith Associates Private Limited
2 SNW Smith Consultants Private Limited
3 B.G.K. Infrastructure Developers Private Limited
4 Tiger Professional Services Private Limited
5 Adam Smith Trading Private Limited
6 Adam Smith Commodities Private Limited
7 Adam Smith Consultancy Private Limited
8 Tinna Rubber And Infrastructure Limited
9 Adam Smith Trade Advisory LLP

**Membership/Chairmanship of Mr. Madan on Committees of other Boards**

1. Chairman of Stakeholders relationship committee of Tinna Rubber and Infrastructure Limited
2. Member of Audit Committee of Tinna Rubber and Infrastructure Limited

In the opinion of the Board, Mr. Madan fulfils the conditions specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management.

Copy of the draft letter for re-appointment of Mr. Madan as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Madan as an Independent Director and based on the recommendation of the Nomination and Remuneration Committee recommends the Special Resolution as set out at Item No. 3 of the Notice of the AGM for approval of the members.

Except Mr. Madan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM.

Mr. Madan is not related to any Director of the Company. Mr. Madan does not hold any shareholding in the company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

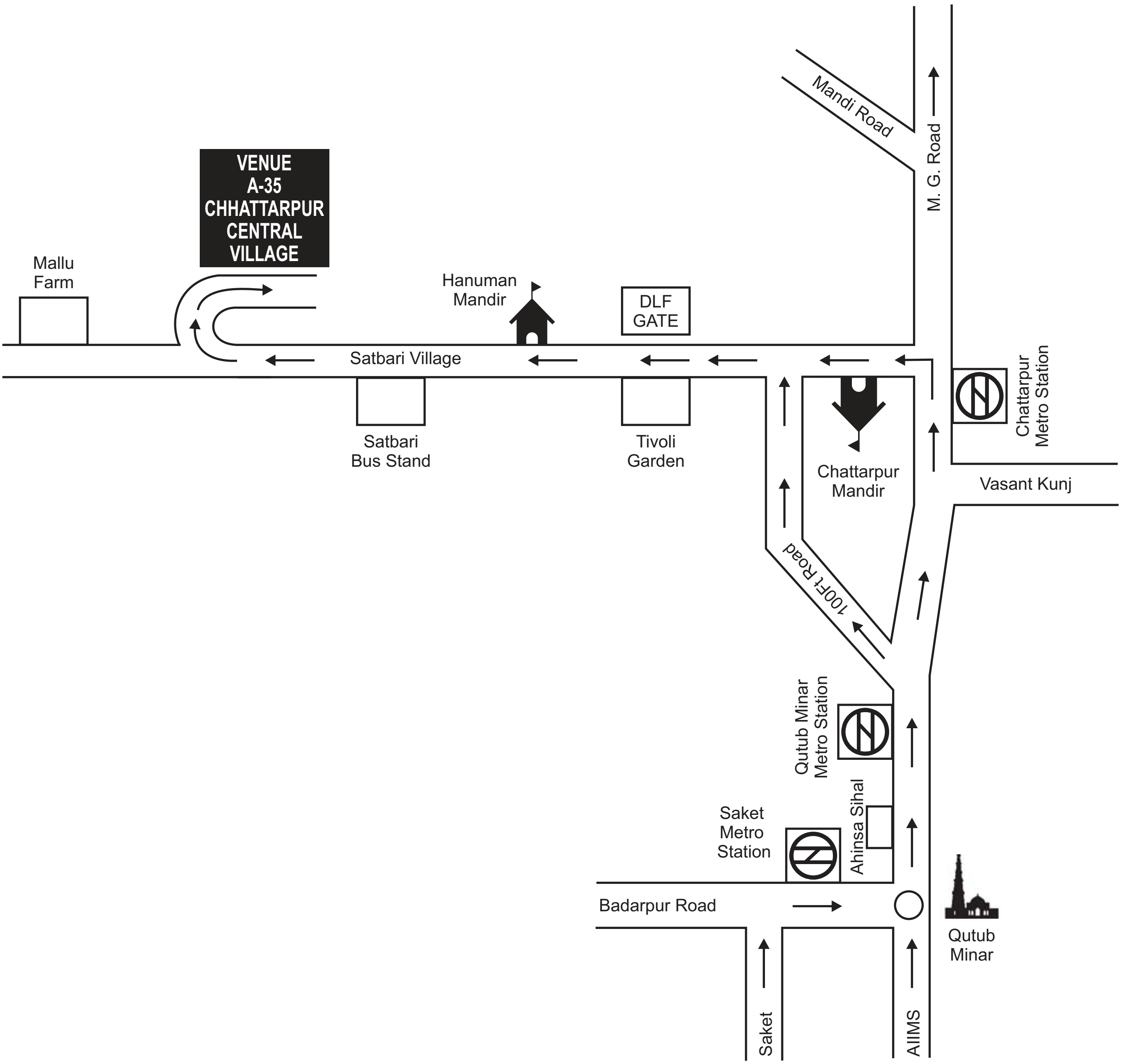
**II. DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER EGULATIOB 36 OF THE LODR**

**(A) RE-APPOINTMENT OF MR. GAURAV SEKHRI (DIN-00090676) , RETIRES BY ROTATION (ITEM NO,2)**

| | |
|---|---|
| Name of the Director | Mr. Gaurav Sekhri |
| Age | 46 years |
| Qualification | Bachelor of Business Administration(BBA) from Richmond College, London(UK) |
| Experience in specific functional area | 26 years |
| Terms and Conditions of Re-appointment/Appointment | As per existing terms and conditions |
| Remuneration last drawn | Monthly salary (including all Perquisites & allowances) of Rs. 9,89,615/- (Rupees Nine Lacs Eighty Nine Thousand Six Hundred Fifteen) , Bonus (salary of one month for each year upto maximum of Rs.50,000) & Performance Bonus as per company policy |
| Remuneration proposed to be paid | Monthly salary (including all Perquisites & allowances) of Rs. 9,89,615/- (Rupees Nine Lacs Eighty Nine Thousand Six Hundred Fifteen) , Bonus (salary of one month for each year upto maximum of Rs.50,000) & Performance Bonus as per company policy |
| Date of first appointment on the Board | 1st May, 2009 |
| Shareholding in the company | 66200 equity shares |
| Relationship with other Directors/Key Managerial Personnel | Relative of Director , Mr. Kapil Sekhri |
| Number of meetings of the Board attended during the Financial year | Five (6) |
| Directorships of other Boards | 1. B.G.K Infrastructure & Developers (P) Limited<br>2. Fratelli Wines Private Limited<br>3. BGK Infratech Private limited<br>4. YPO (Delhi Chapter) U/S25<br>5. Quenny Agro Tech LLP<br>6. Arnav Estates LLP<br>7. Arnav Estates LLP<br>8. Tinna Rubber and Infrastructure Limited |
| Membership/Chairmanship of Committees of other Boards | NONE |

**(b) RE-APPOINTMENT OF MR. ASHISH MADAN (DIN: 00108676) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY (ITEM NO. 3)**

For the details of Mr. Ashish Madan, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 3 of the accompanying Notice of the AGM pursuant to Section 102 of the Companies Act, 2013.


VENUE
A-35
CHHATTARPUR
CENTRAL
VILLAGE
Mallu
Farm
Hanuman
Mandir
DLF
GATE
Mandi Road
M. G. Road
Satbari Village
Satbari
Bus Stand
Tivoli
Garden
Chattarpur
Mandir
Chattarpur
Metro Station
Vasant Kunj
100Ft Road
Qutub Minar
Metro Station
Ahinsa Sihal
Saket
Metro
Station
Badarpur Road
Qutub
Minar
Saket
AIIMS

## BOARD REPORT

**Dear Shareholders,**

Yours Directors have pleasure in presenting the Eleventh Annual Report on the business and operations of the Company and the Audited Statement of Accounts for the year ended 31st March, 2019.

**RESULTS OF OPERATIONS AND STATE OF AFFAIRS**

**STANDALONE**

The Standalone Financial results of the company for the Financial Year 2018-19 are as follows:

**(Amount in ₹ in Lacs)**

| Statement of Profit and Loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue from Operations | 47789.53 | 45578.96 |
| Other income | 207.33 | 576.46 |
| **Total Income** | **47996.86** | **46,155.42** |
| Expenses (other than interest, depreciation and Tax) | 47080.26 | 45,164.25 |
| **Profit before Interest , Depreciation and Tax (EBITA)** | **916.6** | **991.17** |
| Less: Interest and Finance Charges | 540.03 | 837.21 |
| **Profit before depreciation** | **376.57** | **153.96** |
| Less: Deprecation and amortization expenses | 170.59 | 188.05 |
| **Profit /(loss) before tax** | **205.98** | **-34.09** |
| Income tax expense | 42.05 | -7.12 |
| **Profit/ (loss) for the year** | **163.93** | **-26.96** |

During the year under review, the revenue of the company is Rs. 47,996.86 Lacs as against Rs. 46,155.42 Lacs in the previous Financial Year. The company has made profit before Tax of Rs. 205.98 Lacs as compared to loss of Rs. 34.09 Lacs during previous Financial Year. There is significant reduction in finance cost to Rs.540.03 Lacs as compared to Rs.837.21 Lacs in last year. There is a reduction of 35% in the finance cost as compared to last year. Total depreciation expense includes Rs. 128.00 lacs out of Rs. 642 Lacs on account of amortization of Goodwill arise during the course of demerger of the company from TRIL over the period of five years as per applicable accounting standards.

**CONSOLIDATED**

The Consolidated Financial results of the company for the Financial Year 2018-19 are as follows:

**(Amount in ₹ in Lacs)**

| Statement of Profit and Loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue from Operations | 48759.36 | 46407.37 |
| Other income | 233.87 | 596.09 |
| **Total Income** | **48993.23** | **47003.47** |
| Expenses (other than interest, depreciation and Tax) | 47820.25 | 45,764.58 |
| **Profit before Interest , Depreciation and Tax (EBITA)** | **1172.98** | **1238.89** |
| Less: Interest and Finance Charges | 659.54 | 976.25 |
| **Profit before depreciation** | **513.44** | **262.64** |
| Less: Deprecation and amortization expenses | 287.94 | 305.74 |
| **Profit /(loss) before tax** | **225.5** | **-43.10** |
| Income tax expense | 42.08 | -7.12 |
| **Profit/ (loss) for the year** | **183.42** | **-35.98** |

During the year under review, the consolidated revenue of the company is Rs. 48993.23 Lacs as against Rs. 47003.47 Lacs in the previous Financial Year. The consolidated made profit before Tax is Rs. 225.49 Lacs as compared to loss of Rs. 43.10 Lacs during previous Financial Year. The consolidated finance cost has come down to Rs. 659.54 Lacs as compared to Rs. 976.25 Lacs during the previous financial year.

**2. DIVIDEND**

The Directors of the company do not recommend any dividend for the F.Y. 2018-2019.

**3. TRANSFER TO RESERVES**

The Company has not transferred any amount towards any reserves during the FY 2018-19.

**4. CHANGE IN THE NATURE OF BUSINESS**

There has been no material change in the nature of business of the company.

**5. FUTURE OUTLOOK**

The government of India has a clear focus on growth of agriculture sector, especially to double the farmer's income by 2022. The steps have already been taken by the govt. by significantly increasing the MSP of Rabi and Kharif crops as compared to the previous financial years. The production of the wheat in the country has crossed the mark of 100 million MT and the production of pulses has also crossed 22 Million MT. A good distribution network, having association with the processors/ trade channel, company expect to increase its presence in the sales and marketing of wheat and pulses to those areas.

Since Commodity prices are volatile in nature, the company has widened its portfolio by diversifying its business activities. The company has focus to develop the non Agri business to de-risk the business from dependence on Agri products and trading in other commodities such as Steel abrasives & Construction chemicals. Steel shots are distributed to many industries especially in automobile ancillaries. The construction chemicals are being used in the industry as an ingredient to be used by infra companies & cement industry etc.

The economy is growing at the rate of close to 7% per annum, which is increasing disposable income to the society at a large. It is increasing the spending power on the food as well. Since company is engaged in the trading and distribution of food grains, pulses and other feed products, there are many more opportunities to increase the business.

**6. STATUS OF LISTING OF SECURITIES**

The Company has entered into the Scheme of Arrangement (Demerger) with Tinna Rubber and Infrastructure Limited & the Scheme was approved by the Hon'ble National Company Law Tribunal, New Delhi vide its Order dated 15th December, 2017. The said Order was filed with the Registrar of Companies, New Delhi on 22nd Jan, 2018.

Further, pursuant to the approved Scheme of Arrangement, the existing equity paid up share capital of Rs. 5,00,00,000/- consisting of 50,00,000 fully paid equity shares of Rs. 10/- per share was cancelled by the Company and the Company allotted fresh 8564750 fully paid equity shares of Face Value Rs. 10 each on 19.02.2018 to the shareholders of Tinna Rubber and Infrastructure Limited in the ratio of 1:1 existing as on record date i.e. 15.02.2018 and the same were to be listed. Further, as per the approved Scheme the Company has made application(s)/filed documents for listing of its 8564750 equity shares of Rs. 10/- per share at Bombay Stock Exchange (BSE), Calcutta Stock Exchange (CSE) and Ahmedabad Stock Exchange (ASE) and also filed/submitted application/documents with SEBI for necessary permission/approval.

In terms of the SEBI Order No. WTM/MPB/MRD/160/2018 dated 2nd April, 2018; the Ahmedabad Stock Exchange has exited and no more a stock exchange.

Further, SEBI vide its letter No. CFD/DIL-II/ADM/AV/AP/220647/1/2018 dated July, 23, 2018 conveyed its Relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 to the BSE, thereafter Company received trading approval/permission from Bombay Stock Exchange (BSE) on 17.08.2018 and from Calcutta Stock Exchange on 29.08.2019 after complying with the formalities as required by BSE and CSE. The trading of the shares of the Company has begun w.e.f. 20.08.2018 at BSE.

**7. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES**

The company has one subsidiary B.G.K. Infrastructure Developers Private Limited, holding 51.53% of the total equity shares as on 31st March, 2019. The company does not have any Joint Venture or associate company as on 31st March, 2019. Performance and financial position of the subsidiary company pursuant to section 129 (3) of the Companies Act, 2013 is annexed herewith as Annexure-A to the Board Report in form AOC-1.

Further there has been no material change in the nature of the business of the Subsidiary company. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company. Policy for determining material subsidiaries of the Company is available on the website of the Company www.tinnatrade.in.

8. **RISK MANAGEMENT**

Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The Company has identified certain business risks and also put in place measures for dealing with such risks which it faces in day to day operation of the Company. The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy and is available on the website of the Company www.tinnatrade.in. The risk management policy of the company aims at identifying, analyzing, assessing, mitigating, monitoring and governing any risk or potential threat in the achievement of strategic objectives of the company.

**9. INTERNAL CONTROL SYSTEMS**

The Company has internal audit system which reviews and ensures sustained effectiveness of internal control. It has defined procedures covering financial, operating and management functions. The internal audit is entrusted to M/S O.P. Bagla & Co. (Chartered Accountants).

The Board of directors and Audit Committee of the company actively reviews the internal audit report and ensures that the areas defined for internal audits are proper and adequate. On review of the internal audit observations, there are no adverse observations having material impact on the financials, commercial implications or non-compliances. The company has robust management Information system, which is integral part of control mechanism. The internal controls of the company have been designed to provide a reasonable assurance with regard to maintaining proper accounting control, monitoring of operations, protecting assets from losses due to unauthorized and improper use, due compliances with regulations and for ensuring reliability of financial reporting.

**10.DEPOSITS**

The company has not accepted any deposits from public and no amount of principal or interest on deposits from public was outstanding as on date of balance sheet. No disclosure or reporting is required related to the public deposits under Chapter V of the Companies Act, 2013 as there is no transaction during the year under report.

**11.SHARE CAPITAL**

There is no change in the Share capital of the company during the year under review. The company's paid up share capital remained at Rs. 8,56,47,500/- comprising of 8564750 fully paid equity shares of Rs. 10/- each.

**A) Issue of equity shares with differential rights**

The company has not issued any equity shares with differential rights during the year under report.

**B) Issue of sweat equity shares**

The company has not issued any sweat equity shares during the year under report.

**C) Issue of employee stock options**

The company has not issued any shares under employee stock options during the year under report.

**D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees**

The company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under report.

**12. CORPORATE GOVERNANCE**

Pursuant to Regulation 34 read with schedule V of the Listing Regulations, a Report on Corporate Governance together with Certificate from practicing company secretary confirming compliance is included in the Annual Report.

**13. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis report on the operations of the company , as required under the SEBI (Listing Obligations and Disclosure Requirements), 2015 is provided in the Annual Report as Annexure-B to the Board Report.

**14. DIRECTORS & KEY MANAGERIAL PERSONNEL**

**A) Changes in Directors and Key Managerial Personnel**

**i) Appointment & Resignation**

During the year under review Mr. Vivek Kohli resigned as Non-Executive Independent director of the board effective from November 3, 2018 to pursue his other interests and commitments. The board places on record its sincere appreciation for the services rendered by him during his tenure.

Mr. Anish Mahajan resigned as chief financial official (CFO) effective from $6^{th}$ April, 2019. Board places on record its deep appreciation for the services rendered by him.

Mr. Sachin Bhargava as joined the company as CFO effective from $09^{th}$ April, 2019.

**ii) Retirement by Rotation**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Mr. Gaurav Sekhri (DIN-00090676) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers themselves for re-appointment. The Board recommends their re-appointment. Brief profile of Mr. Gaurav Sekhri has been given in the notice convening the Annual General Meeting.

**B) Declaration by Independent Directors**

The independent directors have submitted the declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub section (6).

**15. BOARD EVALUATION**

The performance of the Board was evaluated by the entire Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc .In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors, was evaluated. The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the Board meeting that followed the meeting of the Independent Directors and meeting of the NRC, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated

**16. STATUTORY AUDITORS**

M/s V. R. Bansal & Associates, Chartered Accountants ( Firm Registration No.016534N) were appointed as statutory auditors of the company for a second term of Five years to hold office from the conclusion of AGM held on 28th September, 2018 till the conclusion of the Fifteenth AGM of the Company to be held in the year 2023 on such remuneration mutually agreed upon by the Board of directors and the statutory auditors.

**17. AUDITORS' REPORT**

Auditors' Report on the Standalone and consolidated Final Accounts of the Company is attached herewith. Auditors Report does not contain any reservation, qualification or adverse remark.

**18. SECRETARIAL AUDIT**

M/s Ajay Baroota & Associates, Practicing Company secretary (Certificate of Practice (CP) No.-3945), was appointed to conduct the secretarial audit of the company for the financial year 2018-19 as required under section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report for the FY 2018-19 forms part of Annual Report and is annexed herewith as Annexure-C to the Board Report.

There is no qualification, reservation or adverse remark in the report and the same is self-explanatory.

**19. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes. The policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is available on the website of the Company www.tinnatrade.in

**20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Related party transactions that were entered during the financial year were generally at arm's length and in the ordinary course of the business. None of the transactions with any related parties were in conflict with the company's interest. All the transactions entered into with related parties were approved by Audit Committee. The company has formulated a policy on Related Party transactions and the same is uploaded on the Company's website www.tinnatrade.in. Disclosure of the related parties' transactions as required under section 134 read with section 188 of the companies Act, 2013 is made in the Form AOC-2 as Annexure-D to the Board report.

**21. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (*c*) of sub-section (*3*) of Section 134 of the Companies Act, 2013, shall state that—

(*a*) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(*b*) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(*c*) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) the directors had prepared the annual accounts on a going concern basis; and

(*e*) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(*f*) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**22. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

There are no Material changes and commitments affecting Financial Position of the company between the end of financial year and date of report.

**23. PARTICULARS OF EMPLOYEES:**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forms an integral part of this annual report and annexed as Annexure-E to the Board Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is also provided in the Annexure –E to the Board Report.

**24. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board met 6 (Six) Times during the financial year. The intervening gap between the two meetings was within the period prescribed by the Companies Act, 2013. The details of the number of meetings of the Board held during the Financial Year 2018-19 forms part of the Corporate Governance Report.

**25. AUDIT COMMITTEE**

The audit committee of the company comprises of three Non-Executive independent Directors. Mr. Vivek Kohli, Mr. Ashish Madan & Ms. Sanvali Kaushik.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The members of the company has relevant knowledge and experience in financial matters. There are no recommendations of the audit committee, which have not been accepted by the board.

**26. EXTRACT OF THE ANNUAL RETURN**

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in Annexure-F to the Board Report

**27. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has a Whistle Blower Policy to report genuine concerns or grievances & to provide adequate safeguards against victimization of persons who may use such mechanism and the same is available at the website of the company www.tinnatrade.in.

**28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The company has complied with the provisions of Section 186 of companies Act, 2013 in relation to Loan, Investment & Guarantee given by the company during the financial year. Loans, guarantees and investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements.

**29. DISCLOSURE ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE DEALING:**

**(i) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Provisions as regard to Conservation of Energy & Technology absorption are not applicable to the company.

**(ii) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details of foreign Exchange earnings and outgo:

**(Rs. in lacs)**

| | 2018-19 | 2017-18 |
|---|---|---|
| Foreign Exchange earnings (INR) | 60.98 | 323.97 |
| Foreign Exchange Outgo (INR) | 3716.52 | 15804.97 |

## 30. COMMITTEES OF THE BOARD

The company has following committees as on 31st March, 2019:

1. Audit Committee,
2. Nomination and remuneration committee,
3. Stakeholders Relationship committee,
4. Corporate Social Responsibility Committee.

All the committees were constituted in compliance of the applicable provisions of Companies Act, 2013 and SEBI ((Listing obligations and disclosure Requirements) Regulations, 2015. The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report

## 31. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year is required to incur at least 2% of the average net profits of the preceding three financial years towards Corporate Social Responsibility (CSR).

We wish to inform you that as on last audit balance sheet dated 31st March, 2018, the company does not meet any of the threshold prescribed by law. Hence, the provisions of Companies Act, 2013 regarding CSR would not be applicable. Thus, report on CSR as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not required.

However, the company has carried forward amount of Rs. 9,23,423/-(Rupees Nine Lacs Twenty Three thousand Four Hundred Twenty three only) form the previous financial years . The Company could not spent the remaining amount during the year under review due to losses and is planning & exploring the future opportunities. Thus, report on CSR as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not required.

The committee members has reviewed & approved the CSR policy to spend the carried forward amount earmarked for CSR activities and has recommended to the Board. The corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The same is available on the website of the company www.tinnatrade.in

## 32. INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new Act 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

## 33. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

On an ongoing basis, as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the training and familiarization Programme are provided in the Corporate Governance Report. The policy on Familiarization Programme for independent directors is available on website of the company www.tinnatrade.in.

## 34. DETAILS OF THE SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The Scheme of Arrangement for demerger of Agro Commodity Trading & investment Undertaking (Demerged Undertaking) from Tinna Rubber and Infrastructure Limited (Demerged Company) into Tinna Trade Limited (Resulting Company) was approved by the Hon'ble National Company Law Board Tribunal, New Delhi vide its order dated 15th December, 2017 (Scheme of Arrangement) and the company has received trading approval/permission from Bombay Stock Exchange (BSE) on 17.08.2018 and from Calcutta Stock Exchange on 29.08.2019. The trading of the shares of the Company has begun w.e.f. 20.08.2018 at BSE.

## 35. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder

**36. SECRETARIAL STANDARDS**

The company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India

**37. HUMAN RESOURCES MANAGEMENT**

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process and management development programs to upgrade skills of manager. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

Tinna believes in the potential of people to go beyond and be the game-changing force for business transformation and success. This potential is harnessed by fostering an open and inclusive work culture that enables breakthrough performance and comprehensive development of employees through the three pillars of Leading Self, Leading Teams and Leading Business.

**38. ACKNOWLEDGMENT**

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors, regulatory authorities and bankers for their continued support and faith reposed in the Company. We look forward to their continued support in the future.

**For & on Behalf of the Board of Directors**
**Tinna Trade Limited**

| | |
|---|---|
| **(Gaurav Sekhri)** | **(Kapil Sekhri)** |
| **Managing Director** | **Director** |
| **DIN-00090676** | **DIN-00090771** |

**Regd. Off: No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030**

**Place: New Delhi**
**Dated: 06th August, 2019**

## ANNEXURE-A TO BOARD REPORT

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

| Sl. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the subsidiary | B.G.K. Infrastructure Developers Private Limited |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31st March, 2019 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA |
| 4. | Share capital | INR 13,97,23,000 |
| 5. | Reserves & surplus | INR (63,35,269) |
| 6. | Total assets | INR 30,95,93,050 |
| 7. | Total Liabilities | INR 17,62,05,319 |
| 8. | Investments | NIL |
| 9. | Turnover | INR 9,97,67,320 |
| 10. | Profit before taxation | INR 19,51,484 |
| 11. | Provision for taxation | INR 2,682 |
| 12. | Profit after taxation | INR 19,48,802 |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 51.53% |

**Part "B": Associates and Joint Ventures**

**There is no Associate or Joint venture of the company as on 31st March, 2019**

## ANNEXURE B TO BOARD REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. ECONOMIC AND INDUSTRY OVERVIEW GLOBAL ECONOMY

In the Financial year 2018-19, the global economy saw significant volatility. The biggest risk facing economies is the growing evidence that global growth and trade are weakening. The slowing of the Chinese economy, along with growing evidence of European growth under pressure, cast a big cloud of uncertainty. Unsettled trade tensions and developments around Brexit may continue to impact the cross- border trades, while oil-price volatility may impart a further downside risk to the outlook in the investment climate in the Middle East markets. Global growth is projected to decline to 3.3% in 2019.

### INDIAN ECONOMY

The year 2018-19 saw the Indian economy yielding the benefits of structural reforms, viz Goods & Service Tax (GST), Demonetisation and Insolvency & Bankruptcy Code (IBC). The year witnessed a pick-up in project awards, improved clearances and fund allocation, resulting in a pick-up in execution momentum in the domestic market.

While the global economy is battling headwinds, India continues to be one of the fastest growing major economies in the world in FY 2018-19, driven by strong household spending and corporate fundamentals. Despite external vulnerabilities in the form of high oil prices, trade tensions between major global trading partners and the US monetary tightening, the Indian economy remained resilient. The World Bank estimated the Indian economy to grow by 7.2% in FY 2018-19.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Government of India has been making a significant increase in the MSP's of all the agricultural crops to support farmers as to ensure their income to be doubled by 2022. It is encouraging the lager sowing, higher production of grains and pulses. The Government also has imposed a heavy import duty on the pulses and has banned / restricted the import of some of the pulses to support famers. The production of wheat has crossed a mark of 100 Million MT and also the production of pulses has increased, resulting in lesser dependence on imports.

The company is having a wide network of end users, processors and traders with whom company is engaged in the business for decades. Having a very good network and strong presence in the market, the company is able to reap the benefit of the larger production of food grains and pulses in the country.

### 2. OPPORTUNITIES AND THREATS

### OPPORTUNITIES

(a) A higher production of food grains and pulses is bringing more and more trade opportunities, larger volumes and advantage of scale to the company.

(b) The company is exploring opportunities to increase the trade of wheat to the flour millers of South India, who are regular buyers.

(c) The company is exploring the import and sales of bitumen from Middle East to the road construction companies.

(d) The company is focusing to increase its business base in South India in Steel abrasives segment.

(e) A well tested and set network of buyer's / processers/end users is helping company to scale the size of the business

(f) Professional set up of dedicated team of traders, executives and financial planners are instrumental to achieve the goals

(g) A very good reputation of the promoters and legacy is providing better opportunities to the company than the peers.

### THREATS

(a) Due to the fluctuations in the market price of Agri commodities, the company is exposed to the commodity price risk.

(b) Due to fluctuations in foreign exchange rates, the company is exposed to foreign currency risk.

(c) Any changes in the Government policies as regard to import, custom duties and MSP's may impact the business of company.

(d) The liquidity tightening in the market due to negative atmosphere in the banking industry, the company may not get the adequate credit support from the banks.

(e) As per the industry/trade norms, the Company has been selling goods on credit to its buyers, which expose the company to the credit risk of delay in the receipts of receivables and also in bad debts.

**3. SEGMENT WISE AND PRODUCT WISE PERFORMANCE**

The company operates in one reportable business segment i.e. Agro Commodities and allied products and is primarily operating in India and hence considered as single geographical segment. The segment reporting of the group has been prepared in accordance with IND-AS-108 on operating segment reporting and are made part of this Annual Report in Note 6 of consolidated Financial Statements.

**4. OUTLOOK**

In the coming year, the company forsee the excellent opportunity to trade in wheat by purchasing it from the markets of states of origin and to sell it to the flour millers based in southern states, thus to connect the movement of grains from higher producing states of North India to the consumption centers at South India and taking benefit of geographical arbitrage.

The company is engaged in the purchase of chick peas from the producing states of Rajasthan and MP. Also, company has been participating in the sales tenders floated by the government agency NAFED form the stocks held by them, procured from the farmers under MSP.

Apart from trading in agricultural commodities, your company continuous to focus on plans of diversifying its business activities by expanding its trading activities in other products like Steel abrasives and Construction chemicals. During the year under review, your company has hired a team of professionals to generate the business of steel abrasives. The company is further focusing to expand the team as we forsee more and more opportunities.

**5.RISKS AND CONCERNS**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by way of various audits, review by Board and the Audit Committee. Some of the risks that the Company is exposed to are:

**Financial Risk**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

**Foreign exchange risk**

The fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has limited currency exposure in case of sales, purchases and other expenses. It has natural hedge to some extent. However, beyond the natural hedge, the risk can be measured through the net open position i.e. the difference between un-hedged outstanding receipt and payments. The risk can be controlled by a mechanism of “Stop Loss” which means the Company goes for hedging (forward booking) on open position when actual exchange rate reaches a particular level as compared to transacted rate

**Commodity price risk**

The Company is exposed to fluctuations in price of pulses, grains , Sunflower Meal and Crude Degummed Soyabean Oil (including fluctuations in foreign currency) arising on purchase/ sale of the above commodities. To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with the commodity price fluctuations relating to all the highly probable forecasted transactions.

**Credit risk**

The risk that the counter party will not meet its obligation under a customer contract, leading to a financial loss. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management

**Liquidity Risk**

Risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system

**Equity Price Risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 1398.07 lakhs as on March 31, 2019 (Rs.1, 398.07 lakhs as on March 31, 2018).

**Political And Economic Environment**

Any changes in political and economic scenario of the country will impact the business of the company. Change in government policies may adversely impact the business of the company

**Regulatory Risks**

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits. The Company has implemented an enterprise-wide compliance management system, capable of effectively tracking and managing regulatory and internal compliance requirements.

## 6.INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. Processes for formulating and reviewing annual and long term business plans have been laid down.

The company uses enterprise resource planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes and long term business plans have been laid down.

The company has appointed M/S O. P. Bagla & Associates to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee

## 7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

Details of financial performance of the company given in standalone and consolidated financial statements of the company including Balance sheet, Profit & loss account, Cash flow statement and other financial information. Further, a detailed discussion on the financial results is given in Directors' report of the company. Both, directors' report and financial statements forms part of this Annual Report.

## 8. FINANCIAL RATIOS

**The company has identified the following ratios as key financial ratios:**

| Particulars | 2018-19 | 2017-18 | YOY Change |
|---|---|---|---|
| Inventory Turnover Ratio (Times) | 48.81 | 15.07 | 223.81% Favourable |
| Debtors Turnover Ratio (Times) | 13.58 | 14.89 | -8.78% Favourable |
| Total Debt / Equity Ratio (Times) | 0.32 | 1.83 | -82.32% Favourable |
| Current Ratio (Times) | 1.63 | 1.15 | 41.19% Favourable |
| Interest Coverage Ratio (Times) | 1.38 | 0.96 | 44.01% Favourable |
| Operating Profit Margin (% terms) | 1.13 | 0.50 | 126.66% Favourable |
| Net Profit Margin (% terms) | 0.43 | (0.07) | 676.35% Favourable |
| Return on net worth (% terms) | 6.17 | (1.08) | 673.15% Favourable |

**Reasons for significant changes:**

1. Inventory turnover ratio is increased by 223.81% due to low levels of average inventories held in F.Y 2018-19 which is lesser than 1/3rd of average inventories as compared to F.Y 2017-18.

2. Debt-equity ratio is decreased by 82.32% due to reduction in total debts during the F.Y 2018-19 to Rs. 1077.73 lakhs from Rs. 5781.01 lakhs in F.Y 2017-18. We have no long term debts and lesser utilization of our working capital limits during the current financial year.
3. Current ratio of company is increased by 41.19% during financial year 2018-19 which is majorily due to decrease in borrowings outstanding as on 31st March 2019
4. Interest coverage ratio of company is increased by 44.01% during financial year 2018-19 which is due to decrease in total finance costs during the F.Y. 2018-19.
5. Operating profit is (EBIT - Other Incomes). Operating profit ratio is increased by 126.66% in F.Y 2018-19 from F.Y 2017-18, which are majorily due to higher profit after tax and decrease in finance cost, other expenses and decrease in other incomes during F.Y 2018-19.
6. Net profit margin percentage is increased by 676.35% due to increase in profit before tax to Rs. 205.98 lakhs in F.Y 2018-19 as compared to (loss) of Rs. (34.09) Lakhs for F.Y 2017-18, major reason for increase in PBT is lower finance costs & other expenses during the financial year 2018-19.
7. The return on net worth for the FY 2018-19 is 6.17 % as compared to -1.08 % in FY 2017-18. Return on net worth is increased by 673.15% due to increase in profit before tax which is Rs. 205.98 lakhs in F.Y 2018-19 as compared to (loss) Rs. (34.09) Lakhs for F.Y 2017-18.

**9.HUMAN RESOURCES**

The business strongly believes that people are the prime assets of the organization. Your Company continued to focus on attracting new talent, organizing trainings to help employees acquire new skills, explore new roles and realize their potential. The company has 38 employees on its payrolls as on 31$^{st}$ March, 2019. The company has robust HR system and employee-friendly HR policies for the holistic development of its human resource.

**10.ACCOUNTING TREATMENT**

The financial statements of the company and its subsidiary are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements.

## ANNEXURE C TO BOARD REPORT

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**Tinna Trade Limited**
No. 6, Sultanpur (Mandi Road)
Mehrauli,
New Delhi-110030

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tinna Trade Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me & representations made by the management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 (Audit period)complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2019 according to the applicable provisions of:

i. The Companies Act, 2013 and the rules made thereunder, as applicable

ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;(Not applicable to the Company during the Audit Period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009and amendments from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) I have relied on the representation made by the Company and its Officers for systems and mechanism followed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

**I have also examined compliance with the applicable clauses of the following:**

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. Except the points mentioned below:

| Sr. No. | e-Form No. | Date of Event | Filed by | Filed on | Remarks |
|---|---|---|---|---|---|
| 1. | MGT-15 under Section 121 | 28-09-2018 | 28-10-2018 | 03-11-2018 | Filed with Additional fee |

-The Company was in loss in the immediately preceding financial year (2017-18). Further, in the immediately preceding financial year the Company does not meet any of threshold limits prescribed under the provisions of section 135 of the Companies Act, 2013. However, the Company was having a carried forward amount of Rs. 9,23,423/- as unspent amount towards Corporate Social Responsibility for the earlier financial year(s). Out of the said unspent amount the Company has not spent any amount during the financial year.

-Annual return on Foreign Liabilities and Assets (FLA) for the financial year 2017 - 18 not filed as yet.

I further report that the compliance of applicable financial laws including Direct & Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, except where consent of the directors was received for scheduling meeting at a shorter notice, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are systems and processes in the Company but needs to be further strengthened to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

The Company entered into Scheme of Arrangement (Demerger) with Tinna Trade Limited and the same was approved by the Hon'ble National Company Law Tribunal (NCLT), New Delhi during the financial year 2017-18 and thereafter further completing/complying with requirements of NCLT Order, SEBI/ Stock Exchanges & other concerned authorities, shareholders of the Company were issued equity shares in the ratio of 1:1 in the capital of the Company. The Company got its shares listed/trading permission at Bombay Stock Exchange & Calcutta Stock Exchange during the financial year.

**For Ajay Baroota & Associates**
**Company Secretaries**

**Ajay Baroota**
**Proprietor**
**FCS 3495 : CP 3945**

**Place: Delhi**
**Date: 25th July, 2019**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE -I' and forms an integral part of this report.

## ANNEXURE -I

To,
The Members,
**Tinna Trade Limited**
No. 6, Sultanpur (Mandi Road)
Mehrauli,
New Delhi-110030

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate & other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Ajay Baroota & Associates**
**Company Secretaries**

**Ajay Baroota**
**Proprietor**
**FCS 3495 : CP 3945**

**Place: Delhi**
**Date: 25th July, 2019**

## ANNEXURE – D TO BOARD REPORT

## FORM NO. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis - None**

2. **Details of contracts or arrangements or transactions at Arm's length basis.**

| Name of related part and nature of relationship | Nature of contract/ arrangement/ transaction | Duration of contract / arrangement/ Transaction | Salient terms of contract / arrangement/ transaction including value, if any (In INR) | Date of approval by Board | Amount paid as advance, if any |
|---|---|---|---|---|---|
| Fratelli Wines Pvt Ltd | Sale of grapes | Ongoing | 49,708,916.00 | 10-May-18 | Not Applicable |
| Tinna Rubber And Infrastructure Limited | Sale of steel products (including cut wire, steel shots) | Ongoing | 25,609,734.25 | 10-May-18 | Not Applicable |
| Tinna Rubber And Infrastructure Limited | Purchase of steel products (including cut wire, steel shots) | Ongoing | 70,561,666.00 | 10-May-18 | Not Applicable |
| TP Buildtech Pvt Ltd | Sale of chemicals | Ongoing | 57,263,355.50 | 10-May-18 | Not Applicable |
| BGK Infrastructure developers Pvt ltd | Warehouse rent agreement and cargo handling services | Ongoing | 2,830,625.00 | 10-May-18 | Not Applicable |
| Tinna Rubber And Infrastructure Limited* | Leave and License Agreements executed for four premises situated at :<br>1.Thane (Maharashtra)<br>2.Gummundipundi (Tamil Nadu)<br>3.Panipat(Haryana)<br>4. Haldia (West Bengal) | Eleven months from 29th September, 2018 | 5000 per month | 17- Aug-18 | Not Applicable |

*The lease and license agreement was entered at the rent of Rs. 100 per month (not at Arm's length basis) w.e.f. 29th September, 2018 & subsequently the rent has been increased to Rs.5000 as per prevailing market rate w.e.f. 01st February, 2019.

## ANNEXURE – E TO BOARD REPORT

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(a) The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year

| S.No. | Name of the Director | Ratio of Director' remuneration to the median remuneration of the employees of the Company for the financial year 2018-19 |
|---|---|---|
| 1 | Mr. Gaurav Sekhri | 51.32 |
| 2 | Mr. Kapil Sekhri | 0 |
| 3 | Mr. Ashish Madan | 0 |
| 4 | Mr. Vivek Kohli | 0 |
| 5 | Mr. Adhiraj Amar Sarin | 0 |
| 6 | Ms. Sanvali Kaushik | 0 |

**Note:**

i. Mr. Vivek Kohli resigned from the directorship w.e.f. November 3, 2018.

ii. Median remuneration of all the employees (excluding directors/CEO/MD)of the company was Rs. 2.32 lacs

iii. Sitting fees paid to the directors has not been considered as remuneration.

(b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

| S.No. | Name of the Director, Chief Financial Officer & Company Secretary | Percentage (%) increase in remuneration in the financial year 2018-19 |
|---|---|---|
| 1 | Mr. Gaurav Sekhri | NIL |
| 2 | Mr. Kapil Sekhri | NIL |
| 3 | Mr. Ashish Madan | NIL |
| 4 | Mr. Vivek Kohli* | NIL |
| 5 | Mr. Adhiraj Amar Sarin | NIL |
| 6 | Ms. Sanvali Kaushik | NIL |
| 7 | Mr. Anish Mahajan | 11.42% |
| 8 | Ms. Monika Gupta | 17.34% |

*Mr. Vivek Kohli resigned from the directorship w.e.f. November 3, 2018.

(c ) The percentage increase/(decrease) in the median remuneration of employees in the financial year 2018-19:

| Median Annual remuneration of employees for the FY 2017-18 | Median Annual remuneration of employees for the FY 2018-19 | Percentage (%) increase/(decrease) in Median Annual Remuneration of the employees |
|---|---|---|
| 2.11 | 2.32 | 9.95 |

(d) The No. of permanent employees on the rolls of the company as on 31st March, 2019 is 37.

(e ) The Average percentage decrease in the salaries of employees other than the managerial personnel was 7.69% and there is no change in the remuneration of managerial personnel (includes Chairman and Managing director) of the company during the FY 2018-19.

(f) The board hereby affirms that the remuneration paid is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees, approved by the Board.

(g) Details as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Details of Top Ten employees in terms of remuneration drawn:

| S.No | Name | Designation | Annual Remuneration (Rs.) | Qualification & experience (no. of years) | date of commencement of employment | Age | last employment | Percentage of equity share held in the company |
|---|---|---|---|---|---|---|---|---|
| 1 | Sanjeev Kumar Garg | Chief Operating Officer | 3688220 | BSc 25 years | 01-Feb-15 | 49 | Business | NIL |
| 2 | Anil Kumar Grover | Chief Trader | 3038752 | B.com (Hons) 31 years | 01-Nov-09 | 51 | M/s ADM Agro Industries Latur & Vizag Pvt. Ltd | 1700 |
| 3 | Karishma Gaind | General Manager-HR & Admin | 2450000 | BA 9.5 years | 01-Nov-16 | 39 | M/s Panjwani Properties Pvt. Ltd | 2900 |
| 4 | Niten Gupta | Trader-Pulses | 1734038 | MBA (Marketing), 20 years | 01-May-13 | 44 | DCM Shriram Consolidated Ltd | NIL |
| 5 | Dilip Kumar | Manager-Commerial (Grains) | 1264035 | B Com (Hons), 22 years | 26-May-10 | 47 | B.L. Lifesciences Pvt. Ltd | NIL |
| 6 | Niraj Singh | Manager Commercial (Oil & oil Seeds) | 1184000 | MBA (Finance), 8 years | 8-Aug-15 | 34 | Raghunath Agencies Pvt. Ltd | NIL |
| 7 | Vinky Sachdeva | Assistant Manager-Admin & EA to MD | 842000 | B.Com, 22 years | 05-Feb-16 | 44 | Max Ventures Pvt. Ltd | NIL |
| 8 | Mohammed Arsalan | Deputy Manager-Accounts | 723857 | B.Com (Hons), 10 years | 10-Aug-15 | 33 | Bharti Airtel Ltd | NIL |
| 9 | Yash Pal Singh | Senior Manager-Marketing(Steel Abrasives) | 714300 | PGDM (Marketing), 12 years | 1-Oct-18 | 36 | Winoa Abrasives India Pvt. Ltd | NIL |
| 10 | Rajiv Nalwa | Senior Manager-Secretarial | 642904 | B.com, 25 years | 20-Jan-18 | 49 | Tinna Rubber & Infrastructure Ltd | 100 |

(ii) Employees mentioned above are permanent employees of the company.

(iii ) None of the above employees are neither relatives of any of the directors of the company, nor holds 2% or more paid up equity share capital of the company as per clause (iii) of sub rule(2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(iv) Employees received remuneration in excess of the remuneration drawn by managing director - **NONE**

(v) Employees employed throughout the financial year and was in receipt of aggregate annual remuneration of not less than Rs. 1.02 crores or more - **NONE**

(vi) Employees employed for part of the year and was in receipt of aggregate remuneration for any part of that year of not less than Rs. 8.5 Lakhs - **NONE**

# ANNEXURE-F TO BOARD REPORT

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2019**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.**

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| i | CIN | L51100DL2009PLC186397 |
| ii | Registration Date | 05.01.2009 |
| iii | Name of the Company | TINNA TRADE LIMITED |
| iv | Category/Sub-category of the Company | Indian Non-Government Company |
| v | Address of the Registered office & contact details | No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030 |
| vi | Whether listed company | Yes |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | Alankit Assignments Limited<br>Alankit Heights, 1E/13, Jhandewalen Extension,<br>New Delhi – 110055 Phone : +91-11-42541234 / 23541234<br>Email Id : rta@alankit.com |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---|---|---|---|
| 1 | Wholesale Trade Services of agricultural commodities | 99611114 | 100% |

## III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| SL No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---|---|---|---|---|---|
| 1 | B.G.K. Infrastructure Developers Pvt Ltd,<br>A-63,Second Floor FIEE<br>Okhla Industrial Area Phase II<br>New Delhi -110020 | U70102DL2007PTC171915 | SUBSIDIARY | 51.53 | 2(87) |

## IV SHAREHOLDING PATTERN
### (Equity Share capital Break up as % to total Equity)

### (i) Category-wise Shareholding

| Category of Shareholders | No. of shares at the beginning of the year (As on 01.04.2018) | | | | No . Of shares held at the end of the year (As on 31.03.2019) | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | 6321347 | - | 6321347 | 73.81% | 6321347 | - | 6321347 | 73.81% | - |
| b) Central Govt.or State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | - | - | - | - | - | - | - | - | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | |
| **SUB TOTAL:(A) (1)** | 6321347 | - | 6321347 | 73.81% | 6321347 | - | 6321347 | 73.81% | - |
| | | | | | | | | | |
| **(2) Foreign** | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other… | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | |
| **SUB TOTAL (A) (2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | | | | | | | | |
| **Total Shareholding of Promoter (A)= (A)(1)+(A)(2)** | **6321347** | **-** | **6321347** | **73.81%** | **6321347** | **-** | **6321347** | **73.81%** | **-** |
| | | | | | | | | | |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | - | - | - | - | - | - | - | - |
| C) Cenntral govt | - | - | - | - | - | - | - | - | - |
| d) State Govt. | 28200 | - | 28200 | 0.330% | 28200 | - | 28200 | 0.330% | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIS | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | |
| **SUB TOTAL (B)(1):** | **28200** | **-** | **28200** | **0.330%** | **28200** | **-** | **28200** | **0.330%** | **-** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(2) Non Institutions** | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.2 lakhs | 331681 | 556833 | 888514 | 10.370% | 369249 | 523008 | 892257 | 10.420% | 0.050% |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs | 842786 | - | 842786 | 9.840% | 842786 | - | 842786 | 9.840% | - |
| c) Others (specify) | 334503 | 149400 | 483903 | 5.650% | 333260 | 146900 | 480160 | 5.610% | -0.040% |
| | | | | | | | | | |
| **SUB TOTAL (B)(2):** | 1508970 | 706233 | 2215203 | 25.860% | 1545295 | 669908 | 2215203 | 25.870% | 0.010% |
| | | | | | | | | | |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | 1537170 | 706233 | 2243403 | 26.190% | 1573495 | 669908 | 2243403 | 26.200% | 0.010% |
| | | | | | | | | | |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | |
| **Grand Total (A+B+C)** | **7858517** | **706233** | **8564750** | **100%** | **7894842** | **669908** | **8564750** | **100%** | **0.010%** |

## (ii) SHARE HOLDING OF PROMOTERS

| Sl. No. | Shareholders Name | Shareholding at the begginning of the year (As on 01.04.2018) | | | Shareholding at the end of the year(As on 31.03.2019) | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Bhupinder Kumar Sekhri-Karta Bhupinder & Kapil (HUF) | 6010 | 0.07 | - | 6010 | 0.07 | - | - |
| 2 | Bhupinder Kumar Sekhri-Karta Bhupinder Kumar Sekhri & Sons (HUF) | 262300 | 3.06 | - | 262300 | 3.06 | - | - |
| 3 | Gaurav Sekhri | 66200 | 0.77 | - | 66200 | 0.77 | - | - |
| 4 | Shobha Sekhri | 1636343 | 19.11 | - | 1636343 | 19.11 | - | - |
| 5 | Bhupinder Kumar Sekhri | 110287 | 1.29 | - | 110287 | 1.29 | - | - |
| 6 | Kapil Sekhri | 79700 | 0.93 | - | 79700 | 0.93 | - | - |
| 7 | Aarti Sekhri | 1511347 | 17.65 | - | 1511347 | 17.65 | - | - |
| 8 | Puja Sekhri | 1749160 | 20.42 | - | 1749160 | 20.42 | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 9 | Krishnav Sekhri | 300000 | 3.50 | - | 300000 | 3.50 | - | - |
| 10 | Arnav Sekhri | 300000 | 3.50 | - | 300000 | 3.50 | - | - |
| 11 | Aditya Brij Sekhri | 300000 | 3.50 | - | 300000 | 3.50 | - | - |
| | **TOTAL** | **6321347** | **73.81** | **-** | **6321347** | **73.81** | **-** | **-** |

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING**

| Sl. No. | | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| | At the beginning of the year (As on 01.04.2018) | 6321347 | 73.81 | 6321347 | 73.81 |
| | Changes during the year* | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 6321347 | 73.81 | 6321347 | 73.81 |

***No change during the Financal Year**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | **NAME-SHAMA ASHOK MEHRA** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 363000 | 4.238 | 363000 | 4.238 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 363000 | 4.238 | 363000 | 4.238 |
| 2 | **NAME-PADMAVATHI MANCHALA** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 300000 | 3.503 | 300000 | 3.503 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 300000 | 3.503 | 300000 | 3.503 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 3 | **NAME-ASHOKA MERCANTILE LIMITED** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 291812 | 3.407 | 291812 | 3.407 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 291812 | 3.407 | 291812 | 3.407 |
| 4 | **NAME-MADAN KUKREJA** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 120450 | 1.406 | 120450 | 1.406 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 120450 | 1.406 | 120450 | 1.406 |
| 5 | **NAME-ABHISHEK SOMANY Jt1: MINAL SOMANY** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 59336 | 0.693 | 59336 | 0.693 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 59336 | 0.693 | 59336 | 0.693 |
| 6 | **NAME-SHRETA SANJEEV THAWANI** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 51800 | 0.605 | 51800 | 0.605 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 51800 | 0.605 | 51800 | 0.605 |
| 7 | **NAME-PRATHAM ROAD TECHNOLIGIES & CONSTRUCTION LTD** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 45100 | 0.527 | 45100 | 0.527 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 45100 | 0.527 | 45100 | 0.527 |
| 8 | **NAME-THE PRADESHIYA INDUSTRIAL AND INVESTMENT CORPORATION OF UP LTD.** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 28200 | 0.329 | 28200 | 0.329 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 28200 | 0.329 | 28200 | 0.329 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 9 | **NAME-PRAVIN DONGRE Jt1: ANITA DONGRE** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 18738 | 0.219 | 18738 | 0.219 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 18738 | 0.219 | 18738 | 0.219 |
| 10 | **NAME-JAGJEET KAUR MALIK Jt1: JASJEET SINGH MALIK** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 16900 | 0.197 | 16900 | 0.197 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 16900 | 0.197 | 16900 | 0.197 |

**(v) Shareholding of Directors and Key Managerial Personnel**

| Sl. No. | For Each of the Directors & KMP | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | **NAME-MR. GAURAV SEKHRI** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 66200 | 0.773 | 66200 | 0.773 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 66200 | 0.773 | 66200 | 0.773 |
| 2 | **NAME-MR. KAPIL SEKHRI** | | | | |
| | At the beginning of the year (As on 01.04.2018) | 79700 | 0.931 | 79700 | 0.931 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | 79700 | 0.931 | 79700 | 0.931 |
| 3 | **NAME-MR. VIVEK KOHLI*** | | | | |
| | At the beginning of the year (As on 01.04.2018) | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | - | - | - | - |

| Sl. No. | For Each of the Directors & KMP | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 4 | **NAME-MR. ASHISH MADAN** | | | | |
| | At the beginning of the year (As on 01.04.2018) | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | - | - | - | - |
| 5 | **NAME-MR. ADHIRAJ AMAR SARIN** | | | | |
| | At the beginning of the year (As on 01.04.2018) | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | - | - | - | - |
| 6 | **NAME-MRS. SANVALI KAUSHIK** | | | | |
| | At the beginning of the year (As on 01.04.2018) | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | - | - | - | - |
| 7 | **NAME-MR. ANISH MAHAJAN** | | | | |
| | At the beginning of the year (As on 01.04.2018) | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | - | - | - | - |
| 8 | **NAME-MS. MONIKA GUPTA** | | | | |
| | At the beginning of the year (As on 01.04.2018) | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year (as on 31.03.2019) | - | - | - | - |

*Mr. Vivek Kohli resigned from Directorship w.e.f. November 3, 2018

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtness at the beginning of the financial year** | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | - | - | - | - |
| **Change in Indebtedness during the financial year** | | | | |
| Additions | - | - | - | - |
| Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | - | - | - | - |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

| S.No. | Particulars of Remuneration | Name of the MD/WTD/Manager | Total Amount |
|---|---|---|---|
| | | **Mr. Gaurav Sekhri** | |
| | | **Managing Director** | |
| 1 | **Gross salary** | 1,19,25,380.00 | 1,19,25,380.00 |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | - | - |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - |
| | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - |
| 2 | Stock option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | | |
| | as % of profit | | |
| | others (specify) | | |
| 5 | Others, please specify | - | - |
| | **Total (A)** | **1,19,25,380.00** | **1,19,25,380.00** |
| | **Ceiling as per the Act** | **1,64,00,000.00** | **1,64,00,000.00** |

**B. Remuneration to other directors:**

| S.No. | Particulars of Remuneration | Name of the Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | Mr. Adhiraj Amar Sarin | Ms. Sanvali Kaushik | Mr. Ashish Madan | Mr. Vivek Kohli | |
| 1 | Independent Directors | | | | | |
| | (a) Fee for attending board committee meetings | 1,20,000.00 | 2,40,000.00 | 2,00,000.00 | - | 5,60,000.00 |
| | (b) Commission | - | - | - | - | - |
| | (c ) Others, please specify | - | - | - | - | - |
| | Director Remuneration | - | - | - | - | - |
| | Director Remuneration | - | - | - | - | - |
| | **Total (1)** | **1,20,000.00** | **2,40,000.00** | **2,00,000.00** | **-** | **5,60,000.00** |
| | Other Non Executive Directors | | | | | |
| | (a) Fee for attending board committee meetings | - | - | - | - | - |
| | (b) Commission | - | - | - | - | - |
| | (c ) Others, please specify. | - | - | - | - | - |
| | **Total (2)** | - | - | - | - | - |
| | **Total (B)=(1+2)** | **1,20,000.00** | **2,40,000.00** | **2,00,000.00** | **-** | **5,60,000.00** |

*** Mr. Vivek Kohli resigned wef 03.11.2018**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| S.No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| 1 | **Gross Salary** | **CEO** | **Company Secretary** | **CFO** | **Total** |
| | | | **Ms. Monika Gupta** | **Mr. Anish Mahajan** | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | - | 7,76,408 | 11,68,160 | 19,44,568 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - |
| | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | as % of profit | - | - | - | - |
| | others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | **Total** | **-** | **7,76,408** | **11,68,160** | **19,44,568** |

## VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

## REPORT ON CORPORATE GOVERNANCE

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").**

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. The governance philosophy of your company is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

## A. THE BOARD OF DIRECTORS

### Role of Board of directors

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

### Board membership criteria

The nomination and remuneration committee works with the entire board to determine the appropriate characteristic, skills and expertise required for the board as a whole and for individual members. Members are expected to possess the required qualifications, integrity expertise and experience for the position. They should also possess deep expertise and insight in sector relevant to the company.

### Composition and category of directors

The Company is managed by the Board of Directors in co-ordination with the Senior Management team. As on March 31, 2019, the Company's Board consists of 5 (Five) Directors. The Board comprises of 1 (one) Executive Promoter Director, 1 (One) Non Executive Promoter Director, 3 (three) Non-Executive Independent Directors. Out of three Independent directors, One Director is woman. The Chairman and Managing Director of the Board is an Executive Director. During the year under review Mr. Vivek Kohli resigned as Non-Executive Independent director of the board effective from November 3, 2018 to pursue his other interests and commitments. The composition of the Board is in compliance with the requirements of the Companies Act, 2013 (Act) and Regulation 17 of the Listing Regulations.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence.

**The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:**

| S.No. | Name of Director | Designation | Expertise in functional areas |
|---|---|---|---|
| 1 | Mr. Gaurav Sekhri | Managing Director | Key expertise in the business of commodity trading and other business verticals, including cargo handling operations & warehousing |
| 2 | Mr. Kapil Sekhri | Non-Executive Director | Entrepreneur and General Corporate Management |
| 3 | Mr. Ashish Madan | Non-Executive Independent Director | Financing & banking |
| 4 | Mr. Vivek Kohli* | Non-Executive Independent Director | Law including International Law, Cross-border Merger and Acquisitions and Private Equity |
| 5 | Mr. Adhiraj Amar Sarin | Non-Executive Independent Director | Being associated with MNC's of similar field such as Bunge, Louis Dreyfus Commodities, he has expertise in commodity trading |
| 6 | Ms. Sanvali Kaushik | Non-Executive Independent Director | Being associated with NCDEX & NCDEX Spot Exchange Ltd, she has expertise in Commodity trading. |

***Mr. Vivek Kohli resigned from directorship of the company w.e.f. November 3, 2018**

**Directors' Directorships/Committee memberships**

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulations. In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions.

Relevant details of the Board of Directors about directorship, committee chairmanship and membership as on March 31, 2019 are given below:

| S.No. | Name of Director | Designation | Date of Appointment | No. of Directorship in other companies ) (Public & Private) other than Tinna Trade Limited | | No. of Board Committees in which Chairman / Member in other Public Limited Companies | | List of Directorship held in Other Listed Companies and Category of Directorship |
|---|---|---|---|---|---|---|---|---|
| | | | | Public | Private | Chairman | Member | |
| 1 | Mr. Gaurav Sekhri | Managing Director | 01-05-2009 | 3 | 5 | - | - | Tinna Rubber & Infrastructure Limited (Additional Director) |
| 2 | Mr. Kapil Sekhri | Non-Executive Director | 06-02-2009 | 1 | 3 | - | - | - |
| 3 | Mr. Ashish Madan | Non-Executive Independent Director | 07-08-2014 | 2 | 6 | 1 | 1 | Tinna Rubber & Infrastructure Limited (Non- Executive Independent Director) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4 | Mr. Adhiraj Amar Sarin | Non-Executive Independent Director | 09-08-2016 | 1 | 2 | - | 1 | International Paper APPM Limited (Non- Executive Independent Director) |
| 5 | Ms. Sanvali Kaushik | Non-Executive Independent Director | 01-12-2016 | - | - | - | - | - |

**Notes:**

1. Mr. Vivek Kohli resigned from directorship of the company w.e.f. November 3, 2018.
2. Directorships exclude Foreign Companies and Section 8 Companies.
3. Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited companies other than Tinna Trade Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
4. No Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013, except Mr. Gaurav Sekhri (Managing Director) who is relative of Mr. Kapil Sekhri.

**Independent Directors confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

**Number of Independent Directorships**

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing director of the Company does not serve as an Independent Director in any listed entity

## B. BOARD MEETINGS

**Meetings Schedule, Agenda and participation thereat**

During the year under review Total 6 (Six) meetings were held on 10th May, 2018, 29th May, 2018, 12th June, 2018, 17th August, 2018, 14th November & 6th February, 2019. The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standard by the Institute of Company Secretaries of India

The Board/Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings.

**Information placed before the Board**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

**Post meeting follow-up mechanism**

The Company has an effective post Board/Committee Meeting follow-up procedure. The important decisions taken at Board/Committee meetings are communicated to the concerned departments/divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Committees for information and further recommended action(s).

**Knowledge sharing**

Board members are kept informed about any material development/business update through various modes viz. e-mails, telecom, etc. from time to time.

**Compliance Reports**

The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of noncompliance, if any.

**Committees of the Board**

The Board has constituted the following Committees- Audit Committee, Nomination and remuneration committee, Stakeholders Relationship committee and Corporate Social Responsibility Committee. Each of the said Committee has been mandated to operate within a given framework

**Attendance of directors at the meeting of board of directors and the last Annual General Meeting**

| S.No. | Name of Director | Designation | No. of Board Meeting attended during FY 2018-19 | Attendance at AGM held on 28.09.2018 |
|---|---|---|---|---|
| 1 | Mr. Gaurav Sekhri | Managing Director | 6 | Present |
| 2 | Mr. Kapil Sekhri | Non-Executive Director | 3 | Present |
| 3 | Mr. Ashish Madan | Non-Executive Independent Director | 5 | Present |
| 4 | Mr. Vivek Kohli | Non-Executive Independent Director | - | Leave |
| 5 | Mr. Adhiraj Amar Sarin | Non-Executive Independent Director | 3 | Leave |
| 6 | Ms. Sanvali Kaushik | Non-Executive Independent Director | 6 | Present |

**Notes:**

1. Mr. Vivek Kohli resigned from directorship w.e.f. November 3, 2018
2. Total No. of Board meetings held during the year is 6 (Six)

**The Chairman and Managing Director**

The primary role of Chairman and Managing Director is to provide leadership to the Board in achieving goals of the Company. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors.

**Non-Executive Directors (including Independent Directors)**

None Executive directors play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes:

- Impart balance to the Board by providing independent judgement.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for further improvements

**Terms and conditions of appointment of independent directors:**

The terms and conditions of appointment of Independent Directors were set out in the appointment letter issued to the Director at the time of his/her appointment/re- appointment as an Independent Non-Executive Director of the Company. The terms and conditions as mentioned in the appointment letter is disclosed on the company's website www.tinnatrade.in

**Meeting of Independent directors**

Schedule IV of the Companies Act, 2013 and Rules made thereunder mandate that the independent directors of the company hall hold at least one meeting in a year, without the presence of non-independent directors and members of the management.

During the year under review, the Independent Directors met on 6th February, 2019. At that meeting independent directors discussed among themselves the matters related to the performance of the company and risks faced by it, the flow of information, competition, strategy, leadership, strengths, weakness, compliances and performance of the chairman and Managing Director of the company.

**Familiarisation Programme For Directors**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries businesses and operations, industry and regulatory updates, strategy, finance risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarisation Programme for Directors are available on the Company's website, viz. www.tinnatrade.in.

## C. BOARD COMMITTEES

The Board has constituted the following Committees- Audit Committee, Nomination and remuneration committee, Stakeholders Relationship committee and Corporate Social Responsibility Committee. Each of the said Committee has been mandated to operate within a given framework. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company.

### 1. Audit committee

Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

**Broad terms of reference of Audit committee**

(i) Overseeing the processes that ensure the integrity of financial statements.

(ii) Overseeing the adequacy and effectiveness of the processes and controls for compliance with laws and regulations.

(iii) Overseeing the adequacy and effectiveness of the process by which confidential or anonymous complaints or information regarding financial or commercial matters are received and acted upon. This includes the protection of whistle-blowers from victimization and the provision of access by whistle-blowers to the Chairman of the Committee.

(iv) Approving/modifying the transactions with related parties.

(v) Overseeing the quality of internal accounting controls and other controls.

(vi) Overseeing the quality of the financial reporting process, including the selection of the most appropriate of permitted accounting policies.

(vii) Recommending to the Board the appointment and remuneration of the auditors (including secretarial auditor)

(viii) Scrutinizing inter-corporate loans and investments.

(ix) Overseeing the internal audit function and approve the appointment of the Internal Auditor

All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

**Meetings and Attendance**

The Audit Committee met Six times during the Financial Year 2018-19. The maximum gap between two Meetings was not more than 120 days. The Committee met on 10th May, 2018, 29th May, 2018, 12th June, 2018, 17th August, 2018, 13th November, 2018 & 6th February, 2019. The requisite quorum was present at all the Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Table below provides the attendance of the Audit Committee members:

| S.No. | Name of Director | Designation | Position | No. of Meetings attended during FY 2018-19 |
|---|---|---|---|---|
| 1 | Mr. Ashish Madan | Non-Executive Independent Director | Chairman | 6 |
| 2 | Mr. Vivek Kohli* | Non-Executive Independent Director | Member | - |
| 3 | Mr. Adhiraj Amar Sarin# | Non-Executive Independent Director | Member | 1 |
| 4 | Ms. Sanvali Kaushik | Non-Executive Independent Director | Member | 6 |

*Mr. Vivek Kohli resigned from directorship of the company w.e.f. November 3, 2018.
# Mr. Adhiraj Amar Sarin was inducted as member of audit committee at its meeting held on November 14, 2018.

**2. Nomination and Remuneration Committee**

The company has constituted Nomination & Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the SEBI (LODR) Regulations 2015.

**Broad terms of reference of Nomination and Remuneration committee**

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which are as follows.

(i) To help the Board in determining the appropriate size, diversity and composition of the Board;

(ii) To recommend to the Board appointment/re-appointment and removal of Directors and Senior Management;

(iii) To frame criteria for determining qualifications, positive attributes and independence of Directors;

(iv) To recommend to the Board remuneration payable to the Directors and Senior Management (while fixing the remuneration to Executive Directors the restrictions contained in the Act is to be considered);

(v) To create an evaluation framework for Independent Directors and the Board;

(vi) To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;

**Meetings and Attendance**

The Nomination and Remuneration Committee met once during the Financial Year 2018-19.The Committee met on 31st October, 2018. The requisite quorum was present at the Meeting.

The Table below provides the attendance of the Nomination and Remuneration Committee members:

| S.No. | Name of Director | Designation | Position | No. of Meetings attended during FY 2018-19 |
|---|---|---|---|---|
| 1 | Ms. Sanvali Kaushik | Non-Executive Independent Director | Chairman | 1 |
| 2 | Mr. Adhiraj Amar Sarin | Non-Executive Independent Director | Member | - |
| 3 | Mr. Ashish Madan | Non-Executive Independent Director | Member | 1 |

**PERFORMANCE EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

## REMUNERATION POLICY

### Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Independent Directors are paid remuneration by way of Sitting Fees The Non-Executive Independent Directors are paid Sitting Fees for each Meeting of the Board as attended by them. The total amount of sitting fees paid to Non-Executive Independent Directors during the Financial Year 2018-19 was Rs. 5.6 Lakh. The Non-Executive Director Non Independent Directors do not have any material pecuniary relationship or transactions with the Company.

### DETAILS OF REMUNERATION PAID TO NON EXECUTIVE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2019

| S.No. | Name of Director | Designation | Sitting Fees (in Rs. Lakhs) | No. of shares held |
|---|---|---|---|---|
| 1 | Mr. Kapil Sekhri | Non-Executive Director | - | 79700 |
| 2 | Mr. Ashish Madan | Non-Executive Independent Director | 2.0 | - |
| 3 | Mr. Vivek Kohli* | Non-Executive Independent Director | - | - |
| 4 | Mr. Adhiraj Amar Sarin | Non-Executive Independent Director | 1.2 | - |
| 5 | Ms. Sanvali Kaushik | Non-Executive Independent Director | 2.4 | - |

**Notes:**

1. Mr. Vivek Kohli resigned from directorship of the company w.e.f. November 3, 2018.
2. None of the directors hold any convertible instrument as on March 31, 2019.
3. Presently, the Company does not have a stock options scheme for its Directors.

### Remuneration to Executive Director

The appointment and remuneration of Executive Director i.e. Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between him and the Company. The remuneration package of Chairman and Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. The Nomination and Remuneration Policy is displayed on the Company's website viz. www.tinnatrade.in.

### DETAILS OF REMUNERATION PAID TO EXECUTIVE DIRECTOR FOR THE YEAR ENDED MARCH 31, 2019

| Particulars | Mr. Gaurav Sekhri (Chairman and Managing Director) |
|---|---|
| Term of appointment | For 3 Years (01st April, 2017 to 31st March, 2020) |
| Salary | Rs. 119.25 lacs* |
| No. of shares | 66200 (0.77%) |

**Notes:**

1. The above figures exclude provision for leave encashment and Gratuity which are actuarially determined for the Company as a whole.
2. Presently, the Company does not have a stock options scheme for its Directors.

## 3. Stakeholders Relationship Committee

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations, Committee of Directors (Stakeholders Relationship Committee) of the Board has been constituted.

**Broad terms of reference of Stakeholders Relationship committee**

The Committee looks into the matters of Shareholders/ Investors grievances along with other matters listed below:

(i) To consider and resolve the grievances of security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

(ii) To consider and approve issue of share certificates (including issue of renewed or duplicate share certificates),transfer and transmission of securities, etc

(iii) To coordinate with Registrar and share Transfer Agent and review the reports provided by them oversee and review all matters connected with the transfer of the Company's securities.

**Meetings and Attendance**

The Stakeholders Relationship Committee met twice during the Financial Year 2018-19.The Committee met on 17th August, 2018 & 13th November, 2018. The requisite quorum was present at the Meetings.

**The Table below provides the attendance of the Stakeholders Relationship Committee members:**

| S.No. | Name of Director | Designation | Position | No. of Meetings attended during FY 2018-19 |
|---|---|---|---|---|
| 1 | Ms. Sanvali Kaushik | Non-Executive Independent Director | Chairman | 2 |
| 2 | Mr. Gaurav Sekhri | Non-Executive Independent Director | Member | 2 |
| 3 | Mr. Ashish Madan | Non-Executive Independent Director | Member | 2 |

**Name, designation and address of the Compliance Officer**

Ms. Monika Gupta, Company Secretary
Address: No.6, Sultanpur, Mandi road, Mehrauli, New Delhi-110030
Tel No. - 011-4951 8530
Fax:- 011- 2680 4883
E mail id- investor.ttl@tinna.in

**Investor Grievance**

The Company has not received any investor complaint during the Financial Year 2018-19.

## 4. Corporate Social Responsibility Committee (CSR)

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. www.tinnatrade.in

**Terms of Reference**

To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

To provide guidance on various CSR activities to be undertaken by the Company and to monitor process

**Meetings and Attendance**

The CSR Committee met 3 times during the Financial Year 2018-19.The Committee met on 12$^{th}$ June, 2018, 17$^{th}$ August, 2018 & 13$^{th}$ November, 2018. The requisite quorum was present at the Meetings.

**The Table below provides the attendance of the CSR Committee members:**

| S.No. | Name of director | Designation | Position | No. of Meetings attended during FY 2018-19 |
|---|---|---|---|---|
| 1 | Mr. Gaurav Sekhri | Non-Executive Independent Director | Chairman | 3 |
| 2 | Ms. Sanvali Kaushik | Non-Executive Independent Director | Member | 3 |
| 3 | Mr. Ashish Madan | Non-Executive Independent Director | Member | 3 |

**GENERAL BODY MEETINGS**

**Annual general Meetings**

**The details of the last three Annual general Meetings are as follows:**

| AGM | Financial year | Date and Time | Venue | Special resolution passed |
|---|---|---|---|---|
| 8$^{th}$ | 2015-16 | 29$^{th}$ September, 2016 at 11.00 A.M | No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030 | Appointment of Mr. Adhiraj Amar Sarin as Non-Executive Independent Director |
| 9$^{th}$ | 2016-17 | 19$^{th}$ September, 2017 at 11.00 A.M | No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030 | Appointment of Ms. Sanvali Kaushik as Non-Executive Independent Director |
| 10$^{th}$ | 2017-18 | 28$^{th}$ September, 2018 at 12:30 P.M. | 18 South Drive Way, DLF Farms, Chattarpur, New Delhi-110074 | None |

**Extra Ordinary General Meeting**

No Extra Ordinary General Meeting held during the year 2018-19

**Postal ballot**

No special resolution was passed through Postal Ballot during 2018-19. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

**MEANS OF COMMUNICATION TO SHAREHOLDERS**

**Financial results**

The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

**The meeting of the board of directors for approval of Quarterly financial results were held on following dates:**

| Quarter ended | Date of Board Meeting |
|---|---|
| Quarter ended $30^{th}$ June, 2018* | $17^{th}$ August, 2018 |
| Quarter/half year ended $30^{th}$ September, 2018 | $14^{th}$ November, 2018 |
| Quarter/nine months ended $31^{st}$ December, 2018 | $6^{th}$ February, 2018 |
| Quarter/year ended $31^{st}$ March 2019 | $30^{th}$ May, 2019 |

* The company has got listing approval from BSE on 17.08.2018 and the trading of the shares of the Company has begun w.e.f. 20.08.2018 at BSE. Therefore, company was not required to file financials for the first quarter at the stock exchange.

**Newspaper Publication**

The approved quarterly/ half yearly and annual financial results are forthwith sent to the Stock Exchanges and are published in Financial Express (English newspaper) and Jansatta (local language (Hindi) newspaper), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

**The financial results were published in the newspapers on the following dates:**

| Quarter ended | Date of Board Meeting | Date of Publication |
|---|---|---|
| Quarter ended $30^{th}$ June, 2018* | $17^{th}$ August, 2018 | NA |
| Quarter/half year ended $30^{th}$ September, 2018 | $14^{th}$ November, 2018 | $15^{th}$ November, 2018 |
| Quarter/nine months ended $31^{st}$ December, 2018 | $6^{th}$ February, 2018 | $7^{th}$ February, 2018 |
| Quarter/year ended $31^{st}$ March 2019 | $30^{th}$ May, 2019 | $31^{st}$ May, 2019 |

* The company has got listing approval from BSE on $17^{th}$ August, 2018 and the trading of the shares of the Company has begun w.e.f. 20.08.2018 at BSE. Therefore, company was not required to publish financials for the first quarter.

**Website**

Comprehensive information about the Company, its business and operations and investor information can be viewed at the Company's website at www.tinnatrade.in. The 'Investor zone' section serves to inform the investors by providing key and timely information like financial results, annual reports, shareholding pattern, quarterly Corporate Governance report, etc.

**Filing with Stock Exchange**

BSE has provided online platform "Listing Centre" wherein company submits all compliances/disclosures to the exchange in SEBI prescribed formats. The company has submitted all the compliance reports /disclosures within time & the same is available at BSE.

**SEBI Complaints Redressal System (SCORES):**

A centralised web-based complaints redressal system (SCORES) which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned company and online viewing by the investors of actions taken on the complaint and its current status.

**Dedicated e-mail ID for communication with Investor**

The Company has designated the email id: investor.ttl@tinna.in exclusively for investor relation, and the same is prominently displayed on the Company's website www.tinnatrade.in

## GENERAL SHAREHOLDERS INFORMATION

**Annual General Meeting & Financial Year**

| | |
|---|---|
| Day & Date of AGM | Friday, 6th September, 2019 |
| Time | 9:00 am |
| Venue | A-35, Chhattarpur Central Village, Satbari, Chhattarpur, New Delhi -110074 |
| Last date of receipt of proxy forms | 3rd September, 2019 |
| Dates Of Book Closure | 30.08.2019 (Friday) to 06.09.2019(Friday) |
| E voting Dates | 03.09.2019 (Tuesday) 10:00 am to 05.09.2019 (Thursday) 05:00 pm |

**Tentative Calendar for Financial Year ending March 31, 2020**

**The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:**

| Quarter ended | Tentative dates |
|---|---|
| Quarter ended 30th June, 2019 | On or before 14th August, 2019 |
| Quarter/half year ended 30th September, 2019 | On or before 14th November, 2019 |
| Quarter/nine months ended 31st December, 2019 | On or before 14th February, 2020 |
| Quarter/year ended 31st March 2020 | On or before 30th May, 2020 |

**Dividend**

The Directors of the company do not recommend any dividend for the F.Y. 2018-2019.

**Company Information**

| | |
|---|---|
| Corporate Identity Number (CIN) | L51100DL2009PLC186397 |
| Registered office | No.6, Sultanpur, Mandi road, Mehrauli, New Delhi-110030 |
| Financial Year | 1st April to 31st March |
| International Securities Identification Number (ISIN) | INE401201019 |
| Details of stock exchanges | Bombay Stock Exchange (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001<br><br>Calcutta Stock Exchange (CSE)<br>7, Lyons Range, Kolkata 700001 |
| Script Code | 541741 |

**Listing and custodian fees**

The Company has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories viz. Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL), respectively for the financial years 2018-19 and 2019-20.

**Market price data**

Month wise High, Low and trading volumes of the Company's Equity shares during the last financial year at BSE are given below:

| Month | Month's High Price | Month's Low Price | No. of shares traded |
|---|---|---|---|
| August, 2018 | 98.00 | 72.15 | 1275 |
| September, 2018 | 68.55 | 23.70 | 32896 |
| October, 2018 | 33.55 | 26.65 | 65 |
| November, 2018 | 32.35 | 27.20 | 1473 |
| December, 2018 | 35.25 | 32.00 | 18 |
| January, 2019 | 40.80 | 33.25 | 2780 |
| February2019 | 35.05 | 20.20 | 2961 |
| March,2019 | 22.65 | 19.00 | 12040 |

**Note:**
The company has received listing approval 16th August, 2018 & the trading of shares of the company has begun from 20th August, 2018.

## PERFORMANCE OF SHARE PRICE IN COMPARISON TO BSE SENSEX

| Month | Share Price (Rs.) | BSE SENSEX |
|---|---|---|
| August, 2018 | 72.15 | 38645.07 |
| September, 2018 | 28.05 | 36227.14 |
| October, 2018 | 31.9 | 34442.05 |
| November, 2018 | 30.8 | 36194.3 |
| December, 2018 | 34.95 | 36068.33 |
| January, 2019 | 36.85 | 36256.69 |
| February2019 | 20.95 | 35867.44 |
| March,2019 | 21.55 | 38672.91 |

**Note:**
The company has received listing approval 16th August, 2018 & the trading of shares of the company has begun from 20th August, 2018

## REGISTRAR & SHARE TRANSFER AGENTS:

M/s Alankit Assignments Limited
Alankit Heights, lE/13, Jhandewalan Extension, New Delhi - 110055
Phone: +91-11-4951 8530, Fax: 91-11- 26804883
Website: www.alankit.com, Email: rta@alankit.com Contact Person: Mr. J K Singla

## SUSPENSION OF SECURITIES FROM TRADING

None of the Company's securities have been suspended from trading

## SHARE TRANSFER/TRANSMISSION SYSTEM

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

**Distribution of shareholding**

**Distribution of shareholding as on 31st March, 2019 is mentioned below:**

| Sl. No. | No. of Equity Shares | No. of Shareholders | % of Shareholders | No. of Shares held | % of shareholding |
|---|---|---|---|---|---|
| 1 | 1-500 | 4590 | 95.39 | 571935 | 6.677 |
| 2 | 501-1000 | 102 | 2.12 | 73186 | 0.855 |
| 3 | 1001-5000 | 82 | 1.704 | 170853 | 1.995 |
| 4 | 5001-10000 | 16 | 0.333 | 109858 | 1.283 |
| 5 | 10001-20000 | 4 | 0.083 | 63883 | 0.746 |
| 6 | 20001-30000 | 1 | 0.021 | 28200 | 0.329 |
| 7 | 30001-40000 | 0 | 0 | 0 | 0 |
| 8 | 40001-50000 | 1 | 0.021 | 45100 | 0.527 |
| 9 | 50001-100000 | 4 | 0.083 | 257036 | 3.001 |
| 10 | 100001-500000 | 9 | 0.187 | 2347849 | 27.413 |
| 11 | 500001 and above | 3 | 0.062 | 4896850 | 57.174 |
| | **Total** | **4812** | **100.00** | **8564750** | **100.00** |

**Shareholding pattern**

**Shareholding pattern of the company as on 31st March, 2019 is mentioned below:**

| Category | No. of shares | Percentage of Total (%) |
|---|---|---|
| Promoter & promoter group | 6321347 | 73.81 |
| Body Corporate | 410130 | 4.79 |
| NRI | 81004 | 0.94 |
| HUF | 17226 | 0.20 |
| Resident individuals | 1735043 | 20.26 |
| **Total** | **8564750** | **100.00** |

**Top 10 Shareholders of the Company as on 31st March 2019:**

| Sr. No. | Name | No. of Shares | Percentage (%) |
|---|---|---|---|
| 1 | Puja Sekhri | 1749160 | 20.42 |
| 2 | Shobha Sekhri | 1636343 | 19.11 |
| 3 | Aarti Sekhri | 1511347 | 17.65 |
| 4 | ShamaAshok Mehra | 363000 | 4.24 |
| 5 | Arnav Sekhri | 300000 | 3.50 |
| 6 | Aditya Brij Sekhri | 300000 | 3.50 |
| 7 | Krishnav Sekhri | 300000 | 3.50 |
| 8 | Padmavathi Manchala | 300000 | 3.50 |
| 9 | Ashoka Mercantile Limited | 291812 | 3.41 |
| 10 | Bhupinder Kumar Sekhri Karta B K Sekhri & Sons HUF | 262300 | 3.06 |

**Dematerialization of shares and liquidity**

The Company's shares are compulsorily traded in dematerialised form and are available for trading through both the Depositories in India viz. NSDL & CDSL.

**The details of number of equity shares of the Company which are in dematerialized and physical form as on 31st March, 2019 are given below:**

| Particulars | No. of shares | Percentage to total No. of shares (%) |
|---|---|---|
| **Dematerialised form** | | |
| NSDL (A) | 7622301 | 89.00 |
| CDSL (B) | 272541 | 03.18 |
| **Sub-total (A+B)** | **7894842** | **92.18** |
| Physical form (C) | 669908 | 07.82 |
| **Total (A+B+C)** | **8564750** | **100.00** |

* Entire shareholding of promoter and promoter group is held in Demat form

**OUTSTANDING GDRS/ WARRANTS AND CONVERTIBLE BONDS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

The company do not have any Outstanding GDRs/ Warrants and Convertible Bonds

**COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

The details regarding commodity price risk, foreign exchange risk and hedging activities are disclosed in Note No. 29 (9) to the standalone Financial Statements

**PLANT LOCATIONS**

In view of the nature of the Company's business viz. trading in agri commodities, the Company operates from various offices in India and do not have any manufacturing plant.

**CREDIT RATING FOR DEBT INSTRUMENT**

The company do not have any debt instrument or fixed deposit Programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year.

**ADDRESS FOR CORRESPONDENCE**

| Correspondence with Company | Correspondence with Share Transfer and Registrar Agent (RTA) |
|---|---|
| **Tinna Trade Limited**<br>Registered Office: No. 6 Sultanpur, Mandi Road, Mehrauli, New Delhi – 110030<br>Phone: +91-11-4951 8530<br>Fax:+91-11-2680 4883<br>Website: www.tinnatrade.in<br>Email- investor.ttl@tinna.in | Alankit Assignments Limited<br>Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi – 110055<br>Phone: +91-l l-42541234 / 23541234,<br>Fax : 91-l l- 41543474<br>Website : www.alankit.com<br>Email : rta@alankit.com |

## RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

## NOMINATION FACILITY

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

## AFFIRMATIONS AND DISCLOSURES

a) There were no materially significant related party transactions during the year which have potential conflict with the interest of the Company at large

b) The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. There was no non-compliance, penalties, strictures imposed on the Company by Stock Exchanges, the Securities and Exchange Board of India or any statutory authority, on any matter related to Capital Markets, during the last three years.

c) The Company has adopted a revised Whistleblower Policy & Vigil Mechanism for directors, employees and stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The said policy has been posted on the Company's website at www.tinnatrade.in. The Company affirms that no personnel have been denied access to the Audit Committee of Directors.

d) All mandatory requirements of the Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the Listing Regulations, is as under:

- **Board:** The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director

- **Shareholder Rights:** The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

- **Modified opinion(s) in Audit Report:** The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee of Directors

e) The policy for determining material subsidiaries has been uploaded on the Company's website at www.tinnatrade.in

f) The policy on dealing with related party transactions has been uploaded on the Company's website at www.tinnatrade.in

g) The Company has adequate risk assessment and minimization system in place including for commodities. A detailed note on commodity price risk, foreign exchange risk and hedging activities are disclosed in Note No. 29 (9) to the standalone Financial Statements

h) The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

i) A certificate from a Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority

j) All the recommendations of the various committees were accepted by the Board

k) Details relating to fees paid to the Statutory Auditors are given in Note 27 to the Standalone Financial Statements and Note 29 to the Consolidated Financial Statements.

l) Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

m) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at www.tinnatrade.in. All employees are covered under this Policy. No complaint were received during the year under review.

## NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE

The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of section (C) of Schedule V to the Listing Regulations..

## ADOPTION OF DISCRETIONARY REQUIREMENTS

The Company has not adopted non mandatory requirements, except stated elsewhere in the report

## DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements

## MONITORING OF SUBSIDIARY COMPANIES

The Audit Committee reviews the financial statements of subsidiaries of the Company. It also reviews the investments made by such subsidiaries, the statement of all significant transactions and arrangements entered into by the subsidiaries, if any, and the compliances of each materially significant subsidiary on a periodic basis. The minutes of board meetings of the subsidiary companies are placed before the Board of the Company for review.

## DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

The Company has received confirmations from all the Board of Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review. A declaration by the Managing Director and CFO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

## DECLARATION REGARDING COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations

## COMPLIANCE CERTIFICATE FROM PRACTISING COMPANY SECRETARY

The company has obtained a certificate from Practising Company Secretary regarding compliance of conditions of corporate governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations, 2015, which is annexed herewith.

## Declaration

**Compliance with the Code of Business Conduct and Ethics**

Pursuant to Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Code of Business Conduct and Ethics for the company for the year ended on March 31, 2019.

**For Tinna Trade Limited**

**Gaurav Sekhri**
**Managing Director**
**DIN-00090676**

**Sachin Bhargava**
**Chief Financial Officer**

**Registered Office-No.6, Sultanpur,**
**Mandi Road, Mehrauli, New Delhi-110030**

**Date: 30.05.2019**
**Place: New Delhi**

**Compliance Certificate**

**To**
**The Members of**
**Tinna Trade Limited**

We have examined the compliance of the conditions of Corporate Governance by The Tinna Trade Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance to the extent applicable to the Company, as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ajay Baroota & Associates**
**Company Secretaries**

**CS Ajay Baroota**
**Proprietor**
**'FCS-3495, CP No. -3945**

**Place: Delhi**
**Date: 30.05.2019**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To**
**The Members of**
**Tinna Trade Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TINNA TRADE LIMITED** having **CIN L51100DL2009PLC186397** and having registered office at No. 6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers.

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

| S.No. | Name of Director | DIN | Date of Appointment |
|---|---|---|---|
| 1 | Mr. Gaurav Sekhri | 00090676 | 01-05-2009 |
| 2 | Mr. Kapil Sekhri | 00090771 | 06-02-2009 |
| 3 | Mr. Ashish Madan | 00108676 | 07-08-2014 |
| 4 | Mr. Adhiraj Amar Sarin | 00140989 | 09-08-2016 |
| 5 | Ms. Sanvali Kaushik | 07660444 | 01-12-2016 |

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ajay Baroota & Associates**
**Company Secretaries**

**CS Ajay Baroota**
**Proprietor**
**FCS-3495, CP No. -3945**

**Date: 30.05.2019**
**Place: Delhi**

## INDEPENDENT AUDITOR'S REPORT

To
The Members of
TINNA TRADE LIMITED
No. 6, Sultanpur, Mandi Road,
Mehrauli,
New Delhi-110030

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

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of TINNA TRADE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Ind AS Financial Statements).

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013,as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion standalone Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note No. 29 (1) of the accompanying Standalone Ind AS Financial Statements, whereby the Company has recognized goodwill on demerger aggregating to Rs. 642.20 lakhs in accordance with the composite scheme of arrangement approved by the National Company Tribunal. The same has been amortized over a period five years in accordance with the accounting method and accounting treatment prevailing as on the appointed date i.e. 31st March 2016. This treatment is different from prescribed under Indian Accounting Standard (IND AS) 103-Business Combinations in case of common control business combinations as is more fully described in the aforesaid note. Our opinion is not qualified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Key Audit Matters | Auditor's Response |
|---|---|
| **Adoption of Ind AS 115 – Revenue from Contracts with Customers.**<br>As described in Note 2.05 to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), the new standard on revenue recognition. The application and transition to this accounting standard is complex and is an audit focus area. | Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the new standard on revenue recognition, include the following – |

| Key Audit Matters | Auditor's Response |
|---|---|
| The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations, and the appropriateness of the revenue recognition methodology. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.<br><br>The Company adopted the cumulative effect method to transition to Ind AS 115, consequently comparative financial information was not restated. | • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard<br>• Evaluated the detailed analysis performed by management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology<br>• Evaluated the appropriateness of the adjustments recorded by management as at 1 April 2018 to transition to the new revenue standard, using the cumulative effect method; and<br>• Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. |
| **Evaluation of tax positions**<br>The Company operates in India and is subject to periodic challenges by local tax authorities on a<br><br>range of tax matters during the normal course of business including direct tax, transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial statements.<br><br>Refer Note 28(A)(b) to the standalone Ind AS financial statements. | Our audit procedures include the following substantive procedures:<br>• Obtained an understanding of key tax litigations and potential tax exposures<br>• We along with our internal tax experts -<br>▪ read and analyzed select key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;<br>▪ discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and<br>▪ evaluated the status of the recent and current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management's estimate of the possible outcome of key tax litigations and potential tax exposures. |

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charges with Governance 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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015,as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalonne Ind AS financial statements, management is responsible for the assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in **(i)** planning the scope of our audit work and in evaluating the results of our work; and **(ii)** to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, and the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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 standalone Ind AS financial statements.

      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      (iii) There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V. R. Bansal & Associates**
**Chartered Accountants Firm**
**Registration No. 016534N**

**Rajan Bansal**
**Partner**
**Membership No. 093591**

**Dated: 30th May, 2019**
**Place: Delhi**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT,

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Tinna Trade Limited of even date)**

1. In respect of the Company's fixed assets:

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

   (b) The Company has a phased periodical programme of physical verification of all fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   (c) The Company has no immovable property as per the book records; therefore clause 1(c) is not applicable to the Company

2. As per explanations given to us, inventories have been physically verified by the management at reasonable intervals. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on physical verification of inventories compared to book records were not material and have been properly dealt with in the books of accounts.

3. According the information and explanations given to us, the Company has granted unsecured loans of Rs.255.00 lakhs to one party during the period covered in the register maintained under section 189 of the Companies Act, 2013. The said parties have an outstanding balance of Rs. 95.31 lakhs as at the end of the period.

   a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

   b. In the case of the loans granted to the bodies corporate listed in the register maintain under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

   c. There is no overdue amount for more than ninety days as at the end of the period.

4. In our opinion and as per information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities granted.

5. According to information and explanations given to us, the company has not accepted any deposits as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

6. In our opinion, Cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 are not required to be maintained by the Company.

7. (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March, 2019, concerned for a period of more than six months from the date they become payable;

   (b) According to the information and explanation given to us, there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax and goods and service tax except the following:

| Nature of Statute | Nature of Dues | Amount (in Rs.) | Period to which amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Disallowances and additions to taxable income | Rs.194.60 lakhs | AY 2010-11 | Income Tax Appellate Tribunal, New Delhi |

8. Based on the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a Financial Institution, Bank, Government or dues to debenture holders wherever applicable.

9. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer and has not taken any term loan; therefore clause (9) is not applicable to the Company.

10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud/ material fraud on the company by the officers and employees of the Company has been noticed or reported during the period.

11. In our opinion and according to the information and explanation given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of this clause 3(12) of the order are not applicable to the Company and hence not commented upon.

13. As per the information given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

14. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(14) are not applicable to the company and, not commented upon.

15. In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For V. R. Bansal & Associates**
**Chartered Accountants**
**Firm Registration No. 016534N**

**Rajan Bansal**
**Partner**
**Membership No. 093591**

**Dated: 30th May, 2019**
**Place: Delhi**

## Annexure - B to the Auditors' Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of Tinna Trade Limited

We have audited the internal financial controls over financial reporting of TINNA TRADE LIMITED ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the period ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V. R. Bansal & Associates**
**Chartered Accountants**
**Firm Registration No. 016534N**

**Rajan Bansal**
**Partner**
**Membership No. 093591**

**Dated: 30th May, 2019**
**Place: Delhi**

# Balance Sheet As At March 31, 2019

(Amount in ₹ lakhs)

| | Notes | As at March 31,2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **3** | 73.49 | 106.99 |
| Goodwill | **4** | 256.88 | 385.32 |
| Other intangible assets | **4** | 11.23 | 13.59 |
| Investment in subsidiary | **5** | 988.57 | 988.57 |
| Financial assets | | | |
| (i) Investments | **6.1** | 409.50 | 409.50 |
| (ii) Trade receivables | **6.2** | 76.93 | 137.72 |
| (iii) Other financial assets | **6.3** | 21.72 | 38.95 |
| Deferred tax assets (Net) | **7** | 65.64 | 61.13 |
| Other non-current assets | **8** | 5.69 | 11.03 |
| | | **1,909.65** | **2,152.80** |
| **Current assets** | | | |
| Inventories | **9** | 809.54 | 1,148.77 |
| Financial assets | | | |
| (i) Investments | **10.1** | 3.97 | 5.52 |
| (ii) Trade receivables | **10.2** | 1,855.05 | 5,182.11 |
| (iii) Cash and cash equivalents | **10.3** | 441.04 | 127.03 |
| (iv) Other bank balances | **10.4** | 297.04 | 476.77 |
| (v) Loans and advances | **10.5** | 95.31 | 430.02 |
| (vi) Other financial assets | **10.6** | 30.26 | 155.49 |
| Current tax assets (Net) | **11** | - | 6.34 |
| Other current assets | **12** | 289.69 | 562.00 |
| | | **3,821.89** | **8,094.04** |
| **Total Assets** | | **5,731.54** | **10,246.85** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | **13** | 856.48 | 856.48 |
| Other equity | **14** | 2,480.15 | 2,308.17 |
| | | **3,336.63** | **3,164.65** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Provisions | **15** | 49.13 | 67.76 |
| | | **49.13** | **67.76** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | **16.1** | 1,077.73 | 5,781.01 |
| (ii) Trade payables | **16.2** | | |
| (A) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,021.10 | 730.47 |
| (iii) Other financial liabilities | **16.3** | 155.30 | 389.71 |
| Other current liabilities | **17** | 43.81 | 82.97 |
| Provisions | **18** | 2.42 | 30.28 |
| Current tax liabilities (Net) | **19** | 45.43 | - |
| | | **2,345.78** | **7,014.44** |
| **Total Equity and Liabilities** | | **5,731.54** | **10,246.85** |
| Summary of significant accounting policies | **2** | | |
| Contingent liabilities, commitments and litigations | **28** | | |
| Other notes on accounts | **29** | | |

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# Statement Of Profit And Loss For The Period Ended March 31, 2019

(Amount in ₹ lakhs)

| | | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue from operations | **20** | 47,789.53 | 45,578.96 |
| | Other income | **21** | 207.33 | 576.46 |
| | **Total Income** | | **47,996.86** | **46,155.42** |
| II | **EXPENSES** | | | |
| | Purchase of traded goods | **22** | 43,334.49 | 37,043.91 |
| | Change in inventories of traded goods | **23** | 317.15 | 3,738.30 |
| | Employee benefits expense | **24** | 448.00 | 418.64 |
| | Finance costs | **25** | 540.03 | 837.21 |
| | Depreciation and amortization expenses | **26** | 170.59 | 188.05 |
| | Other expenses | **27** | 2,980.63 | 3,963.41 |
| | **Total Expenses** | | **47,790.88** | **46,189.51** |
| III | **Profit /(loss) before exceptional items and tax** | | **205.98** | **(34.09)** |
| | Add : Exceptional items | | - | - |
| IV | **Profit /(loss) before tax** | | **205.98** | **(34.09)** |
| V | **Tax expenses** | **7** | | |
| | Current tax | | 50.60 | 8.10 |
| | Deferred tax | | (8.55) | (15.22) |
| | **Income tax expense** | | **42.05** | **(7.12)** |
| VI | **Profit/ (loss) for the year** | | **163.93** | **(26.96)** |
| VII | **Other comprehensive income** | | | |
| | Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | | |
| | i) Re-measurement gains /(losses) on defined benefit plans | | 12.09 | (1.18) |
| | ii) Re-mesurement gains on investments FVTOCI | | - | 71.98 |
| | iii) Income tax effect [(expense)/income] | | (4.04) | 0.37 |
| | **Other comprehensive income/ (loss) for the year, net of tax** | | **8.05** | **71.16** |
| VIII | **Total comprehensive income/ (loss) for the year, net of tax** | | **171.98** | **44.20** |
| IX | **Earnings per equity share (nominal value of share Rs.10/-)** | **29(12)** | | |
| | Basic (Rs.) | | 1.91 | (0.31) |
| | Diluted (Rs.) | | 1.91 | (0.31) |
| Summary of significant accounting policies | | **2** | | |
| Contingent liabilities, commitments and litigations | | **28** | | |
| Other notes on accounts | | **29** | | |

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# Cash Flow Statement For The Year Ended March 31, 2019

(Amount in ₹ lakhs)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | Profit/ (loss) before Income tax | 205.98 | (34.09) |
| | Adjustments to reconcile profit before tax to net cash flows | | |
| | Depreciation and amortisation expense | 170.59 | 188.05 |
| | Loss on disposal of Property, plant and equipment | - | (0.07) |
| | Interest income | (78.02) | (139.98) |
| | Dividend Income | (0.04) | 0.03 |
| | Diminution in value of Investments | 0.84 | 0.41 |
| | Interest on Income Tax and TDS | 2.99 | 0.01 |
| | Interest and Financial Charges | 497.28 | 824.00 |
| | Profit on sale of Investments | - | (0.58) |
| | Unrealised gain on cash and cash equivelants | | (0.01) |
| | Excess provisions no longer required written back | (64.65) | (3.79) |
| | Profit on sale of Fixed Assets | (0.54) | |
| | **Operating Profit before working capital changes** | **734.42** | **833.94** |
| | Movement in working capital | | |
| | (Increase)/ Decrease in other non-current financial assets | 15.06 | (2.26) |
| | (Increase)/ Decrease in other non current assets | 5.34 | 0.93 |
| | (Increase)/ Decrease in inventories | 339.23 | 3,750.36 |
| | (Increase)/ Decrease in trade receivables | 3,452.50 | (4,242.08) |
| | (Increase)/ Decrease in other current financial assets | 125.23 | (120.06) |
| | (Increase)/ Decrease in other current assets | 278.48 | (339.19) |
| | Increase/ (Decrease) in long-term provisions | (6.54) | (20.00) |
| | Increase/ (Decrease) in trade payable | 290.62 | 430.88 |
| | Increase/ (Decrease) in other current financial liabiliites | (234.42) | 82.85 |
| | Increase/ (Decrease) in other current liabiliites | (39.16) | (167.48) |
| | Increase/ (Decrease) in short-term provisions | (27.86) | (19.07) |
| | **Cash generated from operations** | **4,932.92** | **188.82** |
| | Income tax paid (net of refunds) | (7.99) | (352.42) |
| | **Net Cash flow from Operating Activities (A)** | **4,924.93** | **(163.60)** |
| **B.** | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipment | (3.02) | (10.07) |
| | Purchase of other intangible assets | (4.68) | (4.29) |
| | Sale of property, plant and equipment | 1.95 | - |
| | Purchase of non-current investment | | (0.02) |
| | Purchase of current investments (Net) | 0.71 | (3.17) |
| | Proceeds from fixed deposits with banks (Net) | 259.92 | 1,026.56 |
| | Loans and advances given (Net) | 334.71 | (282.15) |
| | Dividend Income | 0.04 | 0.03 |
| | **Net cash from/(used) in investing activities** | **589.64** | **726.88** |
| **C.** | **Cash flow from financing activities** | | |
| | Proceeds of short term borrowings (net of interest expense) | (5,200.56) | (439.90) |
| | Dividend Paid | - | - |
| | Net cash from/(used) in financing activities | (5,200.56) | (439.90) |
| **D.** | **Net increase in cash and cash equivalents (A+B+C)** | **314.01** | **123.38** |
| | Cash and cash equivalents at the beginning of the year | 127.03 | 3.65 |
| | Effect of exchange differences on cash and cash equivalents held in foreign currency | | 0.01 |
| | **Cash and Cash Equivalents at the end of the year** | **441.04** | **127.03** |

Notes:-

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and bank balances:

**(Amount in ₹ lakhs)**

| **Cash and cash equivalents** | **As at March 31, 2019** | **As at March 31, 2018** |
|---|---|---|
| Balances with banks: | | |
| Current accounts | 440.24 | 120.95 |
| EEFC account | | 5.46 |
| Cash on hand | 0.80 | |
| | - | 0.61 |
| | **441.04** | **127.03** |

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# Statement Of Changes In Equity For The Year Ended March 31, 2019

## A) Equity Share Capital

| Particulars | Nos. | (Amount in ₹ lakhs) |
|---|---|---|
| **As at April 1, 2017** | **50,00,000** | **500.00** |
| Add: Equity shares issued during the year | 85,64,750 | 856.48 |
| Less: Equity shares cancelled during the year | (50,00,000) | (500.00) |
| **As at March 31, 2018** | **85,64,750** | **856.48** |
| **As at March 31, 2019** | **85,64,750** | **856.48** |

## B) Other Equity

**(Amount in ₹ lakhs)**

| Particulars | Reserves and surplus | | Equity shares pending Allotment pursuant to the Scheme of Arrangement | Equity shares to be cancelled pursuant to the Scheme of Arrangement | Total |
|---|---|---|---|---|---|
| | Securities Premium Reserve | Retained Earnings | | | |
| **As at April 1, 2017** | - | **1,835.73** | **1,284.71** | **(500.00)** | **2,620.44** |
| Profit/ (Loss) for the year | - | (26.96) | - | - | **(26.96)** |
| **Other comprehensive income for the year** | | | | | |
| Re-measurement gains on defined benefit plans (net of tax) | - | (0.82) | - | - | **(0.82)** |
| Re-mesurement gains on Investments [FVTOCI] | - | 71.98 | - | - | **71.98** |
| Cancellation of old equity shares | - | - | - | **500.00** | **500.00** |
| Issue of new equity shares | 428.24 | - | (1,284.71) | - | **(856.48)** |
| **As at March 31, 2018** | **428.24** | **1,879.93** | - | - | **2,308.17** |
| Profit/ (Loss) for the year | - | 163.93 | - | - | **163.93** |
| **Other comprehensive income for the year** | | | | | |
| Re-measurement gains on defined benefit plans (net of tax) | - | 8.05 | - | - | **8.05** |
| Re-mesurement gains on Investments [FVTOCI] | - | - | - | - | **-** |
| **As at March 31, 2019** | **428.24** | **2,051.91** | **-** | **-** | **2,480.15** |

| | |
|---|---|
| Summary of significant accounting policies | **2** |
| Contingent liabilities, commitments and litigations | **28** |
| Other notes on accounts | **29** |

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# Notes to Standalone Financial Statements for the Period Ended March 31, 2019

## 1 CORPORATE INFORMATION

Tinna Trade Limited ("the Company") was incorporated on 05th January, 2009 as Maple Newgen Trade Private Limited. In July, 2009, M/s. Viterra Inc of Canada acquired a 60% stake and the Company was renamed as Tinna Viterra Trade Private Limited. Subsequently in 2013 Viterra Inc was acquired by M/s. Glencore PLC., this led to Viterra Inc exiting the Joint Venture and their 60% shareholding was acquired by Tinna Rubber and Infrastructure Limited in May,2013. The name of the Company was changed from Tinna Viterra Private Limited to Tinna Trade Private Limited. A fresh certificate of incorporation consequent to change in name of the Company from Tinna Viterra Trade Private Limited to Tinna Trade Private Limited was issued by the Registrar of the Companies, N.C.T. of Delhi and Haryana on 06th June, 2013. On 08th December, 2015 the Company has converted into a Public Limited Company. The Company is primarily engaged in the trading of Agro commodities i.e. wheat, yellow peas, chana, kaspa peas, lentils,oil seeds and oilmeals etc. The Company is listed on the Bombay Stock Exchange(BSE) and Calcutta Stock Exchange(CSE).

## 2 SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting polices adopted in the preparation of the standalone financial statement.These polices have been consistently applied to all the years presented unless otherswise stated.

### 2.01 Statement of Complience

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).The financial statements were authorised for issue by the Company's Board of Directors on 30th May, 2019.

### 2.02 Basis of preperation

The financial statements have been prepared on accrual basis and under historical cost basis, except for following assets and liabilities which have been measured at fair value.

i) Certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments.)

ii) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs (INR 00,000), except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
**Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
**Level 3** inputs are unobservable inputs for the asset or liability.

**2.03 Use of estimates and judgments**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**2.04 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(a) Expected to be realized or intended to be sold or consumed in normal operating cycle

(b) Held primarily for purpose of trading

(c) Expected to be realized within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(a) It is expected to be settled in normal operating cycle

(b) It is held primarily for purpose of trading

(c) It is due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**2.05 Changes in accounting policies and disclosures**

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

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind As 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principal of Ind As 115 is that an entity should recognise revenue to depict the transfer of promised goods of services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

(i) Step 1: Identity the contract(s) with a customer

(ii) Step 2: Identity the performance obligation in contract

(iii) Step 3: Determine the transaction price

(iv) Step 4: Allocate the transaction price to the performance obligations in the contract

(v) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has evaluated Ind AS 115 and does not anticipate any significant impact.

**Ammendment to Ind As 20 Government grant related to non-monetary assets**

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deffered income or by deducting the grant in arriving at the carrying amount of the assets. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. These amendments do not have any impact on the consolidated financial statement as the group continues to present grant relating to asset by setting up the grant as deffered income.

**Appendix B to Ind AS 21 Foreign Currency Transaction and Advance Consideration**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the de recognition of a non-monetary assets or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognise the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payment or receipt of advance then the entity must determine the date of the transaction for each payment or receipt of advance consideration. This Interpretation does not have any impact on the groups consolidated financial statement.

**Amendment to Ind As 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendment clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendment retrospectively. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earning (or in another component of equity, as appropriate), without allocating the change between opening retained earning and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the group as the group has no deductible temporary differences or assets that are in the scope of the amendment.

**2.06 Property, plant and equipment**

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of Cenvat , VAT and GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is recognised so as to write-off the cost or valuation of assets (other than properties under construction) less their residual values over their useful lives, using the Written Down Value Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

When significant parts of plant and equipment are to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equiptment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incured.

The estimated useful life considered for the assets are as under:

| **Assets** | **Useful life (in years)** |
|---|---|
| Furniture and Fixtures | 10 |
| Vehicles | 8 to10 |
| Office Equipment | 5 |
| Computers | 3 |

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

Components relevant to fixed assets, where significant, are separately depreciated on strainght line basis in terms of their life span assessed by technical evaluation in item specified context.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

**2.07 (i) Goodwill**

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in IND AS-103 dealing with "Business Combination". Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is subject to annual test of impairment under IND AS - 36. Any shortfall in consideration money vis-a-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

**(ii) Intangible assets**

Intangible assets including software license of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

**The useful lives of intangible assets are assessed as either finite or indefinite.**

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 recognized in the statement of profit and loss when the asset is derecognised.

Intangible assets are amortised on a straight line basis over the estimated useful economic life which generally does not exceed 5 years.

**A summary of amortisation policies applied to the Company's acquired intangible assets is as below:**

| **Type of assets** | **Basis** |
|---|---|
| SAP and other software | Straight line basis over a period of five years. |
| Goodwill | Straight line basis over a period of five years. |

**2.08 Investment in Subsidiaries, associates and joint ventures**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The investment in subsidiary, associate and Joint venture are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36 . An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**2.09 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I Financial Assets**

The Company classifies its financial assets in the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit & loss)

(b) Those measured at amortised cost.

**Initial recognition and measurement**

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

**Subsequent measurement**

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

(a) Debt instruments at amortized cost

(b) Debt instruments at fair value through other comprehensive income (FVTOCI)

(c ) Debt instruments and equit instruments at fair value through profit and loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(e) Equity instruments measured at fair value through profit and loss (FVTPL)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss( i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

**Debt instruments at amortized cost**

A Debt instrument is measured at amortized cost if both the following conditions are met:

(i) **Business Model Test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and,

(ii) **Cashflow Characterstics Test:** Contractual terms of asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (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 EIR. The EIR amortization is included in finance income in statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade, other receivables, loans and other financial assets.

**Debt instruments at fair value through OCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets, and

(ii) **Cashflow Characterstics Test:** The asset's contarctual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On dereognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instruments 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.

In adition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

**Equity investments of other entities**

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 may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instruments classified as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

**Derecognition**

A financial asset (or ,where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognised when:

(a) The right to receive cash flows from the assets have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. Where it has nither transferred not retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred assets to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Impairment of financial assets**

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, advances, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

d) Financial guarantee contracts which are not measured at FVTPL

The Company follows "simplified approach" for recognition of impairment loss allowance on:

(a) Trade receivables or contract revenue receivables;

(b) All lease receivables resulting from the transactions within the scope of IND AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

**a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**b) Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**II Financial liabilities:**

**Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through statement of profit or loss, loans and borrowings, and payables, as appropriate.

All financial liabilities are recognised intially at fair value and in case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Trade Payables**

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

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 amortization is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

**Derecognition**

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 recognized in the Statement of Profit and Loss.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for :

| Original classification | Revised classification | Accounting treatment |
|---|---|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss. |
| FVTPL | Amortised cost | Fair value at reclassification date become its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date. |

**Offsetting of financial instruments:**

Financials 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**2.10 Derivative Financial Instruments**

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges from an economic perspective, they may not qualify for hedge accounting under IND AS 109, Financial Instruments. Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per IND AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivates are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

ii) Cash Flow Hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumlated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging intrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve untill the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit or Loss upon the occurence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur , then the amount accumlated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

**2.11 Inventories**

i) Inventories are valued at cost or net realisable value whichever is lower. The goods are valued on specific identification method in respect of purchase of imported stock in trade and FIFO basis in respect of purchase of domestic stock in trade. Cost of goods includes labour cost but excludes borrowing cost.

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

iii) Packing materials are valued at cost.

**2.12 Business Combinations**

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

a. The assets and liabilities of the combining entities are reflected at their carrying amounts.

b. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c. The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

d. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

**2.13 Past Business Combinations**

The Company has elected not to apply IND AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1st, 2016. Consequently,

a) The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;

b) The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would not qualify for recognition in accordance with IND AS in the separate balance sheet of the acquiree;

c) The Company has excluded form its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under IND AS;

d) The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;

e) The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint opertaion constitutes a business, as defined in IND AS 103.

**2.14 Provisions and Contingent Liabilities**

**Forward Contracts**

Premium/Discount arising at the inception of forward exchange contracts which are not intended for trading or speculation purposes are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

**Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of time value of money is material, provisions are discounted using a current pre - tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is use, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and commitments are reviewed at each balance sheet date.

**2.15 Taxes**

Tax expense for the year comprises of direct tax and indirect tax.

**Direct Taxes**

**a) Current Tax**

i) Current income tax, assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India as per Income Computation and Disclosure Standards (ICDS) where the Company operates and generates taxable income.

ii) Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in statement of profit and loss or directly 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.

**b) Deferred Tax**

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

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Indirect Taxes**

Goods and Sevice Tax has been accounted for in respect of the goods cleared. The Company is providing Goods and Sevice tax liability in respect of finished goods. GST has been also accounted for in respect of services rendered.(w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

**2.16 Revenue Recognition**

Revenue is recognised upon transfer of control of promised good or services to customer in an amount that reflects the consideration the company expects to receive in exchange of those goods or services. The company uses a five-step model to account for revenue arising from contracts with customers. The Company generates its revenue from manufacturing Crumb Rubber Modified Bitumen (CRMB), Polymer Modified Bitumen (PMB), Bitumen Emulsion, Reclaimed Rubber/ Ultrafine Crumb Rubber Compound, Cut Wire Shots etc. The products are primarily used for making/ repair of road, tyres and auto part industry. The goods and services are sold both on their own in separate identified contracts with customers.Effective 1 April, 2018, the company has applied Ind AS 115 which establishes a comprehensive framweork for determinig whether, how much and when revenue is recognised. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS11 Construction Contract and related interpretation.The Company plans to adopt the new standard on the required effective date using modified retrospective application.. Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Accordingly revenue is reported net of GST.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Goods and service tax and net of returns, trade discounts, rebates and amount collected on behalf of third parties. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognized:

**(a) Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

**i) Variable Consideration:**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

**ii)** Contract Assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**(b) Commission income**

Revenue in respect of commission received on direct sales to the customers is recognised in terms of underlying agreements on confirmation by the parties on fulfilment of the terms of the agreements with their customers.

**(c) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**(d) Dividend from investment in Shares**

Dividend Income is recognized when the right to receive the payment is established which is generally when shareholders approve the dividend.

**(e ) Claims**

Claims are recognised when there exists reasonable certainity with regard to the amounts to be realised and the ultimate collection thereof.

**(f) Export Incentives**

Export Incentives such as Focus Market Scheme, Focus Product Scheme and Special Focus Market Scheme are recognised in the Statement of Profit and Loss as a part of other operating revenues.

**(g) Cargo handling Operations**

Income from cargo handling operations is recognised on completion of the contracted activity.

**(h) Commodities Future Contarcts**

Profit/ Loss on contracts for future settled during the year are recognised in the statement of profit and loss. Future contracts outstandingat year-end are marked to market at fair value. Any losses arsing on that account are recognised in the statement of profit and loss for the year.

**2.17 Retirement and other Employee benefits**

**Short term employee benefits and defined contribution plans:**

All employee benefits payable/ available within twelve months of rendering the services are classified as short - term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related services.

**Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution secheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund secheme as an expenses, when an employee renders the related services. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre - payement will lead to, for example, a reduction in future payement or a cash refund.

**Gratuity**

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The Company recognises termination benefit as a liability and an expense when the Company has present oblligation as a result of past events, 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. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by refrence to market yields at the balance sheet date on governments bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the planned assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of :

a) The date of the plan amendment or curtailment, and
b) The date that the Comoany recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

a) Service costs comprising current service costs, past service costs, gains and losses on curtailments and

b) Net interest expenses or income

**Compensated Absences**

Accumlated leave, which is expected to be utilised within next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumlated at the reporting date.

The Company treats accumlated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term comopensated absences are provided for based on the acturial valuation using the projected unit credit method at the period end. Re-measurement, comprising of actuarial gains and losses, are immediately taken to the Statement of Profit and Loss and are not deffered. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**2.18 Borrowing Costs**

Borrowing costs, if any, 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 capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

**2.19 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company after adjusting impact of dilution shares 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.

**2.20 Impairment of non- financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples , quoted share prices for publicaly traded companies or other available fair value indicators.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**2.21 Segment accounting**

Based on "Management Appoarch" as defined in Ind AS 108- Operating Segments, the executive Management Committee evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**2.22 Foreign currencies**

The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ( 'the functional currency').

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchanges rates prevailing at the date of transaction.

**Measurement of foreign currency items at the balance sheet date**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non- monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

**Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of profit and loss in the period in which they arise.

**Bank Guarantee and Letter of Credit**

Bank Guarantee and Letter of Credits are recognised at the point of negotiation with Banks and coverted at the rates prevailing on the date of Negotiation. However, outstanding at the period end are recognised at the rate prevailing as on that date and total sum is considered as contingent liability.

**Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

**2.23 Dividend Distributions**

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is apporoved by the shareholders . A corresponding amount is recognized directly in equity.

**2.24 Fair value measurement**

**The Company measures financial instruments at fair value at each balance sheet date.**

Fair value is the price that would be received to sell 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:

(i) In the principal market for asset or liability, or

(ii) 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 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 minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
**Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization ( based on the lowest level input that is significant to fair value measurement as a whole ) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**2.25 Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**(a) Ind AS 116 Leases**

Ind AS 116 Leases was issued on 30 March 2019and it replaces Ind AS 17 Leases, including appendices thereto. IND AS 116 is effective for annual periods beginning on or after 1st April, 2019 and set out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees - leases of 'low-value assets and short term leases (12 months or less).

The Company intends to adopt standards from 1st April, 2019. As the Company does not have any material leases, therefore the adoption is not likely to have a material impact in its Financial Statements.

**(b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately

2. The assumptions an entity makes about the examination of tax treatments by taxation authorities

3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

4. How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company is evaluating the impact and it will acount for it when it adopt amendments in Ind AS 12 during the year ending March 31, 2020.

**(c ) Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the financial statements of the Company.

**(d) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to: Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset). The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

**(e) Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

**2.26 Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, 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 the asset or liability affected in future periods.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

**(a) Operating lease commitments — Company as lessee**

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**(b) Assessment of lease contracts**

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(a) Revenue from contracts with customers**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

**Determining method to estimate variable consideration and assessing the constraint**

In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from operation, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

**(b) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(c) Defined benefit plans**

The cost of defined benefit plans (i.e. Gratuity benefit) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which 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 the plans operated in India, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

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

Further details about the assumptions used, including a sensitivity analysis, are given in Note No. 29(4).

**(d) Fair value measurement of financial instrument**

When the fair value 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 valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note No. 29(9) for further disclosures.

**(e) Impairment of Financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(f) Impairment of non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use , the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**(g) Impairment of Goodwill**

Determining whether goodwill is impaired requires an estimation of value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the direction to estimate the future cash flows expected to arise from the cash-generating unit and a substable discount rate in oredr to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**(h) Expected Credit Loss**

The Company has used a practical expedient by computing the expected credit loss allowances for trade receivables based on a provision matrix takes ito accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates are given in the provision matrix.

**2.27 Control Assessment**

**B.G.K. Infrastructure Developers Private Limited**

The Company owns 51.53% equity stake in B.G.K. Infrastructure Developers Private Limited. The Company has control over B.G.K. Infrastructure Private Limited and has exposure to variable returns. The Company has exisiting rights that give the current ability to direct relevant activities through Board of Directors. Since the Company has control over B.G.K. Infrastructure Private Limited, it has considered it as a subsidiary.

**2.28 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash & cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts as they are considered as integral part of Company's cash management.

# Notes to Financial Statements for the Period Ended March 31, 2019

(Amount in ₹ lakhs)

**3 Property, plant and equipments**

| Particulars | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Total |
|---|---|---|---|---|---|
| **Gross Block (At Cost)** | | | | | |
| **At April 1, 2017** | **5.15** | **193.40** | **15.75** | **16.52** | **230.82** |
| Additions | 2.27 | 4.41 | 2.00 | 1.48 | 10.16 |
| Disposals | - | - | - | 0.32 | 0.32 |
| **At March 31, 2018** | **7.41** | **197.81** | **17.75** | **17.68** | **240.66** |
| Additions | 0.35 | - | 1.33 | 1.33 | 3.02 |
| Disposals | - | 28.13 | - | - | 28.13 |
| **At March 31, 2019** | **7.76** | **169.68** | **19.09** | **19.02** | **215.55** |
| **Depreciation** | | | | | |
| **At April 1, 2017** | **2.97** | **58.72** | **11.30** | **11.55** | **84.55** |
| Charge for the period | 0.98 | 43.04 | 2.24 | 3.16 | 49.42 |
| Disposals | - | - | - | 0.30 | 0.30 |
| **At March 31, 2018** | **3.95** | **101.76** | **13.54** | **14.42** | **133.67** |
| Charge for the period | **0.95** | **29.99** | **2.18** | **1.99** | **35.11** |
| Disposals | **-** | **26.72** | **-** | **-** | **26.72** |
| **At March 31, 2019** | **4.90** | **105.03** | **15.72** | **16.41** | **142.06** |
| **Net carrying amount** | | | | | |
| **At March 31, 2018** | **3.46** | **96.05** | **4.21** | **3.26** | **106.99** |
| **At March 31, 2019** | **2.86** | **64.66** | **3.37** | **2.60** | **73.49** |

**Notes: -**

(i) Depreciation has been provided on Written Down Value Method (WDV) on rates and manner as per schedule II of Companies Act, 2013 (refer accounting policies 2.06).

(ii) Vehicles with net carrying value of Rs.59.75 lakhs (March 31, 2018: Rs.86.89 lakhs) are yet to be registered in the name of the Company.

(iii) Impairment losses recognised in profit or loss in accordace with the Ind AS 36 are Rs.Nil (March 31, 2018: Nil)

(iv) (a) Property, plant and equipment pledged as security deposits towards liabilities are Rs.Nil.

(b) The amount of expenditure recognised in the carrying amount of an item of property, plant and equipment in the course of its construction are Rs.Nil (March 31, 2018: Nil)

(c) The amount of contractual commitments for the acquisition of Property, plant and equipment are Rs.Nil (March 31, 2018: Nil)

(Amount in ₹ lakhs)

**4 Goodwill and Other intangible assets**

| Particulars | Goodwill | Other intangible assets |
|---|---|---|
| | | Software |
| **Gross Block** (At cost) | | |
| **At April 1, 2017** | **642.20** | **23.57** |
| Additions | - | 4.29 |
| Disposals | - | - |
| **At March 31, 2018** | **642.20** | **27.86** |
| Additions | - | 4.68 |
| Disposals | - | - |
| **At March 31, 2019** | 642.20 | 32.54 |
| **Impairment and Amortization** | | |
| **At April 1, 2017** | **128.44** | **4.08** |
| Charge for the period | 128.44 | 10.18 |
| Disposals | - | - |
| **At March 31, 2018** | **256.88** | **14.27** |
| Charge for the period | 128.44 | 7.04 |
| Disposals | - | - |
| **At March 31, 2019** | **385.32** | **21.31** |

| | | |
|---|---|---|
| **Net carrying amount** | | |
| **At March 31, 2018** | **385.32** | **13.59** |
| **At March 31, 2019** | **256.88** | **11.23** |

**Notes:**

**(i) Impairment Charges**

The goodwill and indefinite life intangible assets are tested for impairment as at the end of each year (refer note no. 29(11)).

(ii) Refer accounting policy 2.07 and note no. 29(11) for impairment and amortization of intangible assets and Goodwill.

| | | (Amount in ₹ lakhs) |
|---|---|---|
| | As at March 31,2019 | As at March 31,2018 |
| **5 INVESTMENTS IN SUBSIDIARIES** | | |
| **Investments in equity instruments (unquoted) non-trade, (valued at cost)** | | |
| **Investments in subsidiaries** | | |
| B.G.K. Infrastructure Developers Private Limited<br>72,00,000 (51.53%) (March 31, 2018: 72,00,000 (51.53%))<br>equity shares of Rs. 10/- each fully paid up | 988.57 | 988.57 |
| **Aggregate amount of unquoted investments in subsidiary** | **988.57** | **988.57** |
| **Aggregate amount of impairment on value of investments** | **-** | **-** |

**Notes:**

(i) 49,11,435 Equity Shares (20,76,585 shares held in the form of NDU and 28,34,850 in the form of Pledge) held in B.G.K Infrastructure Private Limited have been agreed to be pledged and encumbered under Non Disposal Undertaking and Power of Attorney (NDU/POA) with ICICI Bank Limited for credit facilities availed by the Company.

(ii) Management is of the opinion that the fair value of the unquoted equity share of B.G.K. Infrastructure Developers Private Limited exceed the amount of investment made on the basis of discounted cash flow method and hence there is no impairment in the value of investment.

**6 NON-CURRENT FINANCIAL ASSETS**

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| **6.1 INVESTMENTS** | | |
| **Investments in equity instruments (unquoted), non trade** | | |
| **Valued at Fair Value through Other Comprehensive Income [FVTOCI]** | | |
| Fratelli Wines Private Limited<br>2,25,000 (March 31, 2018: 2,25,000) equity shares of<br>Rs. 10/- each fully paid up | 409.50 | 409.50 |
| **Aggregate amount of unquoted investments (at fair value)** | **409.50** | **409.50** |
| **Aggregate amount of unquoted investments (at cost)** | **338.34** | **338.34** |
| **6.2 TRADE RECEIVABLES** | | |
| (a) Trade receivables considered good - Secured | | |
| (b) Trade receivables considered good - Unsecured | 76.93 | 137.72 |
| (c) Trade receivables which have significant increase in Credit Risk | | |
| (d) Trade receivables - credit impaired | 76.93 | 137.72 |
| | 153.86 | 275.44 |
| Less: Impairment allowance for trade receivables considered doubtful | 76.93 | 137.72 |
| | **76.93** | **137.72** |

**Notes:**

(i) Long term trade receivable of Rs. 153.86 lakhs are due from Food Corporation of India Limited (F.C.I) and Project and Equipment Corporation of India Limited (P.E.C) for which suits for recovery have been filed. However, as per order of Company Law Board dated 9th June, 2009, if any amount is received, the amount to the extent of 50%

will be paid to separated group. A provision of Rs.76.93 lakhs has been made as per the CLB order. In respect of the claim of Rs. 121.58 lakhs the Hon'ble High Court has ordered against the Company. A Special Leave Petition (SPL) have been filed before the Hon'ble Supreme Court of India, which is pending before the Hon'ble Court.A sum of Rs. 121.58 lakhs has been charged to statement of profit and loss account, as bad debts and provision of Rs. 60.79 lakhs has been written back in other income during the year.

(ii) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

**(Amount in ₹ lakhs)**

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **6.3** | **OTHER NON-CURRENT FINANCIAL ASSETS** | | |
| | **At amortised cost** | | |
| | **Unsecured, considered good** | | |
| | Fixed deposits with banks under lien with Government authorities having remaining maturity period of more than twelve months | 18.50 | 20.67 |
| | Security deposits | 3.23 | 18.29 |
| | | **21.72** | **38.95** |

**Notes:**

Security deposits includes deposits with banks against bank guarantees and other miscellaneous deposits.

| | | | |
|---|---|---|---|
| **7** | **DEFERRED TAX ASSETS (NET)** | | |
| **(a)** | **Income tax expense in the statement of profit and loss comprises :** | | |
| | Current income tax charge | 50.60 | 8.10 |
| | Adjustment of tax relating to earlier years | | - |
| | **Deferred Tax** | | |
| | Relating to origination and reversal of temporary differences | (8.55) | (15.22) |
| | **Income tax expense reported in the statement of profit or loss** | **42.05** | **(7.12)** |
| **(b)** | **Other Comprehensive Income** | | |
| | Re-measurement (gains)/losses on defined benefit plans | 4.04 | (0.37) |
| | **Tax expense related to items recognized in OCI during the year** | **4.04** | **(0.37)** |
| **(c)** | **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:** | | |
| | Accounting Profit before tax | 205.98 | (34.09) |
| | Applicable tax rate | 0.334 | 0.31 |
| | **Computed Tax Expense** | 68.76 | (10.53) |
| | Difference in tax rate | (4.91) | (0.67) |
| | Income not considered for tax purpose | (20.73) | (0.24) |
| | Expense considered for tax purpose | (2.22) | 0.13 |
| | Expense not allowed for tax purpose | 1.28 | 3.32 |
| | Ind AS effect not allowed for tax purpose (net) | (0.14) | 0.87 |
| | **Income tax charged to Statement of Profit and Loss at effective rate of 20.41% (March 31, 2018: 20.89%)** | **42.05** | **(7.12)** |

(Amount in ₹ lakhs)

| | | Balance Sheet | | Statement of profit & loss | |
|---|---|---|---|---|---|
| | | As at March 31,2019 | As at March 31, 2018 | Year ended March 31,2019 | Year ended March 31, 2018 |
| (d) | **Deferred tax assets comprises:** | | | | |
| | Accelerated Depreciation for Tax purposes | 25.84 | 8.25 | 17.59 | 10.73 |
| | Provision for employee benefits | 17.21 | 30.15 | (12.94) | 1.21 |
| | Expenses allowable on payment basis | 22.59 | 22.73 | (0.14) | 3.65 |
| | | 65.64 | 61.13 | 4.51 | 15.59 |
| | MAT Credit entitlement | **65.64** | **61.13** | **4.51** | **15.59** |

| | | | |
|---|---|---|---|
| (e) | **Reconciliation of deferred tax assets (net)** | | |
| | Opening balance | 61.13 | 45.54 |
| | Tax expense recognised in statement of profit and loss during the year | 8.55 | 15.22 |
| | Tax expense recognised in other comprehensive income during the year | (4.04) | 0.37 |
| | **Closing balance** | **65.64** | **61.13** |

**Notes:**

(i) Effective tax rate has been calculated on profit before tax and exceptional items.

(ii) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off curent tax assets and current tax liabilities and the deffered tax assets and deferrred tax liabilities relate to income taxes levied by the same tax authority.

| | | As at March 31,2019 | As at March 31, 2018 |
|---|---|---|---|
| 8 | **OTHER NON-CURRENT ASSETS** | | |
| | **(Unsecured, considered good)** | | |
| | Deposits with Statutory/ Government authorities | 5.66 | 10.91 |
| | Deferred Rent (unamortised) | 0.03 | 0.12 |
| | | **5.69** | **11.03** |

**Notes:**

(i) No amounts are due from directors or other officers of the company either severally or jointly with any other person. Nor amounts are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Deposits with Statutory/ Government authorities includes deposits with Vishakhapatnam port Trust and other miscellaneous deposits with government authorities.

| | | | |
|---|---|---|---|
| 9 | **INVENTORIES** | | |
| | **(Valued at lower of cost and net realisable value unless otherwise stated)** | | |
| | **(refer accounting policy 2.11)** | | |
| | Stock in trade (traded goods) | 800.29 | 1,117.44 |
| | Packing materials | 9.25 | 31.33 |
| | | **809.54** | **1,148.77** |

**Notes:**

(i) The above includes goods in transit as under:

| | | |
|---|---|---|
| Traded goods | 58.71 | 168.27 |

(ii) Inventories are hypothecated with the bankers and others against working capital limits. (refer note no. 16.1)

(iii) During the year ended March 31, 2019: Nil (March 31, 2018: Nil) was recognised as an expense/(income) for inventories carried at net realisable value.

(iv) Inventories are valued at lower of cost [on specific identification method in respect of purchase of imported stock in trade and on FIFO basis in respect of purchase of domestic stock in trade] or net realizable value.

(v) Packing materials valued at cost.

**(Amount in ₹ lakhs)**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **10 CURRENT FINANCIAL ASSETS** | | |
| **10.1 INVESTMENTS** | | |
| **Trade Investments (at fair value through profit and loss) [FVTPL] (refer accounting policy 2.09)** | | |
| **Quoted Equity Instruments** | | |
| Transport Corporation of India Limited<br>50 (March 31, 2018: 15,00) equity shares of Rs.2/- each | 0.16 | 3.99 |
| Agro Tech Foods Limited<br>35 (March 31, 2018: 35) equity shares of Rs.10/- each | 0.21 | 0.22 |
| Ruchi Soya Industries Limited<br>2,200 (March 31, 2018: 2,200) equity shares of Rs.2/- each | 0.15 | 0.35 |
| Punjab National Bank<br>Nil (March 31, 2018: 1,000) equity shares of Rs.2/- each | - | 0.95 |
| Ashok Leyland Limited<br>500 (March 31, 2018: Nil) equity shares of Rs. 1/- each | 0.46 | - |
| GMR Infrastructure Limited<br>700 (March 31, 2018: Nil) equity shares of Rs. 1/- each | 0.14 | - |
| HSIL Limited<br>190 (March 31, 2018: Nil) equity shares of Rs. 2/- each | 0.48 | - |
| Nelcast Limited<br>1,350 (March 31, 2018: Nil) equity shares of Rs. 2/- each | 0.96 | - |
| Somany Ceramics Limited<br>40 (March 31, 2018: Nil) equity shares of Rs. 2/- each | 0.17 | - |
| Indian Overseas Bank<br>500 (March 31, 2018: Nil) equity shares of Rs. 10/- each | 0.07 | |
| Tata Motors Limited<br>675 (March 31, 2018: Nil) equity shares of Rs. 2/- each | 1.18 | - |
| **Aggregate amount of quoted investments (Fair Value)** | **3.97** | **5.52** |
| **Aggregate amount of quoted investments (Cost)** | **4.81** | **6.55** |

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| | (Amount in ₹ lakhs) | |
| **10.2 TRADE RECEIVABLES** | | |
| Unsecured, considered good | | |
| (a) Trade receivables considered good - Secured | - | - |
| (b) Trade receivables considered good - Unsecured | 1,855.05 | 5,182.11 |
| (c) Trade receivables which have significant increase in Credit Risk | - | - |
| (d) Trade receivables - credit impaired | 51.81 | 55.68 |
| Trade receivables (gross) | 1,906.87 | 5,237.79 |
| Less: Impairment allowance for trade receivables considered doubtful | 51.81 | 55.68 |
| | **1,855.05** | **5,182.11** |

**Notes:**

(i) Trade receivables are usually non-interest bearing and are on trade terms of 30 to 60 days.

(ii) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member are as under:

| | | |
|---|---|---|
| TP Buildtech Private Limited (Company where director is a director) | - | 168.47 |
| Fratelli Wines Private Limited (Company where director is a director) | 337.78 | 171.31 |

(iii) The movement in impairment allowance as per ECL model is as under:

| | | |
|---|---|---|
| Balance as at beginning of the year | 55.68 | 51.81 |
| Impairment allowance during the year | (3.86) | 3.86 |
| **Balance as at end of the year** | **51.81** | **55.68** |

| | | |
|---|---|---|
| **10.3 CASH AND CASH EQUIVALENTS** | | |
| Balances with banks: | | |
| Current accounts | 440.24 | 120.95 |
| EEFC accounts (USD Nil (March 31, 2018: USD $8,401) | - | 5.46 |
| Cash on hand | 0.80 | 0.61 |
| | **441.04** | **127.03** |

**Notes:**

(i) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period.

(ii) The Company earns interest on the fixed deposits at the respective short-term deposit rates.

| | | |
|---|---|---|
| **10.4 OTHER BANK BALANCES** | | |
| Fixed deposits with banks under lien with Government authorities having a original maturity period of more than twelve months | 19.35 | 27.63 |
| Fixed deposits held as margin money against borrowings having a original maturity period of more than three months but less than twelve months | 15.00 | 156.62 |
| Fixed deposits pledged with bank against borrowings having original maturity period of more than twelve months | 262.69 | 287.52 |
| Fixed deposits for FCI having original maturity period of twelve months | - | 5.00 |
| | **297.04** | **476.77** |

**Notes:**

(i) The deposits maintained by the Company with banks comprise of time deposits made of varying periods between three months to twelve months and earn interest at the respective short term deposit rates.

(ii) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances (Refer note no 6.3)

**(Amount in ₹ lakhs)**

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| **10.5 LOANS AND ADVANCES** | | |
| **Loans to related parties** | | |
| (a) Loan receivables considered good - Secured | - | - |
| (b) Loan receivables considered good - Unsecured | 95.31 | 430.02 |
| (c) Loan receivables which have significant increase in Credit Risk | - | - |
| (d) Loan receivables - credit impaired | - | - |
| | **95.31** | **430.02** |

**Notes:**

No amounts are due from directors or other officers of the company either severally or jointly with any other person. Amounts due from firms or private companies respectively in which any director is a partner, a director or a member are as under:

| | | |
|---|---|---|
| Kriti Estates Private Limited (Company where director is a director) | 95.31 | 330.02 |
| Prasidh Estates Private Limited (Company where relative of director is a member) | - | 100.00 |

| | | |
|---|---|---|
| **10.6 OTHER CURRENT FINANCIAL ASSETS** | | |
| **Unsecured, considered good, unless otherwise stated (at amortised cost)** | | |
| Security deposits | 0.38 | - |
| Deposit towards forward contracts and future trading option | - | 145.72 |
| Other Receivables | 29.88 | 9.76 |
| | 30.26 | 155.49 |
| | **30.26** | **155.49** |

**Notes:**

(i) Security deposits include deposits with service suppliers.

(ii) Other receivables include receivables from insurance company, TDS recoverable from parties and other recoveries from parties.

| | | |
|---|---|---|
| **11 CURRENT TAX ASSETS (NET)** | | |
| Tax Deducted at Source (TDS) | - | 6.34 |
| | **-** | **6.34** |
| **12 OTHER CURRENT ASSETS** | | |
| **Unsecured, considered good** | | |
| Refund Due from Government departments | 99.08 | 92.91 |
| Advances for materials and services | 5.42 | 345.06 |
| Security deposits with Government Authorities | 10.85 | 13.99 |
| Others | | |
| Prepaid expenses | 32.36 | 43.87 |
| Balance with Statutory/ Government authorities: | | |

(Amount in ₹ lakhs)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| GST | 133.49 | 49.72 |
| VAT | 6.67 | 13.18 |
| Balance with port authorities | - | 0.35 |
| License in hand | 1.33 | 1.33 |
| Other receivables | 0.50 | 1.59 |
| | **289.69** | **562.00** |

**Notes:**

(i) No amounts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. No amounts are due from firms or private Companies respectively in which any director is a partner or a director or a member.

(ii) Other receivables include outstanding balance in staff imprest accounts and unamortised portion of deferred rent.

## 13 EQUITY SHARE CAPITAL

**a) Authorized**

| | | |
|---|---|---|
| 90,00,000 equity shares of Rs.10/- each (March 31,2018: 90,00,000 equity shares of Rs.10/- each) | 900.00 | 900.00 |
| **Issued, subscribed and fully paid up** | | |
| 85,64,750 equity shares of Rs.10/- each (March 31,2018: 85,64,750 equity shares of Rs.10/- each) | 856.48 | 856.48 |

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

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | (Amount in ₹ lakhs) | No. of shares | (Amount in ₹ lakhs) |
| **At the beginning of the year** | 85,64,750 | 856.48 | 50,00,000 | 500.00 |
| Add: Shares issued during the year | - | - | 85,64,750 | 856.48 |
| Less: Shares cancelled during the year | - | - | 50,00,000 | 500.00 |
| **At the end of the year** | **85,64,750** | **856.48** | **85,64,750** | **856.48** |

**c) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share (March 31,2018 : Rs.10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

| Name of Shareholders | As at March 31,2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding |
| Puja Sekhri | 17,49,160 | 20.42 | 17,49,160 | 20.42 |
| Shobha Sekhri | 16,36,343 | 19.11 | 16,36,343 | 19.11 |
| Aarti Sekhri | 15,11,347 | 17.65 | 15,11,347 | 17.65 |

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

Pursuant to the effective date i.e. January 22, 2018 and with effect from the appointed date i.e. April 1, 2016, the Company has given effect to the Scheme of Arrangement and passed the necessary accounting entries relating to above. 85,64,750 equity shares of Rs. 10/- each at a premium of Rs. 5/- per share have been issued to the shareholders of Tinna Rubber & Infrastructure Limited in the ratio of 1:1 on 19.02.2018. Also pursuant to the scheme of arrangement, 50,00,000 equity shares of Tinna Trade Limited held by Tinna Rubber & Intrastructure Limited shall stand cancelled. The same have been cancelled on 19.02.2018 (refer note no. 29(1).

**e)** As per the records of the Company no calls remained by the directors and officers of the Company.

**f) Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:**

| | **As at March 31, 2019 No. of shares** | **As at March 31, 2018 No. of shares** |
|---|---|---|
| Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash. | 85,64,750 | 85,64,750 |
| Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account and general reserve. | Nil | Nil |
| Equity shares bought back | Nil | Nil |

**(Amount in ₹ lakhs)**

| | **As at March 31, 2019** | **As at March 31, 2018** |
|---|---|---|
| **14 OTHER EQUITY** | | |
| Security Premium | 428.24 | 428.24 |
| Retained Earnings | 2,051.91 | 1,879.93 |
| | **2,480.15** | **2,308.17** |

**Notes:**

| | **Year ended March 31, 2019** | **Year ended March 31, 2018** |
|---|---|---|
| **a) Security Premium** | | |
| On issue of equity shares | 428.24 | 428.24 |
| | **428.24** | **428.24** |

The amount received in excess of face value of the equity shares is recognised in securities premium reserve. This reserve is utilised in accordance with the provisions of the companies Act, 2013.

| | | |
|---|---|---|
| **b) Retained Earnings** | | |
| Opening balance | 1,879.93 | 1,835.73 |
| Net profit/ (loss) for the year | 163.93 | (26.96) |
| **Items of other comprehensive income recognised directly in retained earnings** | | |
| Re-measurement gains /(losses) on defined benefit plans (net of tax) | 8.05 | (0.82) |
| Re-mesurement gains on Investments [FVTOCI] | - | 71.98 |
| | **2,051.91** | **1,879.93** |

(Amount in ₹ lakhs)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| c) | **Equity shares pending Allotment pursuant to the Scheme of Arrangement (refer note no. 29(1))** | | |
| | Opening balance | - | 1,284.71 |
| | Less: Equity shares issued during the year | - | (856.48) |
| | Less: Security premium on equity share capital issued during the year | - | (428.24) |
| | | - | - |
| d) | **Equity shares to be cancelled pursuant to the Scheme of Arrangement (refer note no. 29(1))** | | |
| | Opening balance | - | (500.00) |
| | Less: Equity shares cancelled during the year | - | 500.00 |
| | | - | - |

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| 15 | **NON CURRENT PROVISIONS** | | |
| | Provision for employee benefits | | |
| | Gratuity (refer note no. 29(3)) | 25.95 | 39.32 |
| | Leave encashment | 23.18 | 28.44 |
| | | **49.13** | **67.76** |
| 16 | **CURRENT FINANCIAL LIABILITIES** | | |
| 16.1 | **BORROWINGS** | | |
| | **SECURED (at amortised cost)** | | |
| | **From Banks** | | |
| | **Repayable on Demand** | | |
| | Working capital limits (refer point i and ii below) | | |
| | Cash credit facility | 1,077.73 | 3,814.27 |
| | Buyer's credit facility | - | 1,365.51 |
| | **From Others** | | |
| | Commodity based pledge funding (refer point iii below) | - | 601.23 |
| | | **1,077.73** | **5,781.01** |

**Notes:**

(i) Working capital limits are from ICICI Bank Limited, Syndicate Bank Limited and State Bank of India and are secured as under:-

(a) Working capital limits from ICICI Bank Limited, Syndicate Bank Limited and State Bank of India are secured by means of first charge ranking pari passu by way of hypothecation of the Company's entire stock of raw materials and finished goods, consumable stores and spares and such other moveables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.

(b) The Working Capital limits are further secured by equitable mortgage of land and building situated at 11-B Gaushala Road, Satbari, New Delhi in the name of Bee Gee Ess Farms & Properties Private Limited and on personal guarantees of Directors Shri Gaurav Sekhri and Kapil Sekhri and corporate guarantees of Tinna Rubber and Infrastructure Limited and Bee Gee Ess Farms & Properties Private Limited.

(c) The company has pledged a FDR of Rs. 2,50,00,000/- in favor of ICICI Bank Limited against working capital limits sanctioned by the bank.

(d) Fixed Deposit (Cash Margin) pledged against non fund based limit are Rs.15,00,000/- (March 31, 2018: Rs.1,55,50,000/-) in favour of State bank of India.

| | | |
|---|---|---|
| (e) Aggregate amount of working capital limits secured by way of personal guarantees of Directors. | 1,077.73 | 5,179.77 |

(ii) The Company has also availed warehouse finance facility from banks which remained undrawn on the date of balance sheet (Refer note no: 28(C))

(iii) In the earlieer year, the company had availed commodity based pledge funding from Infinity Fincorp Solutions Private Limited which is secured as under:

(a) Pledge of Imported Yellow Peas stock (Canadian Origin) lying at Friends Salt Works and Allied Industries, Plot No-24-26, Kandla GIDC Area, Sector No: 106, Gandhidham, Gujarat.

(b) Personal guarantee of Gaurav Sekhri (Managing Director).

| | | |
|---|---|---|
| (c) Aggregate amount of commodity based pledge funding secured by way of personal guarantees of Gaurav Sekhri (Managing Director). | - | 1.23 |

(d) The limit remained undrawn as on the date of balance sheet.

(iv) The Company has not defaulted in repayment of principal amount and interest during the year and complied with loan covenants of the lenders.

* The effective rate of interest on short term borrowings ranges between 3% p.a. to 12.5% p.a. during the year, depending upon the prime lending rate of the banks and financial institutions at the time of borrowing, wherever applicable, and interest rate spread agreed with the banks.

**(Amount in ₹ lakhs)**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **16.2 TRADE PAYABLES** | | |
| Total outstanding dues of micro and small enterprises | - | - |
| Total outstanding dues of creditors other than micro and small enterprises | 1,021.10 | 730.47 |
| | **1,021.10** | **730.47** |

**Notes:**

* Trade payables includes due to related parties Rs. Nil (March 31, 2018: Nil)
* The amounts are unsecured and are usually paid within 90 days of recognition.
* Trade payables are usually non- interest bearing. In few cases ,where the trade payables are interest bearing, the interest is settled on quarterly basis.
* For terms and condition with related parties, refer to note no. 29(5)

**(Amount in ₹ lakhs)**

(i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| | | | |
|---|---|---|---|
| (a) | Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:<br>-Principal<br>-Interest | <br>Nil<br>Nil | <br>Nil<br>Nil |
| (b) | The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | Nil | Nil |
| (c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | Nil | Nil |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | Nil | Nil |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | Nil | Nil |

(ii) The information in respect of party determined under the MSMED Act 2006, has been identified on the basis of information available with the Company.

(iii) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Nil (March 31, 2018 : Rs. Nil/-)

**(Amount in ₹ lakhs)**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **16.3 OTHER CURRENT FINANCIAL LIABILITIES** | | |
| **At amortised cost** | | |
| Creditors for capital goods | 0.46 | 4.06 |
| Others | | |
| Employee Benefit Expenses payable | 0.29 | 0.94 |
| Derivative financial contracts | - | 5.18 |
| Other payables | 154.55 | 379.53 |
| | **155.30** | **389.71** |

**Notes:**

Other payables are in respect of staff imprest, expenses payable, brokerage payable and other miscellaneous expenses payable. Other payables includes due to :-

| | | |
|---|---|---|
| Tinna Rubber and Infrastructure Limited (Company under common control) | - | 14.16 |
| B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | 3.77 | 23.48 |

(Amount in ₹ lakhs)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **17** | **OTHER CURRENT LIABILITIES** | | |
| | Revenue received in advance | 6.86 | 30.90 |
| | Earnest money and security deposits | - | 16.53 |
| | Other payables | | |
| | Statutory Dues | 27.72 | 26.30 |
| | Corporate Social Responsibility | 9.23 | 9.23 |
| | | **43.81** | **82.97** |

**Notes:**

(i) Earnest money and security deposits is Rs. Nil (March 31, 2018: 16.53 lakhs) received as margin money on sales made to TP Buildtech Private Limited (Company where director is a director).

(ii) Statutory dues payable are in respect of PF, ESI, TDS and Goods and Service Tax payable.

| | | | |
|---|---|---|---|
| **18** | **CURRENT PROVISIONS** | | |
| | Provision for employee benefits | | |
| | Gratuity (refer note no. 29(3)) | 1.41 | 0.86 |
| | Leave encashment | 1.01 | 0.57 |
| | Performance Bonus | - | 28.85 |
| | | **2.42** | **30.28** |

**Notes:**

(i) Performance bonus payable includes a sum of Rs.Nil/- (March 31, 2018: Rs.8 lakhs) payable to Mr. Gaurav Sekhri (Managing Director)

(ii) Provisions are recognized for Gratuity, Leave encashment and Performance Bonus. The provisions are recognized on the basis of past events and probable settlements of the present obligations as a result of the past events, in accordance with Indian Accounting Standard-37 issued by the Institute of Chartered Accountants of India.

**The movement of provision are as under:**

| | | |
|---|---|---|
| **At the beginning of the year** | | |
| Gratuity (Non Current Rs.39.32 lakhs) | 40.18 | 28.35 |
| Leave encashment (Non Current Rs.28.44 lakhs) | 29.01 | 29.45 |
| Performance Bonus (Non Current Rs. Nil) | 28.85 | 78.13 |
| **Arising during the year** | | |
| Gratuity (net of OCI) | (2.58) | 11.83 |
| Leave encashment | - | - |
| Performance Bonus | 0.37 | 2.20 |
| **Utilised during the year** | | |
| Gratuity | 10.25 | - |
| Leave encashment | 2.74 | 0.26 |
| Performance Bonus | 29.22 | 41.13 |
| **Unused amount reversed** | | |
| Gratuity | - | - |
| Leave encashment | 2.07 | 0.18 |
| Performance Bonus | - | 10.36 |
| **At the end of the year** | | |
| Gratuity (Non Current Rs.25.95 lakhs) | 27.36 | 40.18 |
| Leave encashment (Non Current Rs.23.18 lakhs) | 24.20 | 29.01 |
| Performance Bonus (Non Current Rs. Nil) | - | 28.85 |

| | | | |
|---|---|---|---|
| **19** | **CURRENT TAX LIABILITIES (NET)** | | |
| | Income Tax | | |
| | (Net of advance tax and TDS of Rs. 8.16 lakhs (March 31, 2018: Rs.Nil/-) | 45.43 | - |
| | | **45.43** | **-** |

(Amount in ₹ lakhs)

| | | Period ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **20** | **REVENUE FROM OPERATIONS** | | |
| | Sale of products | | |
| | Traded Goods | 47,789.53 | 45,355.37 |
| | Sale of Services | - | 203.79 |
| | Other operating revenues | | |
| | Contract settlement income (net) | - | 19.80 |
| | | **47,789.53** | **45,578.96** |
| | **Note:** | | |
| | **(a) Sale of traded goods comprises** | | |
| | Yellow Peas | 14,768.84 | 17,463.35 |
| | Chana | 5,418.37 | 308.74 |
| | Lentils | 684.24 | 560.22 |
| | Toor | 1,487.07 | 75.71 |
| | Kaspa-Dun Peas | - | 362.11 |
| | Green peas | - | 106.48 |
| | Mung | 87.47 | 39.98 |
| | Urad | 593.39 | 16.86 |
| | Maize | 10,306.45 | 7,104.91 |
| | Wheat | 6,039.47 | 7,954.51 |
| | Paddy | 45.28 | - |
| | Crude Degummed Soyabean Oil | 3,320.32 | 4,525.46 |
| | Palmolien Oil | 327.96 | - |
| | Sunflower Meal | 604.61 | 5,955.39 |
| | Palm Kernel | 3.68 | - |
| | Soya DOC | 451.49 | 450.78 |
| | De Oiled Rice Bran | 93.81 | 35.06 |
| | Rapeseed Doc | 299.24 | - |
| | Mustard Seeds | 74.49 | - |
| | Soya Seed | - | 5.61 |
| | Cotton Seed Oil Cake | 935.81 | - |
| | Grapes | 497.09 | 173.98 |
| | Steel Shots | 608.53 | - |
| | Cut Wire Shot | 323.28 | - |
| | Crumb Rubber Mesh | 46.70 | - |
| | Rubber Ultrafine | 191.45 | - |
| | Steel Wire Scrap | 7.84 | - |
| | Chemical | 572.63 | 216.22 |
| | | **47,789.53** | **45,355.37** |
| | **(b) Sale of services** | | |
| | Commission income | - | 203.79 |
| | | **-** | **203.79** |
| **21** | **OTHER INCOME** | | |
| | Interest received on financial assets carried at amortised cost: | | |
| | From banks | 26.16 | 31.80 |
| | From others | 51.86 | 108.18 |
| | On security deposits | 0.16 | 0.15 |
| | Other non-operating income | | |
| | Foreign currency exchange fluctuations (Net) | - | 224.50 |
| | Profit on future trading and options | - | 68.02 |
| | Profit on sale of current investments | 1.25 | 0.58 |
| | Profit on sale of tangible fixed assets | 0.54 | - |

(Amount in ₹ lakhs)

| | | Period ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| | Rental Income | 8.61 | 51.37 |
| | Dividend received on trade, current investments | 0.04 | 0.03 |
| | Unclaimed balances written back | 34.60 | 39.03 |
| | Provision for debts no longer required | 64.65 | - |
| | Miscellaneous income | 19.45 | 52.82 |
| | | **207.33** | **576.46** |
| **22** | **PURCHASE OF TRADED GOODS** | | |
| | Yellow Peas | 12,738.90 | 14,489.06 |
| | Chana | 4,998.36 | 491.31 |
| | Lentils | 619.05 | 573.64 |
| | Toor | 1,586.87 | 28.50 |
| | Kaspa-Dun Peas | - | 346.15 |
| | Green Peas | - | 103.72 |
| | Mung | 86.62 | 39.26 |
| | Urad | 579.96 | 16.67 |
| | Maize | 8,357.76 | 5,881.84 |
| | Wheat | 5,901.75 | 4,436.92 |
| | Paddy | 39.56 | - |
| | Crude Degummed Soyabean Oil | 3,320.17 | 4,016.03 |
| | Palmolien OIl | 320.32 | - |
| | Sunflower Meal | 493.12 | 5,490.37 |
| | Palm Kernel Expeller | 6.07 | - |
| | Soya DOC | 467.44 | 399.11 |
| | De Oiled Rice Bran | 66.83 | 34.15 |
| | Rapeseed Doc | 291.85 | - |
| | Mustard Seed | 81.18 | - |
| | Soya Seed | - | 5.61 |
| | Cottonseed Oil Cake | 761.01 | 153.04 |
| | Grapes | 460.75 | 160.78 |
| | Steel Shots | 937.98 | - |
| | Cut Wire Shots | 360.84 | - |
| | Crumb Rubber Mash | 45.14 | - |
| | Ultrafine Rubber | 185.23 | - |
| | Steel Wire Scrap | 7.68 | - |
| | Chemicals | 561.34 | 209.47 |
| | Traded goods in transit | | |
| | Yellow Peas | - | 163.13 |
| | Palm Kernel Expeller | - | 5.14 |
| | Steel Shots | 58.71 | |
| | | **43,334.49** | **37,043.91** |

(Amount in ₹ lakhs)

| | | As at March 31, 2019 | As at March 31, 2018 | (Increase) / Decrease |
|---|---|---|---|---|
| **23** | **CHANGE IN INVENTORIES OF TRADED GOODS** | | | |
| | **Inventories at the end of the year** | | | |
| | Traded goods | 800.29 | 1,117.44 | 317.15 |
| | | **800.29** | **1,117.44** | **317.15** |
| | **Inventories at the beginning of the year** | | | |
| | Traded goods | 1,117.44 | 4,855.73 | 3,738.30 |
| | | **1,117.44** | **4,855.73** | **3,738.30** |
| | **(Increase)/ Decrease in stocks** | **317.15** | **3,738.30** | |

(Amount in ₹ lakhs)

| | As at March 31, 2019 | As at March 31, 2018 | (Increase) / Decrease |
|---|---|---|---|
| **Details of inventory at the end of the year** | | | |
| Wheat | | 29.67 | 47.27 |
| Yellow Peas | | - | 266.97 |
| Chana | | - | 197.54 |
| Toor | | 197.41 | - |
| Steel Shots | | 421.05 | - |
| Cut Wire Shot | | 93.45 | - |
| Maize | | - | 152.18 |
| Sunflower Meal | | - | 127.93 |
| Cottonseed Oil Cake | | - | 157.28 |
| Traded goods in transit | | | |
| Yellow Peas | | - | 163.13 |
| Palm Kernel Expeller | | - | 5.14 |
| Steel Shots | | 58.71 | - |
| | | **800.29** | **1,117.44** |

(Amount in ₹ lakhs)

| | Period ended March 31,2019 | Year ended March 31, 2018 |
|---|---|---|
| **Details of inventory at the beginning of the year** | | |
| Wheat | 47.27 | 3,181.16 |
| Crude Degummed Soyabean Oil | - | 521.95 |
| Yellow Peas | 266.97 | 69.73 |
| Toor | - | 51.25 |
| Chana | 197.54 | 37.49 |
| Maize | 152.18 | - |
| Sunflower Meal | 127.93 | - |
| Cottonseed Oil Cake | 157.28 | - |
| Traded goods in transit | | |
| Yellow Peas | 163.13 | 843.42 |
| Sunflower Meal | - | 150.74 |
| Palm Kernel Expeller | 5.14 | |
| | **1,117.44** | **4,855.73** |
| **(Increase)/ Decrease in inventories of traded goods** | | |
| Wheat | 17.60 | 3,133.89 |
| Crude Degummed Soyabean Oil | - | 521.95 |
| Yellow Peas | 266.97 | (197.24) |
| Toor | (197.41) | 51.25 |
| Chana | 197.54 | (160.05) |
| Maize | 152.18 | (152.18) |
| Sunflower Meal | 127.93 | (127.93) |
| Cottonseed Oil Cake | 157.28 | (157.28) |
| Steel Shots | (421.05) | - |
| Cut Wire Shot | (93.45) | - |
| Traded goods in transit | | |
| Yellow Peas | 163.13 | 680.29 |
| Sunflower Meal | - | 150.74 |
| Palm Kernel Expeller | 5.14 | (5.14) |
| Steel Shots | (58.71) | - |
| | **317.15** | **3,738.30** |

(Amount in ₹ lakhs)

| | | Period ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| 24 | **EMPLOYEE BENEFITS EXPENSES** | | |
| | Salaries and wages | 409.97 | 385.60 |
| | Contribution towards PF, Family Pension and ESI | 12.43 | 12.00 |
| | Gratuity expense | 9.52 | 10.65 |
| | Staff Recruitment Expenses | 1.06 | 1.17 |
| | Staff welfare expenses | 15.02 | 9.21 |
| | | **448.00** | **418.64** |
| | Employee benefits expenses includes managerial remuneration as detailed below: | | |
| | Salary | 118.75 | 118.75 |
| | Contribution towards PF | 6.46 | 5.70 |
| | Diwali Bonus | 0.50 | 0.50 |
| | Insurance Premium | 0.12 | 0.13 |
| 25 | **FINANCE COSTS** | | |
| | **Interest expense on** | | |
| | Financial liabilities measured at amortised costs | | |
| | Interest expense | 411.65 | 745.82 |
| | Exchange difference to the extent considered as an adjustment to borrowing cost | 39.38 | 10.99 |
| | Interest on performance Bonus Payable | 0.37 | 2.20 |
| | **Others** | | |
| | Interest on Income Tax | 2.99 | 0.01 |
| | Bank Charges and Other Financial Charges | 85.63 | 78.18 |
| | | **540.03** | **837.21** |
| 26 | **DEPRECIATION AND AMORTISATION EXPENSES** | | |
| | Depreciation of tangible assets | 35.11 | 49.42 |
| | Amortization of goodwill | 128.44 | 128.44 |
| | Amortization of other intangible assets | 7.04 | 10.18 |
| | | **170.59** | **188.05** |
| 27 | **OTHER EXPENSES** | | |
| | Electricity and water | 3.93 | 3.34 |
| | Rent and warehousing charges | 145.84 | 642.98 |
| | Repairs and maintenance- others | 19.72 | 16.01 |
| | Insurance | 47.16 | 48.24 |
| | Communication expenses | 21.87 | 18.79 |
| | Travelling and conveyance | 75.02 | 71.41 |
| | Freight and forwarding | 2,007.49 | 1,682.77 |
| | Brokerage and commission | 144.65 | 157.19 |
| | Business promotion expenses | 42.93 | 49.87 |
| | Legal and professional charges | 44.61 | 65.62 |
| | Payment to auditors * | 8.09 | 7.06 |
| | Loss on forward contracts/foreign exchange (net) | 3.45 | - |
| | Loss on future trading and options | 25.01 | - |
| | Contract settlement expense (net) | 4.70 | - |
| | Clearing and forwarding expenses | 33.92 | 24.12 |
| | Stock handling and supervision charges | 75.64 | 859.71 |
| | Demurrage charges | 40.42 | 36.97 |
| | Corporate Social Responsibility (refer note no 29(7)) | - | 9.16 |
| | Statutory charges | 17.53 | 45.12 |

(Amount in ₹ lakhs)

| | Period ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Packing material consumed | 23.94 | 165.15 |
| Bad debts and short recoveries | 154.31 | 19.78 |
| Provision for trade receivables | - | 3.86 |
| Loss on fair valuation of current investments [FVTPL] | 0.84 | 0.41 |
| Miscellaneous expenses | 39.55 | 35.86 |
| | **2,980.63** | **3,963.41** |
| *Payment to auditors | | |
| Statutory Audit Fees | 8.00 | 5.00 |
| Other Matters | - | 2.00 |
| Reimbursement of out of pocket expenses | 0.09 | 0.06 |
| | **8.09** | **7.06** |

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31, 2018 |
|---|---|---|
| **28 COMMITMENTS AND CONTINGENCIES** | | |
| **A Contingent liabilities (to the extent not provided for)** | | |
| a) Bank guarantees obtained from banks (net of margin money) (Margin money Rs. Nil (March 31, 2019)) | 0.01 | 40.91 |
| b) Disputed tax liabilities on account of Income Tax (Refer Point (i) to (ii) below) | 194.66 | 194.66 |

**Notes:**

i) The Commissioner of Income Tax vide order dated 27th March 2015 has passed an order u/s 263 of the Income Tax Act 1961 for the assessment year 2010-11 (Previous year 2009-10) directing the Assessing Officer(AO) to frame fresh order considering the order of Transfer Pricing Officer(TPO) under section 92 CA(3) of the Income tax Act 1961 dated 29th Jan 2014. As per the Order of the TPO, an adjustment of Rs. 581.17 lakhs was proposed. The AO has passed a Draft Order on 23rd November 2015, making addition of Rs.581.17 lakhs and assessing income at Rs.3,25.71 lakhs against declared loss of Rs.255.46 lakhs by the assessee. The Company has filed objections to the draft order before the Dispute Resolution Panel on 15th January 2016. The Hon'ble DRP has issued directions to the Deputy Commissioner of Income Tax vide Order dated 12.08.2016 to revise the earlier adjustment of Rs.581.17 laks to Rs.585.88 lakhs. Thus there is disputed income tax liability of Rs.194.60 lakhs. The Company has filed an appeal before the ITAT on 16/02/2017 against the addition of Rs.581.17 lakhs made by the Principal Commissioner of Income Tax u/s 263 of the Income Tax Act, 1961.

ii) The Company has outstanding TDS demands of Rs.0.06 lakhs on account of short deductions and interest u/s 201 and 220(2) of the Income Tax Act, 1961. The Company will be filing the revised returns / applications and it is expected that there will be no demand.

| | As at March 31,2019 | As at March 31, 2018 |
|---|---|---|
| **B Commitments** | | |
| i) Capital Commitments | Nil | Nil |
| ii) Other Commitments | | |
| Estimated amount of commodity contracts (derivative contracts) remaining to be executed and not provided for | | |
| Buy contracts | - | 1,099.66 |
| Sell contracts | - | 342.98 |

**C Unused Warehousing Finance Limits**

The Company has availed fund based Warehousing Finance facility from Indusind Bank Limited of Rs.10 crores (March 31, 2018: Rs.10 crores(ICICI Bank Ltd)) secured by pledge of agricultural commodities deposited by the pledger at the designated warehouse/ godowns as approved by Indusind Bank Limited, in favour of Indusind Bank Limited. The limit is further secured by way of personal guarantees of directors Mr. Gaurav Sekhri and Mr. Kapil Sekhri.

The said facility remained undrawn as on the date of balance sheet.

**D Details of Leasing Arrangements**

**Operating lease commitments - Company as lessee**

(a) The company has entered into operating leases for office and godown premises. Normally there are renewable and escalation clauses in this contract and cancellable at Company's option.Total lease rent recognised by the Company during the period is Rs. 145.84 lakhs (March 31, 2018: Rs.642.98 lakhs).

**(Amount in ₹ lakhs)**

| | **As at March 31, 2019** | **As at March 31,2018** |
|---|---|---|
| (b) The total of future minimum lease payments under non cancellable leases are as follows: | | |
| (i) not later than one year | 7.67 | 25.27 |
| (ii) later than one year and not later than five years | 0.96 | 6.70 |
| (iii) later than five years | - | - |
| **Total minimum lease payments** | **8.62** | **31.97** |
| Lease payments recognised in the statement of profit and loss as rent expense for the year | 145.84 | 642.98 |
| (c) Unearned finance income | Nil | Nil |

**29 OTHER NOTES ON ACCOUNTS**

**1 (i) Demerger of Agro Commodity Trading and Investments (Agro Commodity & Warehousing) Undertaking**

An application was filed with Bombay Stock Exchange on 15th January, 2016 under Regulation 37(1) of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015 for the Composite Scheme of Arrangement between Tinna Rubber And Infrastructure Limited(TRIL) and Tinna Trade Limited (TTL) ("the Company") (formerly known as Tinna Trade Private Limited), wholly owned (100%) subsidiary of TRIL. After the approval of the Scheme of Arrangement, Agro Commodity Trading and Investments (Agro Commodity & Warehousing) undertakings shall be transferred to TTL and shareholders of TRIL will be issued equity shares of TTL in the ratio of 1:1. The scheme has been approved by the Hon'ble NCLT, Delhi vide their order dated 15th December, 2017 with effect from closing hours of 31st March 2016 ('Appointed Date'), which was received by the Company on 18th January 2018 and filed with Registrar of Companies on 22nd January 2018.The scheme became effective from 22nd January, 2018 (closing hours) ('Effective Date'), consequent upon filing of judgments / orders passed by the Hon'ble High Courts with respective Registrar of Companies pursuant to the Scheme of Arrangement. The company had passed the necessary accounting entries in the financial year 2017-18 and given effect to the scheme of demerger.

**(ii)** The Company has accounted for the business combination using the pooling of interest method being arrangement/ business combination of entities under common control. The assets and liabilies of the demerged undertaking have been reflected at their carrying amounts and no adjustments to reflect the fair values have been made. An amount of Rs.642.20 lakhs, being difference of purchase consideration (Rs.1,284.71 lakhs) and book value of Net Assets (Rs.642.51 lakhs) transferred to Tinna Trade Limited, has been recorded as Goodwill in the books of the Company as per sub-clause (e) of clause 13.2 of the Scheme of Arrangement. The Company followed the applicable Accounting Standards specified under Section 133 of the Companies act, 2013, read with Rule 7 of

Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles as on the Appointed Date in accordance with the scheme approved by the NCLT, Delhi. This is not similar to the accounting as per applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder. However, this was in compliance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles as applicable when the scheme was filed with Hon'ble High Court and as on the Appointed Date i.e. 31st March 2016. Had the Company applied the accounting treatment in accordance with Ind AS 103, Business Combination the following would have been the accounting treatment:

a) No new assets / liabilities would have been recognised and no adjustments would have been made to reflect fair values of assets or liabilities of the transferor companies. As a result of demerger, the Company has recognised Goodwill of Rs. 642.20 lakhs.

b) The Company has not recognised deferred tax asset or liabilities arising out of assets acquired or liabilities assumed.

c) Goodwill has been amortised over a period five years in accordance with the accounting method and accounting treatment prevailing as on the appointed date i.e. March 31, 2016.

**(iii)** 85,64,750 equity shares of Rs. 10/- each at a premium of Rs. 5/- per share have been issued to the shareholders of Tinna Rubber & Infrastructure Limited in the ratio of 1:1 on 19.02.2018. As on April 1, 2017, the same have been treated as Equity Shares Pending Allotment and disclosed as 'Other Equity' (Note No. 14). Also pursuant to the scheme of arrangement, 50,00,000 equity shares of TTL held by Tinna Rubber & Intrastructure Limited stand cancelled. The same have been cancelled on 19.02.2018 and therefore disclosed under the head 'Other Equity' as on April 1, 2017 (Note No. 14).

**2** a) In the opinion of the Board, assets other than property plant equipment have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

b) Balance of trade payables, other current liabilities, long and short term advances, other non-current and current assets and trade receivables are subject to reconciliation and confirmations.

**3** Disclosures pursuant to Ind AS - 19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

**(Amount in ₹ lakhs)**

| | **Year ended March 31,2019** | **Year ended March 31, 2018** |
|---|---|---|
| **A. Defined Contribution Plan** | | |
| Contribution to Defined Contribution Plan, recognised as expense for the year is as under: | | |
| Employer's Contribution towards Provident Fund (PF) (includes administrative charges) | 8.10 | 7.96 |
| Employer's Contribution towards Family Pension Scheme (FPS) | 3.02 | 2.75 |
| Employer's Contribution towards Employee State Insurance (ESI) | 1.31 | 1.30 |
| | **12.43** | **12.00** |

**B. Defined Benefit Plan**

**Gratuity (Unfunded)**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| | | Year ended March 31,2019 | Year ended March 31, 2018 |
|---|---|---|---|
| | | | (Amount in ₹ lakhs) |
| **a)** | **Reconciliation of opening and closing balances of Defined Benefit obligation** | | |
| | Present value of obligation at the beginning of the year | 40.18 | 28.35 |
| | Current Service Cost | 6.40 | 6.73 |
| | Past Service Cost | 0 | 1.72 |
| | Interest Cost | 3.11 | 2.20 |
| | Benefits Paid | (10.25) | - |
| | Actuarial (Gain)/ Loss | (12.09) | 1.18 |
| | Present value of obligation at the end of the year | **27.36** | **40.18** |
| **b)** | **Reconciliation of opening and closing balances of fair value of plan assets** | | |
| | Fair value of plan assets at beginning of the year | - | - |
| | Expected return on plan assets | - | - |
| | Employer contribution | - | - |
| | Remeasurement of (Gain)/loss in other comprehensive income | - | - |
| | Return on plan assets excluding interest income | - | - |
| | Benefits paid | - | - |
| | Fair value of plan assets at year end | **-** | **-** |
| **c)** | **Net Asset/ (Liability) recognised in the balance sheet** | | |
| | Fair value of plan assets | - | - |
| | Present value of defined benefit obligation | (27.36) | (40.18) |
| | Amount recognised in Balance Sheet- Asset / (Liability) | **(27.36)** | **(40.18)** |
| **d)** | **Expense recognised in the Statement of profit and loss during the year** | | |
| | Current Service Cost | 6.40 | 6.73 |
| | Past Service Cost | - | 1.72 |
| | Interest Cost | 3.11 | 2.20 |
| | Total expense recognised in employee benefit expenses | **9.52** | **10.65** |
| | Current Liability (Short Term) | 1.41 | 0.86 |
| | Non-current Liability (Long Term) | 25.95 | 39.32 |
| **e)** | **(Gain)/ Loss recognised in other comprehensive income during the year** | | |
| | Actuarial changes arising from changes in financial assumptions | (1.27) | (3.44) |
| | Actuarial changes arising from changes in experience adjustments | (10.82) | 4.62 |
| | Recognised in other comprehensive income | **(12.09)** | **1.18** |
| **f)** | **Broad categories of plan assets as a percentage of total assets** | | |
| | Insurer managed funds | Nil | Nil |
| **g)** | **Actuarial Assumptions** | | |
| | Mortality Table (LIC) | 100% of IALM 2006-08 | 100% of IALM 2006-08 |
| | Discount rate (per annum) | 7.75% | 7.75% |
| | Salary Escalation | 10.00% | 10.00% |
| | Withdrawal Rate (18 to 30 years) | 5.00% | 5.00% |
| | Withdrawal Rate (30 to 44 years) | 5.00% | 3.00% |
| | Withdrawal Rate (44 to 60 years) | 5.00% | 2.00% |

| | | (Amount in ₹ lakhs) |
|---|---|---|
| | **Year ended March 31,2019** | **Year ended March 31, 2018** |
| **h) Quantitative sensitivity analysis for significant assumptions is as below:** | | |
| Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| **Impact of change in discount rate** | | |
| Impact due to increase by 1% | (24.78) | (35.79) |
| Impact due to decrease by 1% | 30.48 | 45.49 |
| **Impact of change in salary** | | |
| Impact due to increase by 1% | 29.75 | 44.70 |
| Impact due to decrease by 1% | (25.53) | (36.55) |
| **Impact of change in withdrawal rate** | | |
| Impact due to increase by 1% | (26.68) | (39.13) |
| Impact due to decrease by 1% | 28.14 | 41.39 |
| **i) Maturity profile of defined benefit obligation** | | |
| Within the next 12 months (next annual reporting period) | 1.41 | 0.98 |
| Between 01 April 2019 to 31 March 2020 | 1.13 | |
| Between 01 April 2020 to 31 March 2021 | 1.81 | 1.19 |
| Between 01 April 2021 to 31 March 2022 | 1.91 | 1.23 |
| Between 01 April 2022 to 31 March 2023 | 1.93 | 1.24 |
| Between 01 April 2023 to 31 March 2024 | 1.97 | |
| 01 April 2024 onwards | 28.48 | 41.13 |
| Total expected payments | 37.51 | 46.90 |

**j)** The average duration of the defined benefit plan obligation at the end of the reporting period is 20 years (March 31, 2018:18 years).

**k)** The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

**l)** Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**m)** The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**4 Segment Reporting**

The Company's primary segment is reflected based on principal business activities carried on by the Company. As per the IND AS 108 " Operating Segments", as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e agro commodities and allied products and is primarily operating in India and hence considered as single geographical segment. The Company has furnished segment reporting in the consolidated financial statements.

**5 Related party transactions**

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:

**A Names of related parties and description of relationship :**

**(i) Related party where control exists:**

| Name of the Company | Relationship |
|---|---|
| B.G.K. Infrastructure Developers Private Limited | Subsidiary Company |

**B Names of other related parties with whom transactions have taken place during the year :**

**(i) Enterprises in which directors and relative of such directors are interested**

Fratelli Wines Private Limited
Kriti Estates Private Limited
TP Buildtech Private Limited
Tinna Agro Ventures Limited
Tinna Rubber and Infrastructure Limited
Bee Gee Ess Farms & Properties Private Limited
Prasidh Estates Private Limited

**(ii) Key Management Personnel**

Gaurav Sekhri (Managing Director)
Kapil Sekhri
Monika Gupta (Company Secretary)
Anish Mahajan (CFO) (upto 06-04-2019)
Sachin Bhargava (CFO) (w.e.f 09-04-2019)

**(iii) Relatives of key management personnel**

Bhupinder Sekhri
Sobha Sekhri
Pooja Sekhri
Aarti Sekhri

**(iv) Non Executive Directors**

Ashish Madan
Adhiraj Amar Sarin
Sanvali Kaushik
Kapil Sekhri

**(Amount in ₹ lakhs)**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **C Transactions during the year** | | |
| **(i) Loans taken:** | | |
| **Enterprises in which directors and relative of such directors are interested** | | |
| Tinna Rubber and Infrastructure Limited | - | 17.00 |
| | **-** | **17.00** |
| **(ii) Loans repaid:** | | |
| **Enterprises in which directors and relative of such directors are interested** | | |
| Tinna Rubber and Infrastructure Limited | - | 17.00 |
| | **-** | **17.00** |

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| | | (Amount in ₹ lakhs) | |
| **(iii)** | **Loans given:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Kriti Estates Private Limited | 255.00 | 1,046.00 |
| | Bee Gee Ess Farms & Properties Private Limited | - | 40.00 |
| | Prasidh Estates Private Limited | - | 160.00 |
| | | **255.00** | **1,246.00** |
| **(iv)** | **Loan Repayment Received (Including Interest, Net of TDS):** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Kriti Estates Private Limited | 520.47 | 916.00 |
| | Bee Gee Ess Farms & Properties Private Limited | - | 40.00 |
| | Prasidh Estates Private Limited | 106.33 | 60.00 |
| | | **626.80** | **1,016.00** |
| **(v)** | **Other Financial Expenses Paid** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Bee Gee Ess Farms & Properties Private Limited | 18.00 | - |
| | | **18.00** | **-** |
| **(vi)** | **Interest received** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Kriti Estates Private Limited | 34.18 | 57.95 |
| | Bee Gee Ess Farms & Properties Private Limited | - | 0.48 |
| | Prasidh Estates Private Limited | 7.03 | 2.62 |
| | TP Buildtech Private Limited | 0.73 | - |
| | Tinna Rubber and Infrastructure Limited | 1.37 | - |
| | | **43.31** | **61.05** |
| **(vii)** | **Rent paid** | | |
| | **Related parties where control exists** | | |
| | B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | - | 67.39 |
| | **Enterprises in which directors and relative of such directors are interested:** | | |
| | Tinna Rubber & Infrastructure Limited | 0.42 | - |
| | | **0.42** | **67.39** |
| **(viii)** | **Reimbursement of expenses** | | |
| | **Related parties where control exists** | | |
| | B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | 0.71 | 33.60 |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Fratelli Wines Private Limited | - | 3.69 |
| | Tinna Rubber and Infrastructure Limited | 48.64 | 38.10 |
| | | **49.36** | **75.39** |
| **(ix)** | **Reimbursement against services received:** | | |
| | **Related parties where control exists:** | | |
| | B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | 0.19 | 0.05 |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | TP Buildtech Private Limited | 21.66 | 0.41 |
| | Tinna Rubber and Infrastructure Limited | - | 4.09 |
| | | **21.85** | **4.55** |

(Amount in ₹ lakhs)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **(x)** | **Earnest Money & Security Deposit Received:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Tinna Rubber and Infrastructure Limited (In compliance with Section 160 of the Companies Act 2013) | - | 1.00 |
| | TP Buildtech Private Limited | - | 21.23 |
| | | - | 22.23 |
| **(xi)** | **Security Deposit Transferred:** | | |
| | **Related parties where control exists:** | | |
| | B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | - | 0.01 |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | TP Buildtech Private Limited | - | 4.70 |
| | Tinna Rubber and Infrastructure Limited (In compliance with Section 160 of the Companies Act 2013) | - | 1.00 |
| | | **-** | **5.71** |
| **(xii)** | **Sales of Goods:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Fratelli Wines Private Limited | 497.09 | 173.98 |
| | Tinna Rubber and Infrastructure Limited | 256.10 | - |
| | TP Buildtech Private Limited | 572.63 | 216.22 |
| | | **1,325.82** | **390.20** |
| **(xiii)** | **Purchase of Goods (Included Freight on purchases):** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Tinna Rubber and Infrastructure Limited | 705.62 | - |
| | | **705.62** | **-** |
| **(xiv)** | **Services Received:** | | |
| | **Related parties where control exists:** | | |
| | B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | | |
| | Handling and C& F charges | 28.22 | 216.92 |
| | Syndication Charges | - | 7.79 |
| | Warehouse Management Charges | 0.09 | 16.41 |
| | | **28.31** | **241.12** |
| **(xv)** | **Services Provided:** | | |
| | **Related parties where control exists:** | | |
| | B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | | |
| | Other Income | - | 0.95 |
| | | **-** | **0.95** |
| **(xvi)** | **Remuneration:** | | |
| | **Key Management Personnel** | | |
| | Gaurav Sekhri (Managing Director)* | 119.25 | 119.25 |
| | Monika Gupta (Company Secretary) | 7.76 | 6.62 |
| | Anish Mahajan (CFO) (upto 06-04-2019) | 11.68 | 2.04 |
| | Sachin Bhargava (CFO) (w.e.f 09-04-2019) | - | - |
| | | **138.70** | **127.91** |

*The remuneration payable to Mr. Gaurav Sekhri is as per limits specified in Schedule V of the Companies Act, 2013 and was duly approved by shareholders at the Extra Ordinary General Meeting of Tinna Trade Limited held at the registered office of the Company on 1st Day of December, 2016.

**(Amount in ₹ lakhs)**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **(xvii) Directors Sitting Fees:** | | |
| **Non Executive Directors** | | |
| Ashish Madan | 2.00 | 0.40 |
| Adhiraj Amar Sarin | 1.20 | 0.80 |
| Sanvali Kaushik | 2.40 | 0.80 |
| | **5.60** | **2.00** |

**(Amount in ₹ lakhs)**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **D Balances at the year end** | | |
| **(i) Amount Receivables** | | |
| **Enterprises in which directors and relative of such directors are interested** | | |
| T P Buildtech Private Limited | - | 168.47 |
| Kriti Estates Private Limited | 95.31 | 330.02 |
| Fratelli Wines Private Limited | 337.78 | 171.31 |
| Prasidh Estates Private Limited | - | 100.00 |
| | **433.09** | **769.80** |
| **(ii) Amount Payables** | | |
| **Related parties where control exists** | | |
| B.G.K. Infrastructure Developers Private Limited (Subsidiary Company) | 3.77 | 23.48 |
| T P Buildtech Private Limited | - | 16.53 |
| Tinna Rubber and Infrastruture Limited | - | 14.16 |
| **Key Management Personnel** | | |
| Gaurav Sekhri (Managing Director) | - | 8.00 |
| Anish Mahajan (CFO) (upto 06-04-2019) | - | 0.87 |
| Monika Gupta (Company Secretary) | - | 0.53 |
| | **3.77** | **63.58** |

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has received a corporate guarantee of Rs.7500.00 lakhs (March 31, 2018: Rs.7,500.00 lakhs) from Tinna Rubber and Infrastructure Limited ("the Holding Company" upto 31.03.2016). For the period ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) All the liabilities for post retirement benefits being 'Gratuity' and 'Leave Encashment' are provided on an actuarial basis for the Company as a whole, the amount pertaining to Key management personnel are not included above.

6 The following table summarises movement in indebtness as on the reporting date:

(Amount in ₹ lakhs)

| Particulars | As on April 1, 2018 | Net Cashflow | Foreign Exchange Management | Change in fair values | As on March 31, 2019 |
|---|---|---|---|---|---|
| Current borrowings | | | | | |
| Repayable on demand | | | | | |
| Cash credit facility | 3,814.26 | (2,736.53) | - | - | 1,077.73 |
| Buyer's credit facility | 1,365.51 | (1,430.35) | 64.42 | 0.42 | - |
| Others | 601.23 | (601.23) | - | - | - |
| **Total liabilities from financing activities** | **5,781.00** | **(4,768.12)** | **64.42** | **0.42** | **1,077.73** |

| Particulars | As on April 1, 2017 | Net Cashflow | Foreign Exchange Management | Change in fair values | As on March 31, 2018 |
|---|---|---|---|---|---|
| Current borrowings | | | | | |
| Repayable on demand | | | | | |
| Cash credit facility | 2,535.05 | 1,279.21 | - | - | 3,814.26 |
| Buyer's credit facility | 2,861.86 | (1,516.75) | 10.20 | 10.20 | 1,365.51 |
| Others | - | 601.23 | - | - | 601.23 |
| **Total liabilities from financing activities** | **5,396.91** | **363.69** | **10.20** | **10.20** | **5,781.00** |

**7 Corporate Social Responsibility**

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Since there was a loss in the financial year 2017-18 the Company, has contributed a sum of Rs.Nil for the year (March 31, 2018: Rs.9.16 lakhs).

(Amount in ₹ lakhs)

| | Year ended March 31,2019 | Year ended March 31, 2018 |
|---|---|---|
| **Details of CSR Expenditure:** | | |
| a) Gross amount required to be spent by the Company during the year | 9.23 | 14.12 |
| b) Amount spent during period ended March 31, 2019 | | |

| | Amount spent | | Yet to be spent | | Total | |
|---|---|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Ensuring environmental sustainability | - | 4.89 | 9.23 | 9.23 | - | 14.12 |
| **Total Amount** | **-** | **4.89** | **9.23** | **9.23** | **-** | **14.12** |

**8 Fair value measurements**

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

(Amount in ₹ lakhs)

| Financial instruments by category | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| **Financial assets at amortized cost** | | | | |
| Investments(current) | 3.97 | 5.52 | 3.97 | 5.52 |
| Investments(non-current) | 409.50 | 409.50 | 409.50 | 409.50 |
| Cash and bank balances | 738.08 | 603.80 | 738.08 | 603.80 |
| Loans and advances | 95.31 | 430.02 | 95.31 | 430.02 |
| Other Financial assets(current) | 30.26 | 155.49 | 30.26 | 155.49 |
| Other Financial assets(non-current) | 21.72 | 38.95 | 21.72 | 38.95 |
| Trade Receivables(current) | 1,855.05 | 5,182.11 | 1,855.05 | 5,182.11 |
| Trade Receivables(non-current) | 76.93 | 137.72 | 76.93 | 137.72 |
| | 3,230.82 | 6,963.11 | 3,230.82 | 6,963.11 |
| **Financial Liabilities at amortized cost** | | | | |
| Trade Payables | 1,021.10 | 730.47 | 1,021.10 | 730.47 |
| Borrowings | 1,077.73 | 5,781.01 | 1,077.73 | 5,781.01 |
| Other financial liabilities (current) | 155.30 | 389.71 | 155.30 | 389.71 |
| | **2,254.12** | **6,901.19** | **2,254.12** | **6,901.19** |

1) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) Long-term receivables/ payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

3) The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019, are as shown below:

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

**Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(Amount in ₹ lakhs)

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019**

| | Carrying Value | Fair Value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets carried at amortized cost for which fair value are disclosed** | | | | |
| Investments(current) | 3.97 | 3.97 | - | - |
| Investments(non-current) | 409.50 | - | - | 409.50 |
| Cash and bank balances | 738.08 | - | - | 738.08 |
| Loans and advances | 95.31 | - | - | 95.31 |
| Other Financial assets (current) | 30.26 | - | - | 30.26 |
| Other Financial assets (non-current) | 21.72 | - | - | 21.72 |
| Trade Receivables (current) | 1,855.05 | - | - | 1,855.05 |
| Trade Receivables (non-current) | 76.93 | - | - | 76.93 |
| **Liabilities carried at amortized cost for which fair value are disclosed** | | | | |
| Trade Payables | 1,021.10 | - | - | 1,021.10 |
| Borrowings | 1,077.73 | - | - | 1,077.73 |
| Other financial liabilities (current) | 155.30 | - | - | 155.30 |

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018**

| | Carrying Value | Fair Value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets carried at amortized cost for which fair value are disclosed** | | | | |
| Investments(current) | 5.52 | 5.52 | - | - |
| Investments(non-current) | 409.50 | - | - | 409.50 |
| Cash and bank balances | 603.80 | - | - | 603.80 |
| Loans and advances | 430.02 | - | - | 430.02 |
| Other Financial assets (current) | 155.49 | - | - | 155.49 |
| Other Financial assets (non-current) | 38.95 | | - | 38.95 |
| Trade Receivables (current) | 5,182.11 | - | - | 5,182.11 |
| Trade Receivables (non-current) | 137.72 | - | - | 137.72 |
| **Liabilities carried at amortized cost for which fair value are disclosed** | | | | |
| Trade Payables | 730.47 | - | - | 730.47 |
| Borrowings | 5,781.01 | - | - | 5,781.01 |
| Other financial liabilities (current) | 389.71 | - | - | 389.71 |

**Note:**
The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**9 Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

**(a) 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 prices comprises three types of risk: currency rate risk, interest rate risk and other price risks , such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments , and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2019. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

**(Amount in ₹ lakhs)**

| Currency | Currency Symbol | March 31, 2019 | | Gain/ (loss) Impact on profit before tax and equity (Amount in ₹) | |
|---|---|---|---|---|---|
| | | Foreign Currency | Indian Rupees | 1% increase | 1% increase |
| Change in United States Dollar Rate | $ | | | | |
| Trade Payables | | 1.74 | 120.66 | (1.21) | 1.21 |
| Others Receivables | | 0.11 | 7.93 | 0.08 | (0.08) |

| Currency | Currency Symbol | March 31, 2018 | | Gain/ (loss) Impact on profit before tax and equity (Amount in ₹) | |
|---|---|---|---|---|---|
| | | Foreign Currency | Indian Rupees | 1% increase | 1% increase |
| Change in United States Dollar Rate | $ | | | | |
| Trade Payables | | 0.09 | 6.09 | (0.06) | 0.06 |
| Buyer's Credit | | 21.00 | 1,365.93 | (13.66) | 13.66 |
| Interest Payable | | 0.08 | 5.21 | (0.05) | 0.05 |
| Export Trade Receivables | | 1.09 | 70.59 | 0.71 | (0.71) |
| Bank accounts (EEFC) | | 0.08 | 5.46 | 0.05 | (0.05) |

The gain/ (loss) on due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the statement of profit and loss was Rs.6.84 lakhs for the year ended March 31, 2019.

**(ii) Commodity Price Risk**

The Company is exposed to fluctuations in price of Yellow Peas, Sunflower Meal, Crude Degummed Soyabean Oil and Wheat (including fluctuations in foreign currency) arising on purchase/ sale of the above commodities. To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with the commodity price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts, forward commodity contracts and forward foreign exchange contracts. The risk management strategy against the commodity price fluctuation also includes procuring the said commodities on loan basis, with a flexibility to fix price at any time during the tenor of the loan. The use of such derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established. The Company assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Company actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument. Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.
The fair value of derivative financial instruments is as follows:

**(Amount in ₹ lakhs)**

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Commodity Derivatives (refer note no. 16.3) | - | (5.18) |
| | **Total** | **-** | **(5.18)** |

The gain/(loss) due to fluctuation in commodity prices on NCDEX , recognized in the statement of profit and loss was Rs.31.86 lakhs (loss) lakhs for the year ended March 31, 2019 (March 31, 2018: Rs.54.44 lakhs (gain))

**(b) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and contracts are entered into with reputed parties based on their historical performance and management feedback. In case of supplies of wheat and oil, majority of cases are covered by advance from customers which is secured before any supply is made. Out of the trade receivables,10 parties owed Rs.1356.34 lakhs which is 71.12% of the total receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the

(Amount in ₹ lakhs)

carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 is the carrying amounts. The Company's maximum exposure relating to financial is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

(Amount in ₹ lakhs)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)** | | |
| Cash and cash equivalents | 441.04 | 127.03 |
| Other bank balances | 297.04 | 476.77 |
| Loans and advances | 95.31 | 430.02 |
| Others non current financial assets | 21.72 | 38.95 |
| Others current financial assets | 22.06 | 145.72 |
| | **877.18** | **1,218.49** |
| **Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)** | | |
| Trade receivables (current receivables) (Gross) | 1,906.87 | 5,237.79 |
| Other receivables (Gross) | 8.19 | 9.76 |
| | **1,915.06** | **5,247.55** |

**(i) Impairment allowance for Trade Receivables**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss allowance is based on the ageing of the days of the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of reporting period as follows:

**The ageing analysis of trade receivables has been considered from the date the invoice falls due**

(Amount in ₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Within credit period | 1,663.27 | 4,416.30 |
| Less than 1 year | 188.81 | 715.03 |
| 1 to 2 years | 2.97 | 43.97 |
| 2 to 3 years | - | 6.82 |
| Over 3 years | 51.81 | 55.68 |
| **Total Trade Receivables** | **1,906.87** | **5,237.79** |

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| **Expected Credit Loss** | | |
| Within credit period | - | - |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | 100% | 100% |
| **Provision for receivables** | | |
| Within credit period | - | - |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | 51.81 | 55.68 |
| | **51.81** | **55.68** |

**The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **As the beginning of year** | 55.68 | 51.81 |
| Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | (3.86) | 3.86 |
| **As the end of year** | 51.81 | 55.68 |

The concentration of credit risk is limited due to the face that the customer base is large and unrelated.

**(ii) Impairment allowance for Other Receivables**

The Company has used a practical expedient by computing the expected credit loss allowance for other receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss allowance is based on the ageing of the days of the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of reporting period as follows:

**The ageing analysis of other receivables has been considered from the due date of contractual commitment**

(Amount in ₹ lakhs)

| **Particulars** | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Less than 1 year | 8.19 | 9.76 |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | - | - |
| **Total other Receivables** | 8.19 | 9.76 |
| **Expected Credit Loss** | | |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | 100% | 100% |

| | Year ended March 31,2019 | Year ended March 31, 2018 |
|---|---|---|
| | | (Amount in ₹ lakhs) |
| **Provision for impairment allowance** | | |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | - | - |
| | - | - |

**The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| | | (Amount in ₹ lakhs) |
| As the beginning of year | - | 3.79 |
| Movement in the expected credit loss allowance on other receivables calculated | - | |
| at lifetime expected credit losses | - | (3.79) |
| As the end of year | - | - |

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to below.

**Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| **As at March 31, 2019** | **Less than 1 year** | **1 to 5 years** | **Total** |
|---|---|---|---|
| Borrowings | 1,077.73 | - | 1,077.73 |
| Trade payables | 1,021.10 | - | 1,021.10 |
| Other current financial liabilities | 155.30 | - | 155.30 |
| **As at March 31, 2018** | **Less than 1 year** | **1 to 5 years** | **Total** |
| Borrowings | 5,781.01 | - | 5,781.01 |
| Trade payables | 730.47 | - | 730.47 |
| Other current financial liabilities | 389.71 | - | 389.71 |

**(d) Interest Rate Risk**

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

**(e) Equity Price Risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 1398.07 lakhs as on March 31, 2019 (Rs.1,398.07 lakhs as on March 31, 2018).

## 10 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018. The company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The calculation of the capital for the purpose of capital management is as below:

(Amount in ₹ lakhs)

| **Particulars** | **As at March 31, 2019** | **As at March 31, 2018** |
|---|---|---|
| Equity Share Capital | 856.48 | 856.48 |
| Other Equity | 2,480.15 | 2,308.17 |
| **Total Capital** | **3,336.63** | **3,164.65** |

| | **Year ended March 31, 2019** | **Year ended March 31, 2018** |
|---|---|---|
| Loans and Borrowings (refer note 16.1) | 1,077.73 | 5,781.01 |
| Cash and cash equivalents (refer note 10.3) | (441.04) | (127.03) |
| **Net Debt** | **636.69** | **5,653.98** |
| Equity / net worth | 3,336.63 | 3,164.65 |
| **Total Capital** | **3,336.63** | **3,164.65** |
| **Capital and Net Debt** | **3,973.32** | **8,818.62** |
| **Gearing Ratio (Net Debt / Capital and Net Debt)** | **16.02%** | **64.11%** |

**Note:** No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

## 11 Impairment of Goodwill

Goodwill is subject to annual impairment testing at the end of the year. Impairment tests were performed for the year ended March 31, 2019 and March 31, 2018.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to economic area of operation of segments

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets and projections approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the agro business in which the CGU operates.

**Key assumptions used in value in use calculation**

The key assumptions used for each of the above CGU's value-in-use calculations are terminal growth rate of 1% on 31st March 2019 (March 31, 2018: 1%) and discount rate of 7.5% on 31st March 2019 (March 31, 2018: 7.5%)

Management determined budgets gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the business. The calculations performed indicate that there is no impairment of goodwill.

**Sensitivity to changes in assumptions**

With regard to the assessment of impairment in value of goodwill, management believes that a reasonable possible change in any of the above key assumptions would not cause any material change in the carrying value of goodwill.

**Additional Explanatory Information forming part of the financial statement for the year ended March 31, 2019**

**12 Earnings per share**

**(Amount in ₹ lakhs)**

| | | | **Year ended March 31, 2019** | **Year ended March 31, 2018** |
|---|---|---|---|---|
| a) | **Basic Earnings per share** | | | |
| | Numerator for earnings per share | | | |
| | Profit/ (loss) after taxation | (Rs.) | 163.93 | (26.96) |
| | Denominator for earnings per share | | | |
| | Weighted number of equity shares outstanding during the year | (Nos.) | 85,64,750 | 85,64,750 |
| | Earnings per share-Basic (one equity share of Rs.10/- each) | (Rs.) | 1.91 | (0.31) |
| b) | **Diluted Earnings per share** | | | |
| | Numerator for earnings per share | | | |
| | Profit/ (loss) after taxation | (Rs.) | 163.93 | (26.96) |
| | Denominator for earnings per share | | | |
| | Weighted number of equity shares outstanding during the year | (Nos.) | 85,64,750 | 85,64,750 |
| | Earnings per share- Diluted (one equity share of Rs.10/- each) | (Rs.) | 1.91 | (0.31) |

**Note:**

(i) There are no instruments issued by the Company which have effect of dilution of basic earning per share.

(ii) Ordinary shares issued as part of consideration transferred in a business combination are included in the weighted average number of shares from the acquisition date.(para 22 of Ind AS 33). Therefore, 85,64,750 ordinary shares have been considered from appointed date i.e. 31st March, 2016.

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31, 2018 |
|---|---|---|---|
| 13 | **Dividend Received** | | |
| | Dividend received on equity shares held as non trade, non current investments | - | - |
| | Dividend received on equity shares held as trade, current investments | 0.04 | 0.03 |
| | | **0.04** | **0.03** |

**14 Disclosure required under Section 186 (4) of the Companies Act, 2013.**

**(i) Particulars of Investments made:**

| Sl. No | Name of the Investee | Year ended March 31, 2019 Investment made | Year ended March 31, 2019 Outstanding Balance | Year ended March 31, 2018 Investment made | Year ended March 31, 2018 Outstanding Balance |
|---|---|---|---|---|---|
| 1 | B.G.K. Infrastructure Developers Private Limited | Nil | 988.57 | Nil | 988.57 |
| 2 | Fratelli Wines Private Limited* | Nil | 409.50 | Nil | 409.50 |

**(ii) Particulars of Loan given:**

| Sl. No | Name of the Entity | Year ended March 31, 2019 Loan Given | Year ended March 31, 2019 Outstanding Balance (including interest) | Year ended March 31, 2018 Loan Given | Year ended March 31, 2018 Outstanding Balance (including interest) |
|---|---|---|---|---|---|
| 1 | Kriti Estates Private Limited | 255.00 | 95.31 | 1,046.00 | 330.02 |
| 2 | Bee Gee Ess Farms & Properties Private Limited | - | - | 40.00 | - |
| 3 | Prasidh Estates Private Limited | - | - | 160.00 | 100.00 |

The above loans have been proposed to be utilized for General Corporate Purpose by the recipient of the loan.

**15** Figures relating to previous year has been regrouped/ reclassified wherever necessary to make them comparable with current year figures.

**16** The figures have been rounded off to nearest rupees in lakhs with upto two decimals.

**17** Note No. 1 to 29 form integral part of the balance sheet and statement of profit and loss.

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# INDEPENDENT AUDITOR'S REPORT

To
The Members of
**TINNA TRADE LIMITED**
Tinna House,
No. 6, Sultanpur (Mandi Road)
Mehrauli, Delhi-110030

**Report on the Consolidated Ind AS Financial Statements**

**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **TINNA TRADE LIMITED** (herein referred to as "the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary are together referred to as "the group"), which comprises the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at March 31, 2019, the consolidated profit and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note No. 31(2) (ii) of the accompanying Consolidated Ind AS Financial statements, whereby the Holding Company has recognized goodwill on demerger aggregating to Rs. 642.20 lakhs in accordance with the composite scheme of arrangement approved by the National Company Tribunal. The same has been amortized over a period of five years in accordance with the accounting method and accounting treatment prevailing as on the appointed date i.e. 31st March 2016.This treatment is different from prescribed under Indian Accounting Standard (IND AS) 103-Business Combinations in case of common control business combinations as is more fully described in the aforesaid note. Our opinion is not qualified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

| Key Audit Matters | Auditor's Response |
|---|---|
| **Adoption of Ind AS 115 – Revenue from Contracts with Customers.** | |
| As described in Note 2.05 to the Consolidated financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), the new standard on revenue recognition. The application and transition to this accounting standard is complex and is an audit focus area. | Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the new standard on revenue recognition, include the following – |

| Key Audit Matters | Auditor's Response |
|---|---|
| The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations, and the appropriateness of the revenue recognition methodology. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.<br><br>The Group adopted the cumulative effect method to transition to Ind AS 115, consequently comparative financial information was not restated. | • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard<br>• Evaluated the detailed analysis performed by management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology<br>• Evaluated the appropriateness of the adjustments recorded by management as at 1 April 2018 to transition to the new revenue standard, using the cumulative effect method; and<br>• Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. |
| **Evaluation of tax positions**<br>The Group operates in India and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct tax, transfer pricing and Indirect tax matters.<br><br>These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial statements.<br><br>Refer Note 30(A) (b) to the Consolidated Ind AS financial statements. | Our audit procedures include the following substantive procedures:<br>• Obtained an understanding of key tax litigations and potential tax exposures<br>• We along with our internal tax experts -<br>▪ read and analyzed select key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;<br>▪ discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and<br>▪ evaluated the status of the recent and current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management's estimate of the possible outcome of key tax litigations and potential tax exposures. |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report. Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charges with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibility for the Audit of consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in **(i)** planning the scope of our audit work and in evaluating the results of our work; and **(ii)** to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, and on the basis of written representation received from the Directors of Subsidiary Company as on March 31, 2019 and taken on report by the Board of Directors of Subsidiary Company, none of the Directors of the Holding Company and its Subsidiary Company are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the group with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. No managerial remuneration has been paid/provided by the subsidiary company;

   (h) 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 consolidated Ind AS financial statement has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

      (ii) Provision has been made in the consolidated Ind AS financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      (iii) There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Group.

**For V.R. Bansal & Associates**
**Chartered Accountants Firm**
**Registration No. 016534N**

**Rajan Bansal**
**Partner**
**Membership No. 093591**

**Place: Delhi**
**Dated: 30th May, 2019**

## ANNEXURE-A TO THE AUDITOR'S REPORT

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

To the Members of TINNA TRADE LIMITED

We have audited the internal financial controls over financial reporting of TINNA TRADE LIMITED ("hereinafter referred to as the Holding Company") as of 31st March, 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the group for the year ended on that date. The requirements of Internal financial Controls are not applicable to Subsidiary Company, since the Subsidiary company is a private company and is exempted from reporting vide clause 9A of notification dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal Annexure to the independent auditor's report of even date on the consolidated financial statements of Tinna Trade limited financial controls over financial reporting with reference to these consolidated financial statements.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V.R. Bansal & Associates**
**Chartered Accountants**
**Firm Registration No. 016534N**

**Rajan Bansal**
**Partner**
**Membership No.093591**

**Place: Delhi**
**Dated: 30th May, 2019**

# Consolidated Balance Sheet As At March 31, 2019

**(Amount in ₹ lakhs)**

| | Notes | As at March 31,2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **3** | 2,448.65 | 2,597.45 |
| Capital Work in Progress | **3** | 83.78 | 83.78 |
| Goodwill | **4** | 347.68 | 476.13 |
| Other intangible assets | **5** | 13.49 | 16.70 |
| Financial assets | | | |
| (i) Investments | **6.1** | 409.50 | 409.50 |
| (ii) Trade receivables | **6.2** | 76.93 | 137.72 |
| (iii) Other financial assets | **6.3** | 322.28 | 339.39 |
| Deferred tax assets (Net) | **7** | 65.64 | 61.13 |
| Other non-current assets | **8** | 15.74 | 21.08 |
| | | **3,783.70** | **4,142.88** |
| **Current assets** | | | |
| Inventories | **9** | 809.54 | 1,148.77 |
| Financial assets | | | |
| (i) Investments | **10.1** | 3.97 | 5.52 |
| (ii) Trade receivables | **10.2** | 1,923.29 | 5,283.67 |
| (iii) Cash and cash equivalents | **10.3** | 447.94 | 142.68 |
| (iv) Other bank balances | **10.4** | 372.92 | 550.07 |
| (v) Loans and advances | **10.5** | 95.31 | 430.02 |
| (vi) Other financial assets | **10.6** | 31.01 | 169.57 |
| Current tax assets (Net) | **11** | 24.26 | 66.68 |
| Other current assets | **12** | 434.02 | 637.92 |
| | | **4,142.24** | **8,434.90** |
| **Total Assets** | | **7,925.94** | **12,577.78** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | **13** | 856.48 | 856.48 |
| Other equity | **14** | 2,268.68 | 2,086.29 |
| **Equity attributable to equity holders of the parent company** | | 3,125.16 | 2,942.77 |
| Non- controlling Interests | | 647.58 | 637.79 |
| | | **3,772.74** | **3,580.56** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | **15.1** | 988.44 | 1,155.42 |
| (ii) Other financial liabilities | **15.2** | - | 13.34 |
| Provisions | **16** | 64.50 | 82.93 |
| Other Non-Current Liabilities | **17** | 251.61 | 268.87 |
| | | **1,304.55** | **1,520.56** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | **18.1** | 1,270.11 | 5,951.40 |
| (ii) Trade payables | **18.2** | | |
| (A) Total outstanding dues of micro enterprises and small enterprises | | 0.60 | - |
| (B) Total outstanding dues of creditors other than micro enterprises small enterprises | | 1,074.79 | 827.97 |
| (iii) Other financial liabilities | **18.3** | 372.67 | 547.61 |
| Other current liabilities | **19** | 81.79 | 118.59 |
| Provisions | **20** | 3.27 | 31.08 |
| Current tax liabilities (Net) | **21** | 45.43 | - |
| | | **2,848.65** | **7,476.66** |
| **Total Equity and Liabilities** | | **7,925.94** | **12,577.78** |
| Summary of significant accounting policies | **2** | | |
| Contingent liabilities, commitments and litigations | **30** | | |
| Other notes on accounts | **31** | | |

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# Consolidated Statement Of Profit And Loss For The Year Ended March 31, 2019

(Amount in ₹ lakhs)

| | | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue from operations | **22** | 48,759.36 | 46,407.37 |
| | Other income | **23** | 233.87 | 596.09 |
| | **Total Income** | | **48,993.23** | **47,003.47** |
| II | **EXPENSES** | | | |
| | Purchase of traded goods | **24** | 43,334.49 | 37,043.91 |
| | Change in inventories of traded goods | **25** | 317.15 | 3,738.29 |
| | Employee benefits expense | **26** | 555.35 | 535.44 |
| | Finance costs | **27** | 659.54 | 976.25 |
| | Depreciation and amortization expenses | **28** | 287.94 | 305.74 |
| | Other expenses | **29** | 3,613.27 | 4,446.94 |
| | **Total Expenses** | | **48,767.73** | **47,046.57** |
| III | **Profit /(loss) before exceptional items and tax** | | **225.49** | **(43.10)** |
| | Add : Exceptional items | | - | - |
| IV | **Profit /(loss) before tax** | | **225.49** | **(43.10)** |
| V | **Tax expenses** | **7** | | |
| | Current tax | | 50.60 | 8.10 |
| | Adjustment of tax relating to earlier years | | 0.03 | - |
| | Deferred tax | | (8.55) | (15.22) |
| | **Income tax expense** | | **42.08** | **(7.12)** |
| VI | **Profit/ (loss) for the year** | | **183.42** | **(35.98)** |
| VII | **Other comprehensive income** | | | |
| | Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | | |
| | i) Re-measurement gains /(losses) on defined benefit plans | | 12.80 | 0.43 |
| | ii) Re-mesurement gains on investments FVTOCI | | - | 71.98 |
| | iii) Income tax effect [(expense)/income] | | (4.04) | 0.37 |
| | **Other comprehensive income/ (loss) for the year, net of tax** | | **8.76** | **72.78** |
| VIII | **Total comprehensive income/ (loss) for the year, net of tax** | | **192.18** | **36.80** |
| | **Profit for the year attributable to** | | | |
| | Equity Shareholders of parent company | | 173.97 | (31.61) |
| | Non controlling Interest | | 9.45 | (4.37) |
| | | | **183.42** | **(35.98)** |
| | **Other Comprehensive income for the year attributable to** | | | |
| | Equity Shareholders of parent company | | 8.42 | 71.99 |
| | Non controlling Interest | | 0.34 | 0.78 |
| | | | **8.76** | **72.78** |
| | **Total Comprehensive income for the year attributable to** | | | |
| | Equity Shareholders of parent company | | 182.39 | 40.38 |
| | Non controlling Interest | | 9.79 | (3.59) |
| | | | **192.18** | **36.79** |

(Amount in ₹ lakhs)

| | | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| **IX** | **Earnings per equity share attributable to equity holder of parent (nominal value of share Rs.10/-)** | **31(13)** | | |
| | Basic (Rs.) | | 2.03 | (0.37) |
| | Diluted (Rs.) | | 2.03 | (0.37) |

| | |
|---|---|
| Summary of significant accounting policies | **2** |
| Contingent liabilities, commitments and litigations | **30** |
| Other notes on accounts | **31** |

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**For and on behalf of Board of Directors**

**Rajan Bansal**
Partner
Membership No. 093591

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

Place: New Delhi
Date: 30th May 2019

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# Consolidated Cash Flow Statement For The Year Ended March 31, 2019

(Amount in ₹ lakhs)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **A.** | **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| | Profit/ (loss) before Income tax | 225.49 | (43.10) |
| | Adjustments to reconcile profit before tax to net cash flows | | |
| | Depreciation and amortisation expense | 287.94 | 305.74 |
| | Profit/Loss on disposal of Property, plant and equipment | (0.54) | 0.63 |
| | Interest income | (83.16) | (145.02) |
| | Dividend Income | (0.04) | (0.03) |
| | Diminution in value of Investments | 0.84 | 0.41 |
| | Interest on Income Tax and TDS | 2.99 | 0.01 |
| | Interest and Financial Charges | 615.85 | 962.16 |
| | Profit on sale of Investments | - | (0.58) |
| | Unrealised gain on cash & cash equivalents | | (0.01) |
| | Excess provisions no longer required written back | (64.65) | (3.79) |
| | **Operating Profit before working capital changes** | **984.71** | **1,076.44** |
| | Movement in working capital | | |
| | (Increase)/ Decrease in other non-current financial assets | 15.06 | (149.54) |
| | (Increase)/ Decrease in other non current assets | 5.34 | 1.93 |
| | (Increase)/ Decrease in inventories | 339.23 | 3,750.36 |
| | (Increase)/ Decrease in trade receivables | 3,505.54 | (4,282.02) |
| | (Increase)/ Decrease in other current financial assets | 138.57 | (122.00) |
| | (Increase)/ Decrease in other current assets | 270.24 | (340.24) |
| | Increase/ (Decrease) in other non current financial liabilities | - | 0.88 |
| | Increase/ (Decrease) in long-term provisions | (5.64) | (16.96) |
| | Increase/ (Decrease) in trade payables | 290.62 | 381.69 |
| | Increase/ (Decrease) in other current financial liabiliites | (247.71) | 109.59 |
| | Increase/ (Decrease) in non current liabiliites | (17.26) | 125.91 |
| | Increase/ (Decrease) in other current liabiliites | (80.01) | (156.19) |
| | Increase/ (Decrease) in short-term provisions | (20.56) | (18.99) |
| | **Cash generated from operations** | **5,178.13** | **360.86** |
| | Income tax paid (net of refunds) | (32.62) | (413.03) |
| | **Net Cash flow from Operating Activities (A)** | **5,145.61** | **(52.17)** |
| **B.** | **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment | (4.22) | (10.45) |
| | Purchase of other intangible assets | (4.68) | (7.56) |
| | Proceeds from sale of property, plant and equipment | 1.95 | - |
| | Purchase of non-current investment | - | (0.02) |
| | Purchase of current investments (Net) | 0.71 | (3.17) |
| | Proceeds from fixed deposits with banks (Net) | 262.88 | 1,024.57 |
| | Loans and advances given (Net) | 334.71 | (282.15) |
| | Dividend Income | 0.04 | 0.03 |
| | **Net Cash flow from/(used) in Investing Activities (B)** | **591.75** | **721.25** |
| **C.** | **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| | Proceeds of long term borrowings (net of interest expense) | (134.53) | (117.12) |
| | Proceeds of short term borrowings (net of interest expense) | (5,179.01) | (290.75) |
| | Finance Cost | (118.57) | (138.16) |
| | **Net Cash Flow from/(used) in Financing Activities (C)** | **(5,432.11)** | **(546.03)** |

| | | |
|---|---|---|
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | **305.27** | **123.05** |
| Cash and cash equivalents at the beginning of the year | 142.68 | 19.62 |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | - | 0.01 |
| **Cash and Cash Equivalents at the end of the year** | **447.95** | **142.68** |

**Notes :**

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :-

**(Amount in ₹ lakhs)**

| | **As at March 31, 2019** | **As at March 31, 2018** |
|---|---|---|
| **Cash and cash equivalents** | | |
| Balances with banks: | | |
| Current accounts | 446.95 | 136.11 |
| EEFC account | - | 5.46 |
| Cash on hand | 0.99 | 1.10 |
| | **447.95** | **142.68** |

**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# Consolidated Statement Of Changes In Equity For The Year Ended March 31, 2019

## A) Equity Share Capital

| Particulars | Nos. | (Amount in ₹ lakhs) |
|---|---|---|
| **As at April 1, 2017** | **50,00,000** | **500.00** |
| Add: Equity shares issued during the year | 85,64,750 | 856.48 |
| Less: Equity shares cancelled during the year | (50,00,000) | (500.00) |
| **As at March 31, 2018** | **85,64,750** | **856.48** |
| Add: Change in equity share capital during the year | - | |
| **As at March 31, 2019** | **85,64,750** | **856.48** |

## B) Other Equity

**(Amount in ₹ lakhs)**

| Particulars | Reserves and surplus | | Transaction with owner equity | Equity shares pending Allotment pursuant to the Scheme of Arrangement | Equity shares to be cancelled pursuant to the Scheme of Arrangement | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|
| | Securities Premium Reserve | Retained Earnings | | | | | |
| **As at March 31, 2017** | **3.39** | **1,654.18** | **(39.90)** | 1,284.71 | (500.00) | **641.38** | **3,043.76** |
| Profit/ (Loss) for the year | | (31.61) | | | | (4.37) | **(35.98)** |
| **Other comprehensive income for the year** | | | | | | | |
| Re-measurement gains on defined benefit plans (net of tax) | | 0.01 | | | | 0.78 | **0.79** |
| Re-mesurement gains on Investments [FVTOCI] | | 71.98 | | | | | **71.98** |
| Cancellation of old equity shares (refer note no. 31(2) | | | | | | | **500.00** |
| Issue of new equity shares (refer note no. 31(2) | 428.24 | | | (1,284.71) | 500.00 | | **(856.48)** |
| **As at March 31, 2018** | **431.63** | **1,694.56** | **(39.90)** | - | - | **637.79** | **2,724.08** |
| Profit/ (Loss) for the year | - | 173.97 | - | - | - | 9.45 | **183.42** |
| **Other comprehensive income for the year** | | | | | | | |
| Re-measurement gains on defined benefit plans (net of tax) | - | 8.42 | - | - | | | |
| Re-mesurement gains on Investments [FVTOCI] | - | - | - | - | - | 0.34 | **8.76** |
| | | | | | - | - | **-** |
| **As at March 31, 2019** | **431.63** | **1,876.95** | **(39.90)** | - | - | **647.58** | **2,916.26** |

| | |
|---|---|
| Summary of significant accounting policies | **2** |
| Contingent liabilities, commitments and litigations | **30** |
| Other notes on accounts | **31** |

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

## 1 CORPORATE INFORMATION

Tinna Trade Limited ("the Company") was incorporated on 05th January, 2009 as Maple Newgen Trade Private Limited. In July, 2009, M/s. Viterra Inc of Canada acquired a 60% stake and the group was renamed as Tinna Viterra Trade Private Limited. Subsequently in 2013 Viterra Inc was acquired by M/s. Glencore PLC., this led to Viterra Inc exiting the Joint Venture and their 60% shareholding was acquired by Tinna Rubber and Infrastructure Limited in May, 2013. The name of the Company was changed from Tinna Viterra Private Limited to Tinna Trade Private Limited. A fresh certificate of incorporation consequent to change in name of the Company from Tinna Viterra Trade Private Limited to Tinna Trade Private Limited was issued by the Registrar of the Companies, N.C.T. of Delhi and Haryana on 06th June, 2013. On 08th December, 2015 the group has converted into a Public Limited group. The Company is primarily engaged in the trading of Agro commodities i.e. wheat, yellow peas, chana, kaspa peas, lentils,oil seeds and oilmeals etc. The Company is listed on the Bombay Stock Exchange(BSE) and Calcutta Stock Exchange(CSE).

The particulars of subsidiary companies, which are included in consolidation and the parent company's holding therein:-

| Name | Country of Incorporation | Percentage of holding as at 31 March, 2019 | Percentage of holding a s at 31 March, 2018 |
|---|---|---|---|
| BGK Infrastructure Developers Private Limited | India | 51.53% | 51.53% |

## 2 SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting polices adopted in the preparation of the consolidated financial statement. These polices have been consistently applied to all the years presented unless otherswise stated.

### 2.01 Statement of Compliance

The Consolidated Financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods including the year ended 31 March 2017, the Company prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The consolidated financial statements were authorised for issue by the Company's Board of Directors on 30th May 2019.

### 2.02 Basis of Consolidation

The Consolidated financial statements comprises the financial statements of Tinna Trade Limited, and its subsidiary namely M/s B.G.K Infrastructure Developers Private Limited as at March 31, 2019 referred to the "Group". Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if and only if the group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(ii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The group's voting rights and potential voting rights

(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. In case of the subsidiary, M/s B.G.K Infarstructure Developers Private Limited, the financial statements are drawn and audited upto 31st March 2019.

**2.03 Consolidation Procedures :**

**(A) Subsidaries:**

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) "Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

i) Derecognises the assets (including goodwill) and liabilities of the subsidiary

ii) Derecognises the carrying amount of any noncontrolling Interests

iii) Derecognises the cumulative translation differences recorded in equity

iv) Recognises the fair value of the consideration received

v) Recognises the fair value of any investment retained

vi) Recognises any surplus or deficit in profit or loss

vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

**(B) Business combination and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. In respect to the business combination for acquisition of subsidiary, the group has opted to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter:

(i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

(ii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

(iii) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale" and Discontinued Operations are measured in accordance with that standard.

(iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

**(C) Change in ownership interest**

The group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

**(D) Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting periodin which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill duringthe measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**2.04 Basis of Preparation**

The Consolidated Financial Statements have been prepared on accrual basis and under historical cost basis, except for following assets and liabilities which have been measured at fair value.

i) Certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments).

ii) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs (INR 00,000), except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
**Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
**Level 3** inputs are unobservable inputs for the asset or liability.

**2.05 Changes in accounting policies and disclosures**

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

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the group with effect from 1st April 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind As 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principal of Ind As 115 is that an entity should recognise revenue to depict the transfer of promised goods of services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

(i) Step 1: Identity the contract(s) with a customer

(ii) Step 2: Identity the performance obligation in contract

(iii) Step 3: Determine the transaction price

(iv) Step 4: Allocate the transaction price to the performance obligations in the contract

(v) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The group has evaluated Ind AS 115 and does not anticipate any significant impact.

**Ammendment to Ind As 20 Government grant related to non-monetary assets**

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deffered income or by deducting the grant in arriving at the carrying amount of the assets. Prior to the amendment, Ind as 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. These amendments do not have any impact on the consolidated financial statement as the group continues to present grant relating to asset by setting up the grant as deffered income.

**Appendix B to Ind AS 21 Foreign Currency Transaction and Advance Consideration**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of a non-monetary assets or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognise the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payment or receipt of advance then the entity must determine the date of the transaction for each payment or receipt of advance consideration. This Interpretation does not have any impact on the groups consolidated financial statement.

**Amendment to Ind As 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendment clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendment retrospectively. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earning (or in another component of equity, as appropriate), without allocating the change between opening retained earning and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the group as the group has no deductible temporary differences or assets that are in the scope of the amendment.

**2.06 Current versus non-current classification**

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(a) Expected to be realized or intended to be sold or consumed in normal operating cycle

(b) Held primarily for purpose of trading

(c) Expected to be realized within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(a) It is expected to be settled in normal operating cycle

(b) It is held primarily for purpose of trading

(c) It is due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

**2.07 Property, plant and equipment**

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of Cenvat , VAT and GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is recognised so as to write-off the cost or valuation of assets (other than properties under construction) less their residual values over their useful lives, using the Written Down Value Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of subsidiary company depreciation is provided using straight line method.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

When significant parts of plant and equipment are to be replaced at intervals, the group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equiptment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incured.

The estimated useful life considered for the assets are as under:

| **Assets** | **Useful life (in years)** |
|---|---|
| Leasehold Land | 95 |
| Buildings | 30-60 |
| Roads | 5 |
| Plant and Machinery | 15 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 to10 |
| Office Equipment | 5 |
| Computers | 3 |
| Elctrical Installations | 10 |
| Fire Fighting System | 15 |

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

Components relevant to fixed assets, where significant, are separately depreciated on strainght line basis in terms of their life span assessed by technical evaluation in item specified context.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

**2.08 (i) Goodwill**

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in IND AS-103 dealing with "Business Combination". Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is subject to annual test of impairment under IND AS - 36. Any shortfall in consideration money vis-a-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

**(ii) Intangible assets**

Intangible assets including software license of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 recognized in the statement of profit and loss when the asset is derecognised.

Intangible assets are amortised on a straight line basis over the estimated useful economic life which generally does not exceed 5 years.

A summary of amortisation policies applied to the group's acquired intangible assets is as below:

| Type of assets | Basis |
|---|---|
| SAP and other software | Straight line basis over a period of four to five years. |
| Goodwill | Straight line basis over a period of five years. |

**2.09 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I Financial Assets**

The group classifies its financial assets in the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit & loss)

(b) Those measured at amortised cost.

**Initial recognition and measurement**

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

**Subsequent measurement**

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

(a) Debt instruments at amortized cost

(b) Debt instruments at fair value through other comprehensive income (FVTOCI)

(c ) Debt instruments and equit instruments at fair value through profit and loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(e) Equity instruments measured at fair value through profit and loss (FVTPL)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

**Debt instruments at amortized cost**

A Debt instrument is measured at amortized cost if both the following conditions are met:

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

(ii) Cashflow Characterstics Test: Contractual terms of asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (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 EIR. The EIR amortization is included in finance income in statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade, other receivables, loans and other financial assets.

**Debt instruments at fair value through OCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets, and

(ii) Cashflow Characterstics Test: The asset's contarctual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On dereognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instruments 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.

In adition, the group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

**Equity investments of other entities**

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 group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instruments classified as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

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

**Derecognition**

A financial asset (or ,where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognised when:

(a) The right to receive cash flows from the assets have expired, or

(b) The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

    (i) the group has transferred substantially all the risks and rewards of the asset, or

(ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. Where it has nither transferred not retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the group continues to recognise the transferred assets to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

**Impairment of financial assets**

In accordance with IND AS 109, the group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, advances, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

d) Financial guarantee contracts which are not measured at FVTPL

The group follows "simplified approach" for recognition of impairment loss allowance on:

(a) Trade receivables or contract revenue receivables;

(b) All lease receivables resulting from the transactions within the scope of IND AS 17

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the group uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

b) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**II Financial liabilities:**

**Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through statement of profit or loss, loans and borrowings, and payables, as appropriate.

All financial liabilities are recognised intially at fair value and in case of loans, borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Trade Payables**

These amounts represents liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

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 amortization is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

**Derecognition**

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 recognized in the Statement of Profit and Loss.

**Reclassification of financial assets:**

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for :

| Original classification | Revised classification | Accounting treatment |
|---|---|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss. |
| FVTPL | Amortised cost | Fair value at reclassification date become its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |

| | | |
|---|---|---|
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date. |

**Offsetting of financial instruments:**

Financials 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**2.10 Derivative Financial Instruments**

The group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally a bank.

**i) Financial assets or financial liabilities, at fair value through profit or loss.**

This category has derivative financial assets or liabilities which are not designated as hedges from an economic perspective, they may not qualify for hedge accounting under IND AS 109, Financial Instruments. Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per IND AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivates are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

**ii) Cash Flow Hedge**

The group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumlated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging intrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve untill the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit or Loss upon the occurence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur , then the amount accumlated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

**2.11 Inventories**

i) Inventories are valued at cost or net realisable value whichever is lower. The goods are valued on specific identification method in respect of purchase of imported stock in trade and FIFO basis in respect of purchase of domestic stock in trade. Cost of goods includes labour cost but excludes borrowing cost.

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

iii) Packing materials are valued at cost.

**2.12 Business Combinations**

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

a. The assets and liabilities of the combining entities are reflected at their carrying amounts.

b. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c. The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

d. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

**2.13 Past Business Combinations**

The group has elected not to apply IND AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1st, 2016. Consequently,

a) The group has kept the same classification for the past business combinations as in its previous GAAP financial statements;

b) The group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would not qualify for recognition in accordance with IND AS in the separate balance sheet of the acquiree;

c) The group has excluded form its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under IND AS;

d) The group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;

e) The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint opertaion constitutes a business, as defined in IND AS 103.

**2.14 Provisions and Contingent Liabilities**

**Forward Contracts**

Premium/Discount arising at the inception of forward exchange contracts which are not intended for trading or speculation purposes are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

**Provisions**

A provision is recognized when the group has a present obligation (legal or constructive) as a result of 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of time value of money is material, provisions are discounted using a current pre - tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is use, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and commitments are reviewed at each balance sheet date.

**2.15 Taxes**

Tax expense for the year comprises of direct tax and indirect tax.

**Direct Taxes**

**a) Current Tax**

i) Current income tax, assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India as per Income Computation and Disclosure Standards (ICDS) where the group operates and generates taxable income.

ii) Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in statement of profit and loss or directly 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.

**b) Deferred Tax**

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

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Indirect Taxes**

Goods and Sevice Tax has been accounted for in respect of the goods cleared. The group is providing Goods and Sevice tax liability in respect of finished goods. GST has been also accounted for in respect of services rendered.(w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax).

## 2.16 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Goods and service tax and net of returns, trade discounts, rebates and amount collected on behalf of third parties. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax).

The group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognized:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

**(a) Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. On adoption of Ind AS 115 Group does not expect the impact to have any material impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, which is generally on delivery of the goods.

Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

**i) Variable Consideration:**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

**ii) Contract Assets:**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**(b) Sale of services**

Revenue Revenue from Clearing and Forwarding services are recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured and there exists no significant uncertainty with regard to collection of the same. The group collects goods and service tax (GST) on behalf of the Government and, therefore, these are not economic benefits flowing to the group and hence are excluded from revenue.

**(c) Commission income**

Revenue in respect of commission received on direct sales to the customers is recognised in terms of underlying agreements on confirmation by the parties on fulfilment of the terms of the agreements with their customers.

**(d) Warehouse Income**

Warehouse income is recognised to the extent due under the terms of lease or agreements / arrangements entered with the concerned parties and there exists no significant uncertainty with regard to collection of the same.

**(e) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**(f) Dividend from investment in Shares**

Dividend Income is recognized when the right to receive the payment is established which is generally when shareholders approve the dividend.

**(g) Claims**

Claims are recognised when there exists reasonable certainity with regard to the amounts to be realised and the ultimate collection thereof.

**(h) Export Incentives**

Export Incentives such as Focus Market Scheme, Focus Product Scheme and Special Focus Market Scheme are recognised in the Statement of Profit and Loss as a part of other operating revenues.

**(i) Cargo handling Operations**

Income from cargo handling operations is recognised on completion of the contracted activity.

**(j) Commodities Future Contarcts**

Profit/ Loss on contracts for future settled during the year are recognised in the statement of profit and loss. Future contracts outstandingat year-end are marked to market at fair value. Any losses arsing on that account are recognised in the statement of profit and loss for the year.

**2.17 Retirement and other Employee benefits**

**Short term employee benefits and defined contribution plans:**

All employee benefits payable/ available within twelve months of rendering the services are classified as short - term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related services.

**Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution secheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund secheme as an expenses, when an employee renders the related services. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre - payement will lead to, for example, a reduction in future payement or a cash refund.

**Gratuity**

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The group recognises termination benefit as a liability and an expense when the group has present oblligation as a result of past events, 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. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by refrence to market yields at the balance sheet date on governments bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the planned assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of :

a) The date of the plan amendment or curtailment, and

b) The date that the Comoany recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

a) Service costs comprising current service costs, past service costs, gains and losses on curtailments and

b) Net interest expenses or income

**Compensated Absences**

Accumlated leave, which is expected to be utilised within next 12 months, is treated as short term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumlated at the reporting date.

The group treats accumlated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term comopensated absences are provided for based on the acturial valuation using the projected unit credit method at the period end. Re-measurement, comprising of actuarial gains and losses, are immediately taken to the Statement of Profit and Loss and are not deffered. The group presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**2.18 Borrowing Costs**

Borrowing costs, if any, 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 capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

**2.19 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the group after adjusting impact of dilution shares 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.

**2.20 Impairment of non- financial Assets**

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicaly traded companies or other available fair value indicators.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**2.21 Segment accounting**

Based on "Management Appoarch" as defined in Ind AS 108- Operating Segments, the executive Management Committee evaluates the group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

## 2.22 Foreign currencies

The group's financial statements are presented in Indian rupee (INR) which is also the group's functional and presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchanges rates prevailing at the date of transaction.

**Measurement of foreign currency items at the balance sheet date**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non- monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

**Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of profit and loss in the period in which they arise.

**Bank Guarantee and Letter of Credit**

Bank Guarantee and Letter of Credits are recognised at the point of negotiation with Banks and coverted at the rates prevailing on the date of Negotiation. However, outstanding at the period end are recognised at the rate prevailing as on that date and total sum is considered as contingent liability.

**Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

## 2.23 Dividend Distributions

The group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is apporoved by the shareholders . A corresponding amount is recognized directly in equity.

## 2.24 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 or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements into prior to April 1, 2016, the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

**Group as a lessee**
**Finance Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with group's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**Operating leases**

Operating lease payments are recognized as an expense in the Statement of Profit or Loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

**2.25 Government Grants**

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profits or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

**2.26 Fair value measurement**

The group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell 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:

(i) In the principal market for asset or liability, or

(ii) 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 group.

The fair value of an asset or 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 group 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 minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
**Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**2.27 Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, upto date of issuance of the group's financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

**(a) Ind AS 116 Leases**

Ind AS 116 Leases was issued on 30$^{th}$ March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. IND AS 116 is effective for annual periods beginning on or after 1st April, 2019 and set out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees - leases of 'low-value assets and short term leases (12 months or less).

The Group intends to adopt standards from 1st April, 2019. As the Group does not have any material leases, therefore the adoption is not likely to have a material impact in its Financial Statements.

**(b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, **(a)** how it prepares its income tax filings and supports tax treatments; or **(b)** how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. The Group is evaluating the impact and it will acount for it when it adopt amendments in Ind AS 12 during the year ending March 31, 2020.

**(c ) Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the Consolidated financial statements of the Group.

**(d) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

**(e) Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Groups's current practice is in line with these amendments, the Group does not expect any effect on its Consolidated financial statements.

**2.28 Significant accounting judgments, estimates and assumptions**

The preparation of the group's financial statements requires management to make judgments, 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 the asset or liability affected in future periods.

**Judgments**

In the process of applying the group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

**(a) Revenue from contracts with customers**

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

**Determining method to estimate variable consideration and assessing the constraint**

In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from operation, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

**(b) Operating lease commitments — group as lessee**

The group has taken various commercial properties on leases. The group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**(c) Assessment of lease contracts**

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the group, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the group. Such changes are reflected in the assumptions when they occur.

**(a) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(b) Defined benefit plans**

The cost of defined benefit plans (i.e. Gratuity benefit) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which 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 the plans operated in India, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

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

Further details about the assumptions used, including a sensitivity analysis, are given in Note No. 29(4).

**(c) Fair value measurement of financial instrument**

When the fair value 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 valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note No. 29(11) for further disclosures.

**(d) Impairment of Financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(e) Impairment of non-Financial assets**

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**(f) Impairment of Goodwill**

Determining whether goodwill is impaired requires an estimation of value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the direction to estimate the future cash flows expected to arise from the cash-generating unit and a substable discount rate in oredr to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**(g) Expected Credit Loss**

The group has used a practical expedient by computing the expected credit loss allowances for trade receivables based on a provision matrix takes ito accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates are given in the provision matrix.

**2.29 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash & cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts as they are considered as integral part of group's cash management.

## 3 Property, plant and equipments

(Amount in ₹ lakhs)

| Particulars | Land leasehold | Land freehold | Warehouse buildings | Roads | Plant & machinery | Computers | Electric Installations | Furniture & Fixtures | Vehicles | Office Equipments | Fire fighting system | Total | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **At Cost** | | | | | | | | | | | | | |
| **At April 01, 2017** | **290.82** | **98.40** | **2095.27** | **159.93** | **113.75** | **22.12** | **33.16** | **6.85** | **193.95** | **25.57** | **94.19** | **3134.02** | **83.78** |
| Additions during the year | - | - | - | - | - | 1.48 | - | 2.27 | 4.41 | 2.37 | - | **10.52** | - |
| Disposals | - | - | - | - | - | 1.78 | - | - | - | 2.24 | - | **4.01** | - |
| **At March 31, 2018** | **290.82** | **98.40** | **2095.27** | **159.93** | **113.75** | **21.82** | **33.16** | **9.11** | **198.36** | **25.70** | **94.19** | **3140.53** | **83.78** |
| Additions | - | - | 0.52 | - | - | 1.33 | - | 0.35 | 0.40 | 1.61 | - | **4.22** | - |
| Disposals | - | - | - | - | - | - | - | - | 28.13 | - | - | **28.13** | - |
| **At March 31, 2019** | **290.82** | **98.40** | **2,095.79** | **159.93** | **113.75** | **23.16** | **33.16** | **9.46** | **170.63** | **27.32** | **94.19** | **3,116.62** | **83.78** |
| **Depreciation** | | | | | | | | | | | | | |
| **At April 01, 2017** | **21.17** | - | **156.28** | **69.54** | **17.06** | **15.95** | **7.92** | **3.39** | **58.86** | **15.44** | **13.93** | **379.54** | - |
| Charge for the year | 3.06 | | 64.83 | 30.39 | 7.20 | 3.89 | 3.15 | 1.14 | 43.09 | 4.12 | 5.97 | **166.85** | - |
| Disposals | - | | - | - | - | 1.69 | - | - | - | 1.62 | - | **3.30** | - |
| **At March 31, 2018** | **24.23** | - | **221.11** | **99.93** | **24.27** | **18.15** | **11.07** | **4.53** | **101.96** | **17.94** | **19.90** | **543.08** | - |
| Charge for the period | 3.06 | | 64.84 | 30.39 | 7.20 | 2.19 | 3.15 | 1.11 | 30.07 | 3.63 | 5.96 | **151.60** | - |
| Disposals | | | | | | | | | 26.72 | | | **26.72** | - |
| **At March 31, 2019** | **27.29** | - | **285.95** | **130.31** | **31.47** | **20.33** | **14.22** | **5.64** | **105.30** | **21.57** | **25.86** | **667.96** | - |
| **Net carrying amount** | | | | | | | | | | | | | |
| **At March 31, 2018** | **266.59** | **98.40** | **1,874.16** | **60.00** | **89.48** | **3.68** | **22.09** | **4.58** | **96.41** | **7.76** | **74.30** | **2,597.45** | **83.78** |
| **At March 31, 2019** | **263.53** | **98.40** | **1,809.84** | **29.62** | **82.28** | **2.82** | **18.94** | **3.82** | **65.33** | **5.74** | **68.33** | **2,448.65** | **83.78** |

**Notes: -**

(i) Depreciation has been provided on Written Down Value Method (WDV) on rates and manner as per schedule II of Companies Act, 2013 . In case of Subsidiary Company depreciation has been providied on Staight line method (SLM) on rates and manner as per schedule-II of the Company's Act, 2013 (refer accounting policies 2.07)

(ii) Vehicles with net carrying value of Rs.59.75 lakhs (March 31, 2018: Rs.86.89 lakhs) are yet to be registered in the name of the Company.

(iii) Freehold land in Bihar is lying unused. A sum of Rs. 20,66,512/- has been incurred towards development and restoration of land which has been debited under CWIP. The said land shall be further developed and used for the purpose of business of the Company when the business opportunity arises and as deemed fit by the management.

(iv) Impairment losses recognised in profit or loss in accordace with the Ind AS 36 are Rs.Nil (March 31, 2018: Nil)

(v) (a) The amount of expenditure recognised in the carrying amount of an item of property, plant and equipment in the course of its construction are Rs.16.26 lakhs (March 31, 2018:16.26 lakhs)

(b) The amount of contractual commitments for the acquisition of Property, plant and equipment are Rs.Nil (March 31, 2018: Nil)

(vi) In case of Subsidiary Company, Capital work in progress including building under construction with material cost (unsecured, considered good) of Rs. 67.52 lakhs (Previous year Rs. 67.52 lakhs).

(vii) In case of Subsidiary Company, Property, plant and equipment secured with bankers are as under (Refer note no. 18.1):-

a) Exclusive charge on all movable fixed assets of the Company.

b) Equitable mortgage on property situated at Plot B – 14, Additional Yavatmal Industrial Area, Distt, Yavatmal, Maharashtra.

c) Equitable mortgage on property situated at Plot No. X – 1, C.G.G.C. Akola Industrial Area, Dist Akola, Maharashtra.

d) Equitable mortgage on property situated at Plot No X - 1, Washim (G.C.) Industrial Area, Dist Washim, Maharashtra.

(Amount in ₹ lakhs)

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **4** | **GOODWILL** | | |
| | On acquisition through business combination (refer point 1)) | 256.88 | 385.33 |
| | On acquisition of Subsidiary Company (refer point 2)) | 90.80 | 90.80 |
| | | **347.68** | **476.13** |

**Impairment Charges**

(i) The goodwill is tested for impairment as at the end of each year (refer note no. 31(1)(d)).

(ii) Refer accounting policy 2.08 and note no. 31(1)(d)) for impairment and amortization of Goodwill.

**Movement of Goodwill is as follows:**

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| 1 | **Balance at the beginning of the year** | 385.33 | 513.77 |
| | Add: Addition on account of acquisition through business combination | - | - |
| | Less: Amortization during the year (refer note no. 31(2)(ii) | 128.44 | 128.44 |
| | Balance at the end of the year | **256.88** | **385.33** |
| 2 | **Balance at the beginning of the year** | 90.80 | 90.80 |
| | Less: Impairment during the year | - | - |
| | Balance at the end of the year | **90.80** | **90.80** |

**5 Other intangible assets**

| Particulars | Other intangible assets |
|---|---|
| | Software |
| **Gross Block (At cost)** | |
| **At April 01, 2017** | **24.00** |
| **Additions** | 7.56 |
| Disposals | 0.18 |
| **At March 31, 2018** | **31.37** |
| Additions | 4.68 |
| Disposals | - |
| **At March 31, 2019** | **36.05** |
| **Impairment and Amortization** | |
| **At April 01, 2017** | **4.40** |
| Charge for the year | 10.45 |
| Disposals | 0.18 |
| **At March 31, 2018** | **14.67** |
| Charge for the period | 7.88 |
| Disposals | - |
| **At March 31, 2019** | **22.56** |
| **Net carrying amount** | |
| **At March 31, 2018** | **16.70** |
| **At March 31, 2019** | **13.49** |

**Notes:** (i) Refer accounting policy 2.08 for impairment and amortization of intangible assets.

(Amount in ₹ lakhs)

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **6** | **NON-CURRENT FINANCIAL ASSETS** | | |
| **6.1** | **INVESTMENTS** | | |
| | **Investments in equity instruments (unquoted), non trade** | | |
| | **Valued at Fair Value through Other Comprehensive Income [FVTOCI]** | | |
| | Fratelli Wines Private Limited | 409.50 | 409.50 |
| | 2,25,000 (March 31, 2018: 2,25,000) equity shares of Rs. 10/- each fully paid up | | |
| | **Aggregate amount of unquoted investments (at fair value)** | **409.50** | **409.50** |
| | **Aggregate amount of unquoted investments (at cost)** | **338.34** | **338.34** |
| **6.2** | **TRADE RECEIVABLES** | | |
| | Trade Receivables considered good - Secured | | |
| | Trade Receivable considered good - Unsecured | 76.93 | 137.72 |
| | Trade receivables which have significant increase in Credit risk | | |
| | Trade receivabkes- credit impaired | 76.93 | 137.72 |
| | | 153.86 | 275.44 |
| | Less: Claim payable | 76.93 | 137.72 |
| | | **76.93** | **137.72** |

**Notes:**

(i) Long term trade receivable of Rs. 153.86 lakhs are due from Food Corporation of India Limited (F.C.I) and Project and Equipment Corporation of India Limited (P.E.C) for which suits for recovery have been filed. However, as per order of Company Law Board dated 9th June, 2009, if any amount is received, the amount to the extent of 50% will be paid to separated group. A provision of Rs.76.93 lakhs has been made as per CLB order. In respect of the claim of Rs.121.58 lakhs the Hon'ble High Court has ordered against the Company. A Special Leave Petition (SPL) have been filed before the Hon'ble Supreme Court of India, which is pending before the Hon'ble Court. A sum of Rs.121.58 lakhs has been charged to statement of profit and loss, as bad debts and provision of Rs.60.79 lakhs has been written back in other income during the year.

(ii) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **6.3** | **OTHER NON-CURRENT FINANCIAL ASSETS** | | |
| | **At amortised cost** | | |
| | **Unsecured, considered good** | | |
| | Fixed deposits with banks under lien with Government authorities having remaining maturity period of more than twelve months | 20.69 | 22.74 |
| | Subsidy deposit (Refer Note no. 31(3)(c)) | 297.39 | 297.39 |
| | Security deposits | 4.20 | 19.26 |
| | | **322.28** | **339.39** |

**Notes:**

(i) Security deposits includes deposits with banks against bank guarantees, other miscellaneous deposits, electricity and water departments.

(ii) In case of Subsidiary Company BGK Infrastructure Developers Private Limited, Fixed deposits with banks includes fixed deposit under lien with Government authorities and earn interest at the term deposit rates.

(Amount in ₹ lakhs)

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **7** | **DEFERRED TAX ASSETS (NET)** | | |
| **(a)** | **Income tax expense in the statement of profit and loss comprises :** | | |
| | Current income tax charge | 50.60 | 8.10 |
| | Adjustment of tax relating to earlier years | 0.03 | - |
| | **Deferred Tax** | | |
| | Relating to origination and reversal of temporary differences | (8.55) | (15.22) |
| | **Income tax expense reported in the statement of profit or loss** | **42.08** | **(7.12)** |
| **(b)** | **Other Comprehensive Income** | | |
| | Re-measurement (gains)/losses on defined benefit plans | 4.04 | (0.37) |
| | **Tax expense related to items recognized in OCI during the year** | **4.04** | **(0.37)** |
| **(c)** | **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:** | | |
| | Accounting Profit before tax | 225.49 | (43.10) |
| | Applicable tax rate | 33.40% | 30.90% |
| | **Computed Tax Expense** | **75.31** | **-13.32** |
| | Difference in tax rate | (4.91) | (0.67) |
| | Income not considered for tax purpose | (27.28) | (0.24) |
| | Expense not allowed for tax purpose | (2.22) | 0.32 |
| | Ind AS effect not allowed for tax purpose (net) | 1.28 | 0.87 |
| | Tax relating to earlier years | (0.10) | 0.13 |
| | **Income tax charged to Statement of Profit and Loss at effective rate of 18.66% (March 31, 2018: 22.99%)** | **42.08** | **(9.91)** |

| | | Balance Sheet | | Statement of profit & loss | |
|---|---|---|---|---|---|
| | | As at March 31, 2019 | As at March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 |
| **(d)** | **Deferred tax assets comprises:** | | | | |
| | Accelerated Depreciation for Tax purposes | 25.84 | 8.25 | 17.59 | 10.73 |
| | Provision for employee benefits | 17.21 | 30.15 | (12.94) | 1.21 |
| | Expenses allowable on payment basis | 22.59 | 22.73 | (0.14) | 3.65 |
| | | 65.64 | 61.13 | 4.51 | 15.59 |
| | MAT Credit entitlement | - | - | - | - |
| | | **65.64** | **61.13** | **4.51** | **15.59** |

| | | | |
|---|---|---|---|
| **(e)** | **Reconciliation of deferred tax assets (net)** | | |
| | Opening balance | 61.13 | 45.54 |
| | Tax expense recognised in statement of profit and loss during the year | 8.55 | 15.22 |
| | Tax expense recognised in other comprehensive income during the year | (4.04) | 0.37 |
| | **Closing balance** | **65.64** | **61.13** |

**Notes:**

(i) Effective tax rate has been calculated on profit before tax and exceptional items.

(ii) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off curent tax assets and current tax liabilities and the deffered tax assets and deferrred tax liabilities relate to income taxes levied by the same tax authority.

(iii) In case of Subsidiary Company BGK Infrastructure Developers private Limited, the deferred tax asset of Rs.120.77 lakhs (March31, 2018: Rs. 126.91) has not been recognised since the probability of that sufficient taxable profits will be available against which the deductible temporary differences can be utilised is not certain.

(Amount in ₹ lakhs)

| | | As at March 31, 2019 | As at March 31,2018 |
|---|---|---|---|
| **8** | **OTHER NON-CURRENT ASSETS** | | |
| | **(Unsecured, considered good)** | | |
| | Deposits with Statutory/ Government authorities | 15.71 | 20.96 |
| | Deferred Rent (unamortised) | 0.03 | 0.12 |
| | | **15.74** | **21.08** |

**Notes:**

(i) No amounts are due from directors or other officers of the company either severally or jointly with any other person. Nor amounts are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Deposits with Statutory/ Government authorities includes deposits with Vishakhapatnam port Trust, office rent and other miscellaneous deposits with government authorities.

| | | As at March 31, 2019 | As at March 31,2018 |
|---|---|---|---|
| **9** | **INVENTORIES** | | |
| | **(Valued at lower of cost and net realisable value unless otherwise stated)** | | |
| | **(refer accounting policy 2.11)** | | |
| | Stock in trade (traded goods) | 800.29 | 1,117.44 |
| | Packing materials | 9.25 | 31.33 |
| | | **809.54** | **1,148.77** |

**Notes:**

(i) The above includes goods in transit as under:

| | | |
|---|---|---|
| Traded goods | 58.71 | 168.27 |

(ii) Inventories are hypothecated with the bankers and others against working capital limits. (refer note no. 18.1)

(iii) During the year ended March 31, 2019: Nil (March 31, 2018: Nil) was recognised as an expense/(income) for inventories carried at net realisable value.

(iv) Inventories are valued at lower of cost [on specific identification method in respect of purchase of imported stock in trade and on FIFO basis in respect of purchase of domestic stock in trade] or net realizable value.

(v) Packing materials valued at cost.

**10 CURRENT FINANCIAL ASSETS**

**10.1 INVESTMENTS**

**Trade Investments (at fair value through profit and loss) [FVTPL]**

**(refer accounting policy 2.09)**

| | As at March 31, 2019 | As at March 31,2018 |
|---|---|---|
| **Quoted Equity Instruments** | | |
| Transport Corporation of India Limited<br>1,500 (March 31, 2017: Nil) (April 1, 2016: Nil) equity shares of Rs.2/- each | 0.16 | 3.99 |
| Agro Tech Foods Limited<br>35 (March 31, 2017: 35) (April 1, 2016: 35) equity shares of Rs.10/- each | 0.21 | 0.22 |
| Ruchi Soya Industries Limited<br>2,200 (March 31, 2017: 2,200) (April 1, 2016: 2,200) equity shares of Rs.2/- each | 0.15 | 0.35 |
| Punjab National Bank<br>1,000 (March 31, 2017: Nil) (April 1, 2016: Nil) equity shares of Rs.2/- each | - | 0.95 |

(Amount in ₹ lakhs)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Ashok Leyland Limited<br>500 (March 31, 2018: Nil) equity shares of Rs.1/- each | 0.46 | - |
| GMR Infrastructure Limited<br>700 (March 31, 2018: Nil) equity shares of Rs.1/- each | 0.14 | - |
| HSIL Limited<br>190 (March 31, 2018: Nil) equity shares of Rs.2/- each | 0.48 | - |
| Nelcast Limited<br>1350 (March 31, 2018: Nil) equity shares of Rs.2/- each | 0.96 | - |
| Somany Ceramics Limited<br>40 (March 31, 2018: Nil) equity shares of Rs.2/- each | 0.17 | - |
| Indian Overseas Bank<br>500 (March 31, 2018: Nil) equity shares of Rs.10/- each | 0.07 | - |
| Tata Motors Limited<br>675 (March 31, 2018: Nil) equity shares of Rs.2/- each | 1.18 | - |
| **Aggregate amount of quoted investments (Fair Value)** | **3.97** | **5.52** |
| **Aggregate amount of quoted investments (Cost)** | **4.81** | **6.55** |

## 10.2 TRADE RECEIVABLES

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Unsecured, considered good** | | |
| Trade receivables considered good - secured | - | - |
| Trade receivables considered good - Unsecured | 1,923.29 | 5,283.67 |
| Trade receivables which have significant increase in credit risk | | |
| Trade receivables - credit impairment | 51.81 | 55.68 |
| Trade receivables (gross) | 1,975.10 | 5,339.35 |
| Less: Impairment allowance for trade receivables considered doubtful | 51.81 | 55.68 |
| | **1,923.29** | **5,283.67** |

**Notes:**

(i) Trade receivables are usually non-interest bearing and are on trade terms of 10 to 60 days.

(ii) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member are as under:

| | | |
|---|---|---|
| TP Buildtech Private Limited (Company where director is director) | - | 168.47 |
| Fratelli Wines Private Limited (Company where director is a director) | 338.44 | 171.52 |
| Tinna Rubber and Infrastructure Limited | 8.38 | 3.88 |
| Shree Shubam Logistics Ltd. | 9.65 | |
| | **356.47** | **343.86** |

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| (iii) The movement in impairment allowance as per ECL model is as under: | | |
| Balance as at beginning of the year | 55.68 | 51.81 |
| Impairment allowance during the year | -3.86 | 3.86 |
| Balance as at end of the year | **51.81** | **55.68** |

**10.3 CASH AND CASH EQUIVALENTS**

| | | |
|---|---|---|
| **Balances with banks:** | | |
| Current accounts | 446.95 | 136.11 |
| EEFC accounts (USD Nil (March 31, 2018: USD 8401) | - | 5.46 |
| Cash on hand | 0.99 | 1.10 |
| | **447.94** | **142.68** |

**Notes:**

(i) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period.

(ii) The group earns interest on the fixed deposits at the respective short-term deposit rates.

**10.4 OTHER BANK BALANCES**

| | | |
|---|---|---|
| Fixed deposits with banks under lien with Government authorities having a original maturity period of more than twelve months | 19.35 | 27.63 |
| Fixed deposits held as margin money against borrowings having a original maturity period of more than three months but less than twelve months | 15.00 | 157.15 |
| Fixed deposits pledged with bank against borrowings having original maturity period of more than twelve months | 338.56 | 287.52 |
| Fixed deposits held as margin money against bank guarantees having a original maturity period of more than three months but less than twelve months | - | 1.36 |
| Fixed deposits pledged with bank against borrowings having a original maturity period of more than three months but less than twelve months | - | 71.40 |
| Fixed deposits for FCI having original maturity period of twelve months | - | 5.00 |
| | **372.92** | **550.07** |

**Notes:**

(i) The deposits maintained by the Company with banks comprise of time deposits made of varying periods between three months to twelve months and earn interest at the respective short term deposit rates.

(ii) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances.

**10.5 LOANS AND ADVANCES**

| | | |
|---|---|---|
| **Loans to related parties** | | |
| Loans receivables considered good- Secured | - | - |
| Loans receivables considered good- Unsecured | 95.31 | 430.02 |
| Loans receivables which have significant increase in Credit Risk | - | - |
| Loans receivables - credit impaired | - | - |
| | **95.31** | **430.02** |

**Notes:**

No amounts are due from directors or other officers of the group either severally or jointly with any other person. Amounts due from firms or private companies respectively in which any director is a partner, a director or a member are as under:

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| Kriti Estates Private Limited (Company where director is a director) | 95.31 | 330.02 |
| Prasidh Estates Private Limited (Company where relative of director is a member) | - | 100.00 |

**10.6 OTHER CURRENT FINANCIAL ASSETS**

**Unsecured, considered good, unless otherwise stated (at amortised cost)**

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| Security deposits | 1.13 | 14.09 |
| Deposit towards forward contracts and future trading option | - | 145.72 |
| Other Receivables | 29.88 | 9.76 |
| | 31.01 | 169.57 |
| Less: Provision for Impairment allowance | - | - |
| | **31.01** | **169.57** |

**Notes:**

(i) Security deposits include deposits with material suppliers and service providers for storage service and office rent.

(ii) Other receivables include receivables from insurance company and TDS recoverable from parties and other recoveries from parties.

**11 CURRENT TAX ASSETS (NET)**

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| Tax Deducted at Source (TDS) | 24.26 | 66.68 |
| | **24.26** | **66.68** |

**12 OTHER CURRENT ASSETS**

**Unsecured, considered good**

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| Refund Due from Government departments | 222.67 | 156.33 |
| Advances for materials and services | 5.42 | 345.06 |
| Security deposits with Government Authorities | 10.85 | 13.99 |
| Others | | |
| Prepaid expenses | 35.06 | 47.87 |
| Balance with Statutory/ Government authorities: | | |
| GST | 142.21 | 57.86 |
| Service tax | - | 0.25 |
| VAT | 6.67 | 13.18 |
| Balance with port authorities | - | 0.35 |
| License in hand | 1.33 | 1.33 |
| Other receivables | 9.81 | 1.71 |
| | **434.02** | **637.92** |

**Notes:**

(i) No amounts are due to directors or other officers of the Company or any of them either severally or jointly with any other person. No amounts are due to firms or private Companies respectively in which any director is a partner or a director or a member.

(ii) Other receivables include outstanding balance in staff imprest accounts, unamortised portion of deferred rent and and advance with CHD and Custom Departments.

**13 EQUITY SHARE CAPITAL**

**a) Authorized**

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| 90,00,000 equity shares of Rs.10/- each (March 31,2018: 90,00,000 equity shares of Rs.10/- each) | 900.00 | 900.00 |

| | (Amount in ₹ lakhs) | |
|---|---|---|
| | As at March 31,2019 | As at March 31,2018 |
| **Issued, subscribed and fully paid up** | | |
| 85,64,750 equity shares of Rs.10/- each | | |
| (March 31,2018: 85,64,750 equity shares of Rs.10/- each) | 856.48 | 856.48 |

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

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | Amount in Rs lakhs | No. of shares | Amount in Rs in Rs lakhs |
| At the beginning of the year | 85,64,750 | 856.48 | 50,00,000 | 500.00 |
| Add: Shares issued during the year | - | - | 85,64,750 | 856.48 |
| Less: Shares cancelled during the year | - | - | 50,00,000 | 500.00 |
| **At the end of the year** | **85,64,750** | **856.48** | **85,64,750** | **856.48** |

**c) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share (March 31,2017 : Rs.10/- per share)(April 1,2016: Rs.10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

| Name of Shareholders | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding |
| Puja Sekhri | 17,49,160 | 20.42 | 17,49,160 | 20.42 |
| Shobha Sekhri | 16,36,343 | 19.11 | 16,36,343 | 19.11 |
| Aarti Sekhri | 15,11,347 | 17.65 | 15,11,347 | 17.65 |

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

Pursuant to the effective date i.e. January 22, 2018 and with effect from the appointed date i.e. April 1, 2016, the Company has given effect to the Scheme of Arrangement and passed the necessary accounting entries relating to above. 85,64,750 equity shares of Rs. 10/- each at a premium of Rs. 5/- per share have been issued to the shareholders of Tinna Rubber & Infrastructure Limited in the ratio of 1:1 on 19.02.2018. Also pursuant to the scheme of arrangement, 50,00,000 equity shares of Tinna Trade Limited held by Tinna Rubber & Intrastructure Limited shall stand cancelled. The same have been cancelled on 19.02.2018 (refer note no. 31(2)).

**e) As per the records of the Company no calls remained unpaid by the directors and officers of the Company.**

f) **Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:**

**(Amount in ₹ lakhs)**

| | **As at March 31, 2019 No. of shares** | **As at March 31, 2018 No. of shares** |
|---|---|---|
| Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash (refer note no. 31(2)). | 85,64,750 | 85,64,750 |
| Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account and general reserve. | Nil | Nil |
| Equity shares bought back | Nil | Nil |

| | **As at March 31,2019** | **As at March 31,2018** |
|---|---|---|
| **14 OTHER EQUITY** | | |
| Security Premium | 431.63 | 431.63 |
| Retained Earnings | 1,876.95 | 1,694.56 |
| Transaction with owners in their capacity as owners | (39.90) | (39.90) |
| Equity shares pending Allotment pursuant to the Scheme of Arrangement | - | - |
| Equity shares to be cancelled pursuant to the Scheme of Arrangement | - | - |
| | **2,268.68** | **2,086.28** |

**Notes:**

| | **Year ended March 31, 2019** | **Year ended March 31, 2018** |
|---|---|---|
| **a) Security Premium Reserve** | | |
| Opening Balance during the year | 431.63 | 3.39 |
| Add: Received during the year | - | 428.24 |
| | **431.63** | **431.63** |

The amount received in excess of face value of the equity shares is recognised in securities premium reserve. This reserve is utilised in accordance with the provisions of the companies Act, 2013

| | | |
|---|---|---|
| **b) Retained Earnings** | | |
| Opening balance | 1,694.56 | 1,654.18 |
| Net profit/ (loss) for the year | 173.97 | (31.61) |
| **Items of other comprehensive income recognised directly in retained earnings** | | |
| Re-measurement gains /(losses) on defined benefit plans (net of tax) | 8.42 | 0.01 |
| Re-mesurement gains on Investments [FVTOCI] | - | 71.98 |
| | **1,876.95** | **1,694.56** |
| **c) Transactions with owners in their capacity as owners** | | |
| Opening Balance | (39.90) | (39.90) |
| Transaction of acquisition of Non controlling interest in a subsidiary Company | - | - |
| | **(39.90)** | **(39.90)** |
| **d) Equity shares pending Allotment pursuant to the Scheme of Arrangement** | | |
| Opening balance (refer note no. 31(2)) | - | 1,284.71 |
| Less: Equity shares issued during the year | - | (856.48) |
| Less: Security premium on equity share capital issued during the year | - | (428.24) |
| | - | - |

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| | **(Amount in ₹ lakhs)** | |
| **e) Equity shares to be cancelled pursuant to the Scheme of Arrangement** | | |
| Opening balance (refer note no. 31(2)) | - | (500.00) |
| Less: Equity shares cancelled during the year | - | 500.00 |
| | - | - |

**15 NON CURRENT FINANCIAL LIABILITIES**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **15.1 LONG TERM BORROWINGS** | | |
| **SECURED (at amortised cost)** | | |
| **Term loan from Bank** | | |
| ICICI Bank Limited | 988.44 | 1,155.42 |
| | **988.44** | **1,155.42** |

**Notes:**

**Term Loan from Bank (Secured)**

1 The Subsidiary Company has been sanctioned a term loan of Rs.1,565 lakhs by ICICI Bank Ltd. vide their letter dated 30/08/2013 for the purpose of construction of warehouses (for storage of agricultural commodities). The term loan is payable in 120 monthly installments (including 18 months moratorium period) commencing from 31st July 2015 as under :-

8 monthly installments of Rs.5 lakhs each
12 monthly installments of Rs.7.50 lakhs each
18 monthly installments of Rs.10 lakhs each
12 monthly installments of Rs.12.50 lakhs each
6 monthly installemnts of Rs.15 lakhs each
6 monthly installments of Rs.17.50 lakhs each
12 monthly installments of Rs.18 lakhs each
12 monthly installments of Rs.20 lakhs each
6 monthly installments of Rs.23 lakhs each
6 monthly installments of Rs.28 lakhs each
4 monthly installments of Rs.37 lakhs each

**2** The interest payable shall be the sum of "MCLR plus spread" per annum calculated on Effective Interest Rate (EIR) method. The interest would be payable monthly on the last date of each month starting from the date of disbursement.

**3** a) The above loan is secured by :-

(i) Exclusive charge on Company's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares situated at present and future premise of the Company and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.

(ii) Exclusive charge on the movable fixed assets of the subsidiary save and except financed by other banks and financial institutions.

(iii) Equitable mortgage on property at Plot B – 14, Additional Yavatmal Industrial Area, Distt, Yavatmal, Maharashtra having value of Rs.150.00 lakhs (total area 442472.72 sq ft approx.).

(iv) Equitable mortgage on property situated at Plot No. X – 1, C.G.G.C. Akola Industrial Area, Dist Akola, Maharashtra having value of Rs.287.00 lakhs (total area 383513.3 sq ft approx.).

**(Amount in ₹ lakhs)**

(v) Equitable mortgage on property situated at Plot No X - 1, Washim (G.C.) Industrial Area, Dist Washim, Maharashtra having value of Rs.86.00 lakhs (total area 430421.52 sq ft approx.).

(b) The loan is further secured by way of additional security of pledge of 30% of paid up share capital and Non-Disposal-Undertaking under Power of Attorney of 21% of paid up share capital of subsidiary company.

and

Unconditional and irrevocable personal guarantees of Shri Gaurav Sekhri and Shri Maneesh Mangsingka and corporate guarantees of Tinna Rubber and Infrastructure Limited and Insurexcellence Advisors Private Limited.

4 There is no default in repayment of term loan and interest during the year and the Company has complied with loan covenants of the lenders.

5 Current maturities of term loan are as under:

| | As at March 31, 2019 (Rs.'Lakh) | As at March 31, 2018 (Rs.'Lakh) |
|---|---|---|
| Current maturities of long term debt | 167.22 | 134.77 |

**15.2 OTHER NON CURRENT FINANCIAL LIABILITIES**

| | | |
|---|---|---|
| Security deposits from customers | - | 13.34 |
| | **-** | **13.34** |

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **16 NON CURRENT PROVISIONS** | | |
| Provision for employee benefits | | |
| Gratuity (refer note no.31(5)) | 37.80 | 49.92 |
| Leave encashment | 26.70 | 33.01 |
| | **64.50** | **82.93** |
| **17 OTHER NON-CURRENT LIABILITIES** | | |
| Deferred Government Grant (Refer note no. 31(3)(c)) | 251.61 | 268.87 |
| | **251.61** | **268.87** |
| **18 CURRENT FINANCIAL LIABILITIES** | | |
| **18.1 BORROWINGS** | | |
| **SECURED (at amortised cost)** | | |
| **From Banks** | | |
| **Repayable on Demand** | | |
| Working capital limits (refer point i and ii below) | | |
| Cash credit facility | 1,077.73 | 3,814.27 |
| Buyer's credit facility | - | 1,365.51 |
| **From Others** | | |
| Commodity based pledge funding (refer point iii below) | - | 601.23 |

| | | |
|---|---|---|
| **UNSECURED (at amortised cost)** | | |
| **Repayable on Demand** | | |
| From Related Parties (refer point v below) | 129.19 | 119.25 |
| From Others | 63.18 | 51.14 |
| | **1,270.11** | **5,951.40** |

**Notes:**

(i) Working capital limits have been obtained by the holding Company and are from ICICI Bank Limited, Syndicate Bank Limited and State Bank of India and are secured as under:-

(a) Working capital limits from ICICI Bank Limited, Syndicate Bank Limited and State Bank of India are secured by means of first charge ranking pari passu by way of hypothecation of the Company's entire stock of raw materials and finished goods, consumable stores and spares and such other moveables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.

(b) The Working Capital limits are further secured by equitable mortgage of land and building situated at 11-B Gaushala Road, Satbari, New Delhi in the name of Bee Gee Ess Farms & Properties Private Limited and on personal guarantees of Directors Shri Gaurav Sekhri and Kapil Sekhri and corporate guarantees of Tinna Rubber and Infrastructure Limited and Bee Gee Ess Farms & Properties Private Limited.

(c) The group has pledged a FDR of Rs. 250.00 lakhs in favor of ICICI Bank Limited against working capital limits sanctioned by the bank.

(d) Fixed Deposit (Cash Margin) pledged against non fund based limit are Rs.15 lakhs (March 31, 2018: Rs.155.50 lakhs).

| | | |
|---|---|---|
| (e) Aggregate amount of working capital limits secured by way of personal guarantees of Directors. | 1,077.73 | 5,179.77 |

(ii) The holding company has also availed warehouse finance facility from banks which remained undrawn on the date of balance sheet (Refer note no: 30(C))

(iii) In the earlier year, the holding company had availed commodity based pledge funding from Infinity Fincorp Solutions Private Limited which was secured as under:

(a) Pledge of Imported Yellow Peas stock (Canadian Origin) lying at Friends Salt Works and Allied Industries, Plot No-24-26, Kandla GIDC Area, Sector No: 106, Gandhidham, Gujarat.

(b) Personal guarantee of Gaurav Sekhri (Managing Director).

| | | |
|---|---|---|
| (c) Aggregate amount of commodity based pledge funding secured by way of personal guarantees of Gaurav Sekhri (Managing Director). | - | 601.23 |

(d) The limit remained undrawn as on the date of balance sheet.

(iv) The group has not defaulted in repayment of principal amount and interest during the year and complied with loan covenants of the lenders.

* The effective rate of interest on short term borrowings ranges between 3% p.a. to 12.5% p.a. during the year, depending upon the prime lending rate of the banks and financial institutions at the time of borrowing, wherever applicable, and interest rate spread agreed with the banks.

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| | | (Amount in ₹ lakhs) | |
| (v) | Amounts due to related parties are as under: | | |
| | Kriti Estates Private Limited | 88.64 | 84.94 |
| | Insurexcellence Advisors Private Limited | 40.55 | 34.31 |
| | | **129.19** | **119.25** |

**18.2 TRADE PAYABLES**

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| Total outstanding dues of micro and small enterprises | 0.60 | - |
| Total outstanding dues of creditors other than micro and small enterprises | 1,074.79 | 827.97 |
| | **1,075.38** | **827.97** |

**Notes:**

* Trade payables includes due to related parties Nil (March 31, 2018: Nil)
* The amounts are unsecured and are usually paid within 60 to 90 days of recognition.
* Trade payables are usually non- interest bearing. In few cases, where the trade payables are interest bearing, the interest is settled on quarterly basis.
* For terms and condition with related parties, refer to note no. 31(7)

(i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| | | | |
|---|---|---|---|
| (a) | Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:<br>-Principal<br>-Interest | <br><br>0.60 lakhs<br>Nil | <br><br>Nil<br>Nil |
| (b) | The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | Nil | Nil |
| (c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | Nil | Nil |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | Nil | Nil |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | Nil | Nil |

(ii) The information in respect of party determined under the MSMED Act 2006, has been identified on the basis of information available with the Company.

(iii) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Nil (March 31, 2018 : Rs. Nil/-)

(Amount in ₹ lakhs)

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **18.3** | **OTHER CURRENT FINANCIAL LIABILITIES** | | |
| | **At amortised cost** | | |
| | Current maturities of long-term debt (Refer note no. 15.1) | 167.22 | 134.77 |
| | Security deposits from customers | 16.44 | 13.54 |
| | Others | | |
| | Creditors for capital goods | 0.46 | 4.56 |
| | Employee Benefit Expenses payable | 12.39 | 8.36 |
| | Derivative financial contracts | - | 5.18 |
| | Other payables | 176.16 | 381.20 |
| | | **372.67** | **547.61** |

**Notes:**

Other payables are in respect of audit fee, staff imprest, expenses payable, brokerage payable and other miscellaneous expenses payable. Other payables includes due to :-

| | | |
|---|---|---|
| Tinna Rubber and Infrastructure Limited (Company under common control) | - | 14.16 |

| | | | |
|---|---|---|---|
| **19** | **OTHER CURRENT LIABILITIES** | | |
| | **Revenue received in advance** | | |
| | Advance payments from customers | 10.29 | 31.06 |
| | Earnest money and security deposits | - | 16.53 |
| | Other payables | | |
| | Statutory Dues | 36.44 | 35.76 |
| | Corporate Social Responsibility | 9.23 | 9.23 |
| | Deferred Income (Refer note no.31(3)(c)) | 17.26 | 20.27 |
| | Other Payables | 8.57 | 5.73 |
| | | **81.79** | **118.59** |

**Notes:**

(i) Advance from customers includes Rs.3.43 lakhs from TP Buildtech Private Limited in which directors are interested.

(ii) Earnest money and security deposits include Rs.Nil (March 31, 2018: 16.53 lakhs) received as margin money on sales made to TP Buildtech Private Limited (Company where director is a director).

(iii) Statutory dues payable are in respect of PF, ESI, TDS, Sales Tax, Service Tax, Professional Tax and Goods and Service Tax payable.

(iv) Other Payables are in respect of excess payment received from vessel agencies to be adjusted.

| | | | |
|---|---|---|---|
| **20** | **CURRENT PROVISIONS** | | |
| | Provision for employee benefits | | |
| | Gratuity (refer note no. 31(5)) | 2.09 | 1.45 |
| | Leave encashment | 1.18 | 0.78 |
| | Performance Bonus | - | 28.85 |
| | | **3.27** | **31.08** |

**Notes:**

(i) Performance bonus includes a sum of Rs.Nil (March 31, 2018: Rs.8.00 lakhs) payable to Mr. Gaurav Sekhri (Managing Director).

(ii) Provisions are recognized for Gratuity, Leave encashment and Performance Bonus. The provisions are recognized on the basis of past events and probable settlements of the present obligations as a result of the past events, in accordance with Indian Accounting Standard-37 issued by the Institute of Chartered Accountants of India.

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| **The movement of provision are as under:** | | |
| **At the beginning of the year** | | |
| Gratuity (Non Current Rs.49.92 lakhs) | 51.37 | 38.07 |
| Leave encashment (Non Current Rs.33.01 lakhs) | 33.79 | 34.19 |
| Performance Bonus (Non Current Rs. Nil) | 28.85 | 78.13 |
| **Arising during the year** | | |
| Gratuity | (0.18) | 13.30 |
| Leave encashment | 0.76 | 1.17 |
| Performance Bonus | 0.37 | 2.20 |
| **Utilised during the year** | | |
| Gratuity | 11.31 | - |
| Leave encashment | 4.60 | 1.39 |
| Performance Bonus | 29.22 | 41.13 |
| Unused amount reversed | | |
| Gratuity | - | - |
| Leave encashment | 2.07 | 0.18 |
| Performance Bonus | - | 10.36 |
| **At the end of the year** | | |
| Gratuity (Non Current Rs.37.80 lakhs) | 39.89 | 51.37 |
| Leave encashment (Non Current Rs.26.70 lakhs) | 27.88 | 33.79 |
| Performance Bonus (Non Current Rs. Nil) | - | 28.85 |

**21 CURRENT TAX LIABILITIES (NET)**

| | | |
|---|---|---|
| Income Tax (Net of advance tax and TDS) | 45.43 | - |
| | **45.43** | **-** |

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **22 REVENUE FROM OPERATIONS** | | |
| Sale of products | | |
| Traded Goods | 47,789.53 | 45,355.37 |
| Sale of Services | 969.83 | 1,032.20 |
| Other operating revenues | | |
| Contract settlement income (net) | - | 19.80 |
| | **48,759.36** | **46,407.37** |

**Note:**

| | | |
|---|---|---|
| **(a) Sale of traded goods comprises** | | |
| Yellow Peas | 14,768.84 | 17,463.35 |
| Chana | 5,418.37 | 308.74 |
| Lentils | 684.24 | 560.22 |
| Toor | 1,487.07 | 75.71 |
| Kaspa-Dun Peas | - | 362.11 |
| Green peas | - | 106.48 |
| Mung | 87.47 | 39.98 |
| Urad | 593.39 | 16.86 |
| Maize | 10,306.45 | 7,104.91 |
| Wheat | 6,039.47 | 7,954.51 |
| Paddy | 45.28 | - |
| Crude Degummed Soyabean Oil | 3,320.32 | 4,525.46 |

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| | Palmolien Oil | 327.96 | - |
| | Sunflower Meal | 604.61 | 5,955.39 |
| | Palm Kernel | 3.68 | - |
| | Soya DOC | 451.49 | 450.78 |
| | De Oiled Rice Bran | 93.81 | 35.06 |
| | Rapeseed Doc | 299.24 | - |
| | Mustard Seeds | 74.49 | - |
| | Soya Seed | - | 5.61 |
| | Cotton Seed Oil Cake | 935.81 | - |
| | Grapes | 497.09 | 173.98 |
| | Steel Shots | 608.53 | - |
| | Cut Wire Shot | 323.28 | - |
| | Crumb Rubber Mesh | 46.70 | - |
| | Rubber Ultrafine | 191.45 | - |
| | Steel Wire Scrap | 7.84 | - |
| | Chemical | 572.63 | 216.22 |
| | | **47,789.53** | **45,355.37** |
| **(b)** | **Sale of services** | | |
| | Commission income | - | 203.79 |
| | Clearing and forwarding services income* | 535.55 | 431.33 |
| | Warehouse rental and storage income** | 431.88 | 391.50 |
| | Other receipts from warehousing operations*** | 2.40 | 5.58 |
| | | **969.83** | **1,032.20** |
| | Other operating revenues | | |
| | Contract Settlement income | - | 19.80 |
| | | **-** | **19.80** |

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **23** | **OTHER INCOME** | | |
| | Interest received on financial assets carried at amortised cost: | | |
| | From banks | 31.30 | 36.84 |
| | From others | 51.86 | 108.18 |
| | On security deposits | 0.16 | 0.15 |
| | Other non-operating income | | |
| | Subsidy income | 19.34 | 9.89 |
| | Foreign currency exchange fluctuations (Net) | - | 224.50 |
| | Profit on future trading and options | - | 68.02 |
| | Profit on sale of tangible fixed assets | 0.54 | |
| | Profit on sale of current investments | 1.25 | 0.58 |
| | Rental Income | 9.54 | 52.30 |
| | Dividend received on trade, current investments | 0.04 | 0.03 |
| | Unclaimed balances written back | 34.60 | 39.03 |
| | Provision on debts no longer required | 64.65 | - |
| | Miscellaneous income | 20.58 | 56.61 |
| | | **233.87** | **596.09** |

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **24** | **PURCHASE OF TRADED GOODS** | | |
| | Yellow Peas | 12,738.90 | 14,489.06 |
| | Chana | 4,998.36 | 491.31 |
| | Lentils | 619.05 | 573.64 |
| | Toor | 1,586.87 | 28.50 |
| | Kaspa-Dun Peas | - | 346.15 |
| | Green Peas | - | 103.72 |
| | Mung | 86.62 | 39.26 |
| | Urad | 579.96 | 16.67 |
| | Maize | 8,357.76 | 5,881.84 |
| | Wheat | 5,901.75 | 4,436.92 |
| | Paddy | 39.56 | - |
| | Crude Degummed Soyabean Oil | 3,320.17 | 4,016.03 |
| | Palmolien OIl | 320.32 | - |
| | Sunflower Meal | 493.12 | 5,490.37 |
| | Palm Kernel Expeller | 6.07 | - |
| | Soya DOC | 467.44 | 399.11 |
| | De Oiled Rice Bran | 66.83 | 34.15 |
| | Rapeseed Doc | 291.85 | - |
| | Mustard Seed | 81.18 | - |
| | Soya Seed | - | 5.61 |
| | Cottonseed Oil Cake | 761.01 | 153.04 |
| | Grapes | 460.75 | 160.78 |
| | Steel Shots | 937.98 | - |
| | Cut Wire Shots | 360.84 | - |
| | Crumb Rubber Mash | 45.14 | - |
| | Ultrafine Rubber | 185.23 | - |
| | Steel Wire Scrap | 7.68 | - |
| | Chemicals | 561.34 | 209.47 |
| | Traded goods in transit | | |
| | Yellow Peas | - | 163.13 |
| | Palm Kernel Expeller | - | 5.14 |
| | Steel Shots | 58.71 | - |
| | | **43,334.49** | **37,043.91** |

| | | As at March 31, 2019 | As at March 31, 2018 | Increase/ (Decrease) |
|---|---|---|---|---|
| **25** | **CHANGE IN INVENTORIES OF TRADED GOODS** | | | |
| | **Inventories at the end of the year** | | | |
| | Traded goods | 800.29 | 1,117.44 | 317.15 |
| | | **800.29** | **1,117.44** | **317.15** |
| | **Inventories at the beginning of the year** | | | |
| | Traded goods | 1,117.44 | 4,855.73 | 3,738.30 |
| | | **1,117.44** | **4,855.73** | **3,738.30** |
| | **Increase/ (Decrease) in stocks** | **317.15** | **3,738.30** | |

| | | |
|---|---|---|
| Details of inventory at the end of the year | | |
| Wheat | 29.67 | 47.27 |
| Yellow Peas | - | 266.97 |
| Chana | - | 197.54 |

| | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|
| | (Amount in ₹ lakhs) | |
| Toor | 197.41 | - |
| Steel Shots | 421.05 | - |
| Cut Wire Shot | 93.45 | - |
| Maize | - | 152.18 |
| Sunflower Meal | - | 127.93 |
| Cottonseed Oil Cake | - | 157.28 |
| **Traded goods in transit** | | |
| Yellow Peas | - | 163.13 |
| Palm Kernel Expeller | - | 5.14 |
| Steel Shots | 58.71 | - |
| | **800.29** | **1,117.44** |
| **Details of inventory at the beginning of the year** | | |
| Wheat | 47.27 | 3,181.16 |
| Crude Degummed Soyabean Oil | - | 521.95 |
| Yellow Peas | 266.97 | 69.73 |
| Toor | - | 51.25 |
| Chana | 197.54 | 37.49 |
| Maize | 152.18 | - |
| Sunflower Meal | 127.93 | - |
| Cottonseed Oil Cake | 157.28 | - |
| **Traded goods in transit** | | |
| Yellow Peas | 163.13 | 843.42 |
| Sunflower Meal | - | 150.74 |
| Palm Kernel Expeller | 5.14 | - |
| | **1,117.44** | **4,855.73** |
| **Increase/ (Decrease) in inventories of traded goods** | | |
| Wheat | 17.60 | 3,133.89 |
| Crude Degummed Soyabean Oil | - | 521.95 |
| Yellow Peas | 266.97 | (197.24) |
| Toor | (197.41) | 51.25 |
| Chana | 197.54 | (160.05) |
| Maize | 152.18 | (152.18) |
| Sunflower Meal | 127.93 | (127.93) |
| Cottonseed Oil Cake | 157.28 | (157.28) |
| Steel Shots | (421.05) | - |
| Cut Wire Shot | (93.45) | |
| Trade goods in transit | | |
| Yellow Peas | 163.13 | 680.29 |
| Sunflower Meal | - | 150.74 |
| Palm Kernel Expeller | 5.14 | (5.14) |
| Steel Shots | (58.71) | |
| | **317.15** | **3,738.30** |

## 26 EMPLOYEE BENEFITS EXPENSES

| | | |
|---|---|---|
| Salaries and wages | 503.95 | 488.08 |
| Contribution towards PF, Family Pension and ESI | 20.30 | 20.62 |
| Gratuity and leave encashment expense | 12.62 | 13.73 |
| Staff Recruitment Expenses | 1.06 | 1.17 |
| Staff welfare expenses | 17.42 | 11.83 |
| | **555.36** | **535.44** |

Employee benefits expenses includes managerial remuneration as detailed below:

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| | Salary | 118.75 | 118.75 |
| | Contribution towards PF | 6.46 | 5.70 |
| | Diwali Bonus | 0.50 | 0.50 |
| | Insurance Premium | 0.12 | 0.13 |
| **27** | **FINANCE COSTS** | | |
| | **Interest expense on financial liabilities measured at amortised costs** | | |
| | Interest expense | 529.71 | 883.82 |
| | Exchange difference to the extent considered as an adjustment to borrowing cost | 39.38 | 10.99 |
| | Interest on performance Bonus Payable | 0.37 | 2.20 |
| | Interest on Security Deposit | 0.94 | 0.88 |
| | **Others** | | |
| | Interest on Income Tax | 2.99 | 0.01 |
| | Bank charges | 86.14 | 78.34 |
| | | **659.54** | **976.25** |
| **28** | **DEPRECIATION AND AMORTISATION EXPENSES** | | |
| | Depreciation of tangible assets | 151.60 | 166.84 |
| | Amortization of goodwill | 128.44 | 128.44 |
| | Amortization of other intangible assets | 7.89 | 10.45 |
| | | **287.94** | **305.74** |
| **29** | **OTHER EXPENSES** | | |
| | Electricity and water | 8.02 | 7.41 |
| | Cargo Handling expenses at port | 190.72 | 155.46 |
| | Port Services and stevedoring charges | 184.50 | 101.81 |
| | Storage and commodity handling charges at warehouse | 105.80 | 105.00 |
| | Equipment hire charges | 60.85 | 62.24 |
| | Rent and warehousing charges | 183.70 | 834.93 |
| | Repairs and maintenance- others | 31.50 | 30.15 |
| | Insurance | 49.65 | 50.73 |
| | Communication expenses | 24.68 | 21.89 |
| | Transportation Charges | 17.62 | 19.61 |
| | Travelling and conveyance | 86.83 | 83.62 |
| | Freight and forwarding | 2,005.43 | 1,682.77 |
| | Brokerage and commission | 144.65 | 150.56 |
| | Business promotion expenses | 43.31 | 50.36 |
| | Legal and professional charges | 47.66 | 71.46 |
| | Payment to auditors * | 10.33 | 8.81 |
| | Watch and ward expenses | 12.68 | 10.69 |
| | Loss on forward contracts/foreign exchange (net) | 3.68 | - |
| | Loss on future trading and options | 25.01 | - |
| | Clearing and forwarding expenses | 26.14 | 24.12 |
| | Stock handling and supervision charges | 57.72 | 649.07 |
| | Demurrage charges | 40.42 | 36.97 |
| | Corporate Social Responsibility | - | 9.16 |
| | Statutory charges | 17.53 | 45.12 |
| | Packing material consumed | 23.94 | 165.15 |
| | Bad debts and short recoveries | 154.31 | 19.78 |
| | Contract Settlement Expense(net) | 4.70 | - |
| | Loss Fair valuation of Current Investment | 0.84 | - |
| | Miscellaneous expenses | 51.04 | 45.08 |
| | Provision for Trade Receivables | - | 3.86 |
| | Loss on Fair value of current investment [FVTPL] | - | 0.41 |
| | Loss on disposal of fixed asset | - | 0.70 |
| | | **3,613.27** | **4,446.94** |

| | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|
| *Payment to auditors | | |
| Statutory Audit Fees | 9.40 | 6.40 |
| Tax audit fee | 0.25 | 0.25 |
| Other matters | 0.58 | 2.10 |
| Reimbursement of out of pocket expenses | 0.09 | 0.06 |
| | **10.33** | **8.81** |

(Amount in ₹ lakhs)

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **30** | **COMMITMENTS AND CONTINGENCIES** | | |
| **A** | **Contingent liabilities (to the extent not provided for)** | | |
| | a) Bank guarantees obtained from banks (net of margin money) (Margin money Rs. Nil lakh (March 31, 2018: Rs.6.28 lakh) | 0.01 | 41.43 |
| | b) Disputed tax liabilities on account of Income Tax (Refer Point (i) to (ii) below) | 194.66 | 194.66 |

**Notes:**

i) The Commissioner of Income Tax vide order dated 27th March 2015 has passed an order u/s 263 of the Income Tax Act 1961 for the assessment year 2010-11 (Previous year 2009-10) directing the Assessing Officer(AO) to frame fresh order considering the order of Transfer Pricing Officer(TPO) under section 92 CA(3) of the Income tax Act 1961 dated 29th Jan 2014. As per the Order of the TPO, an adjustment of Rs. 581.17 lakhs was proposed. The AO has passed a Draft Order on 23rd November 2015, making addition of Rs. 581.17 lakhs and assessing income at Rs. 325.71 lakhs against declared loss of Rs. 255.46 lakhs by the assessee. The Parent Company has filed objections to the draft order before the Dispute Resolution Panel on 15th January 2016. The Hon'ble DRP has issued directions to the Deputy Commissioner of Income Tax vide Order dated 12.08.2016 to revise the earlier adjustment of Rs. 581.17 laks to Rs. 585.88 lakhs. Thus there is disputed income tax liability of Rs. 194.60 lakhs. The Company has filed an appeal before the ITAT on 16/02/2017 against the addition of Rs. 581.17 lakhs made by the Principal Commissioner of Income Tax u/s 263 of the Income Tax Act, 1961.

ii) The Parent Company has outstanding TDS demands of Rs. 0.06 lakhs on account of short deductions and interest u/s 201 and 220(2) of the Income Tax Act, 1961. The Company will be filing the revised returns / applications and it is expected that there will be no demand.

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **B** | **Commitments** | | |
| | i) Capital Commitments | Nil | Nil |
| | ii) Other Commitments<br>Estimated amount of commodity contracts remaining to be executed and not provided for | | |
| | **Buy contracts** | Nil | 1,099.66 |
| | **Sell contracts** | Nil | 342.98 |

**C Unused Warehousing Finance Limits**

The Parent Company has availed fund based Warehousing Finance facility from Indusind Bank Limited of Rs.10 crores (March 31, 2018: Rs.10 crores (ICICI Bank Ltd)) secured by pledge of agricultural commodities deposited by the pledger at the designated warehouse/ godowns as approved by Indusind Bank Limited, in favour of Indusind Bank Limited. The limit is further secured by way of personal guarantees of directors Mr. Gaurav Sekhri and Mr. Kapil Sekhri.

The said facility remained undrawn as on the date of balance sheet.

**D Details of Leasing Arrangements**

Finance Lease: The group does not have any finance lease arrangements.

**Operating lease commitments - Group as lessee**

(a) The group has entered into operating leases for office and godown premises. Normally there are renewable and escalation clauses in this contract and cancellable at Company's option.Total lease rent recognised by the Company during the period is Rs. 183.70 lakhs (March 31, 2018: Rs. 834.93 lakhs).

(b) The group has entered into operating leases for warehouse builidings vide agreement dated 10th July, 2018 that are renewable after 3 years and other office premises, vide agreement dated 1st April, 2018 that are renewable after 2 years on such terms and conditions as may be agreed upon mutually in writing.The Company has also entered into an operating lease for 11 months in respect of an office in Delhi vide agreement dated 7th February, 2019.

**(Amount in ₹ lakhs)**

| | | **As at March 31,2019** | **As at March 31,2018** |
|---|---|---|---|
| (c) | The total of future minimum lease payments under non cancellable leases are as follows: | | |
| | (i) not later than one year | 41.17 | 46.76 |
| | (ii) later than one year and not later than five years | 27.71 | 9.87 |
| | (iii) later than five years | - | - |
| | Total minimum lease payments | **68.88** | **56.63** |
| | Lease payments recognised in the statement of profit and loss as rent expense for the year | 183.70 | 834.93 |
| (d) | Unearned finance income | Nil | Nil |

**Operating lease commitments - Company as lessor**

(a) The group has entered into a cancellable sub- lease agreement to sublet a property situated at New Port Area, Kakinada, East Godavari - 533007. The lease agreement was executed on 4th March, 2019. The said lease is for a term of one year w.e.f. from 04.03.2019 to 03.03.2020 for the purpose of enabling the Lessee to carry on its business and to use the Godown for Warehouse & Office and for any other commercial purpose connected with the Lessee's business.

(b) The total rent recognised as income during the year is Rs.272.00 lakhs (March 31, 2018: Rs.184.76 lakhs).

(c) The present value of minimum lease rentals receivable under cancellable and non- cancellable operating lease are as follows:

| | | | |
|---|---|---|---|
| | (i) not later than one year | 169.73 | 138.55 |
| | (ii) later than one year and not later than five years | - | - |
| | (iii) later than five years | - | - |
| | Present value of minimum lease payments | 169.73 | 138.55 |
| | | - | - |
| (e) | Unearned finance income | Nil | Nil |

## 31 OTHER NOTES ON ACCOUNTS

### 1 a) Group Information

The Consolidated financial statements of the group includes subsidiaries companies as mentioned below

| Name of the Entity | Country of Incorporation | Nature | Ownership Interest | Year ended | Net assets i.e. total assets minus total liabilities | |
|---|---|---|---|---|---|---|
| | | | | | As % of consolidated net assets | (Amount in ₹ Lakhs) |
| **Parent Company** | | | | | | |
| Tinna Trade Limited | India | Parent Company | | March 31, 2019 | 64.74% | 2,442.63 |
| | | | | March 31, 2018 | 63.31% | 2,266.87 |
| **Subsidiary Company** | | | | | | |
| BGK Infrastructure Developers Private Limited | India | Subsidiary Company | 51.53% | March 31, 2019 | 35.26% | 1,330.11 |
| | | | 51.53% | March 31, 2018 | 36.69% | 1,313.69 |

| Share in Profit or Loss | | Share in other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|
| As % of consolidated profit or loss | Amount (in Lakhs) | As % of consolidated Other Comprehensive Income | Amount (in Lakhs) | As % of consolidated Total Comprehensive Income | Amount (in Lakhs) |
| **Parent Company** | | | | | |
| 89.37% | 163.93 | 91.95% | 8.05 | 89.49% | 171.98 |
| 74.96% | -26.96 | 97.78% | 71.16 | 120.11% | 44.20 |
| | | | | | |
| **Subsidiary Company** | | | | | |
| 10.63% | 19.49 | 8.05% | 0.71 | 10.51% | 20.19 |
| 25.04% | -9.01 | 2.22% | 1.61 | -20.11% | -7.40 |
| | | | | | |

### b) Materially partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interest is provided below:-
Proportion of equity interest held by non-controlling interests:

(Amount in ₹ lakhs)

| Name of Subsidiary | Country of Incorporation and operation | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| BGK Infrastructure Developers Private Limited | INDIA | | |
| **Information regarding non- controlling interest:** | | | |
| Accumulated balances of material non-controlling interest | | 647.58 | 637.79 |
| Profit / (Loss) allocated to material non-controlling interest | | 9.79 | (3.59) |

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company elimination.

(Amount in ₹ lakhs)

**(a) Summarised Balance Sheet**

| Particulars | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 2,375.16 | 2,490.46 |
| Capital work in progress | 83.78 | 83.78 |
| Intangible assets | 2.26 | 3.10 |
| Financial assets | | |
| Other financial assets | 300.56 | 300.44 |
| Other non-current assets | 10.05 | 10.05 |
| | **2,771.81** | **2,887.83** |
| **Current assets** | | |
| Financial assets | | |
| (i) Trade receivables | 72.00 | 125.04 |
| (ii) Cash and cash equivalents | 6.90 | 15.65 |
| (iii) Other balances with banks | 75.88 | 73.30 |
| (iv) Other financial assets | 0.75 | 14.09 |
| Current tax assets (Net) | 24.26 | 60.34 |
| Other current assets | 144.33 | 75.93 |
| | **324.12** | **364.33** |
| **Total Assets** | **3,095.93** | **3,252.18** |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Financial liabilities | | |
| (i) Borrowings | 988.44 | 1155.42 |
| (ii) Other financial liabilities | - | 13.34 |
| Provisions | 15.36 | 15.17 |
| Other non-current liabilities | 251.61 | 268.87 |
| | **1,255.41** | **1,452.80** |
| **Current liabilities** | | |
| Financial liabilities | | |
| (i) Borrowings | 192.38 | 170.39 |
| (ii) Trade Payables | 54.29 | 97.50 |
| (iii) Other financial liabilities | 221.14 | 181.39 |
| Other current liabilities | 37.98 | 35.62 |
| Provisions | 0.85 | 0.79 |
| | **506.64** | **485.69** |
| **Total Liabilities** | **1,762.05** | **1,938.49** |
| **Total Equity** | 1333.88 | 1313.69 |
| **Attributable to:** | | |
| Equity shareholders of parent company | 687.35 | 676.94 |
| Non controlling interest | 646.53 | 636.75 |

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **(b)** | **Summarised Stataement of Profit and loss** | | |
| **I** | **INCOME** | | |
| | Revenue from operations | 997.67 | 1068.09 |
| | Other income | 26.54 | 20.15 |
| | **Total Income** | **1,024.21** | **1,088.24** |
| **II** | **EXPENSES** | | |
| | Employee benefits expense | 107.36 | 116.80 |
| | Finance costs | 119.51 | 139.04 |
| | Depreciation and amortization expenses | 117.35 | 117.69 |
| | Other expenses | 660.48 | 723.72 |
| | **Total Expenses** | **1,004.70** | **1,097.25** |
| **III** | **Profit/ (loss) before exceptional items and tax** | **19.51** | **(9.01)** |
| | Add : Exceptional items | - | - |
| **IV** | **Profit/ (loss) before tax** | **19.51** | **(9.01)** |
| **V** | **Tax expenses** | | |
| | Income tax earlier years | 0.02 | |
| | **Income tax expense** | **0.02** | **-** |
| **VI** | **Profit/ (loss) for the year** | **19.49** | **(9.01)** |
| **VII** | **Other comprehensive income** | | |
| | Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | |
| | i) Re-measurement gains/ (losses) on defined benefit plans | 0.70 | 1.61 |
| | ii) Income tax effect [(expense)/ income] | - | - |
| | **Other comprehensive income for the year, net of tax** | **0.70** | **1.61** |
| **VIII** | **Total comprehensive income/ (loss) for the year, net of tax** | **20.19** | **(7.40)** |
| | **Profit/(Loss) attributable to:** | | |
| | Equity holders of parent Company | 10.41 | (3.81) |
| | Non controlling interest | 9.79 | (3.59) |
| **(c)** | **Summarised Stataement of Cash flow** | | |
| | Cash Flow from operating activities | 220.60 | 111.44 |
| | Cash Flow from investing activities | 1.76 | (5.62) |
| | Cash Flow from Financing activities | (231.11) | (106.14) |
| | | **(8.75)** | **(0.32)** |

**(c) Goodwill/ Capital Reserve arising from acquisition of stake in Subsidiary Companies is as under:-**

| | | | |
|---|---|---|---|
| (I) | BGK Infrastructure Developers Private Limited | | |
| | Cost of Investments | 877.63 | 877.63 |
| | Less: | | |
| | Net Assets acquired as on date of control | 786.83 | 786.83 |
| | **Goodwill** | **90.80** | **90.80** |

**(d) Impairment of Goodwill**

Goodwill is subject to annual impairment testing at the end of the year. Impairment tests were performed for the year ended March 31, 2019 And as on March 31, 2018.

**Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to economic area of operation of segments**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets and projections approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the lighting business in which the CGU operates.

**Key assumptions used in value in use calculation**

The key assumptions used for each of the above CGU's value-in-use calculations are terminal growth rate of 1% on 31st March 2019 (March 31, 2018: 1%) and discount rate of 7.5% on 31st March 2019 (March 31, 2018: 7.5%).

Management determined budgets gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the business. The calculations performed indicate that there is no impairment of goodwill.

**Sensitivity to changes in assumptions**

With regard to the assessment of impairment in value of goodwill, management believes that a reasonable possible change in any of the above key assumptions would not cause any material change in the carrying value of goodwill.

Goodwill has been determined on the basis of excess of cost to the parent over identifiable net asset acquired valued at acquisition date fair value in subsidiary company.

**2 (i) Demerger of Agro Commodity Trading and Investments (Agro Commodity & Warehousing) Undertaking**

An application was filed with Bombay Stock Exchange on 15th January, 2016 under Regulation 37(1) of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015 for the Composite Scheme of Arrangement between Tinna Rubber And Infrastructure Limited (TRIL) and Tinna Trade Limited (TTL) ("the Company") (formerly known as Tinna Trade Private Limited), wholly owned (100%) subsidiary of TRIL. After the approval of the Scheme of Arrangement, Agro Commodity Trading and Investments (Agro Commodity & Warehousing) undertakings shall be transferred to TTL and shareholders of TRIL will be issued equity shares of TTL in the ratio of 1:1. The scheme has been approved by the Hon'ble NCLT, Delhi vide their order dated 15th December, 2017 with effect from closing hours of 31st March 2016 ('Appointed Date'), which was received by the Company on 18th January 2018 and filed with Registrar of Companies on 22nd January 2018. The scheme became effective from 22nd January, 2018 (closing hours) ('Effective Date'), consequent upon filing of judgments / orders passed by the Hon'ble High Courts with respective Registrar of Companies pursuant to the Scheme of Arrangement. The group had passed the necessary accounting entries in the financial year 2017-18 and given effect to the scheme of demerger.

**(ii)** The group has accounted for the business combination using the pooling of interest method being arrangement/ business combination of entities under common control. The assets and liabilies of the demerged undertaking have been reflected at their carrying amounts and no adjustments to reflect the fair values have been made. An amount of Rs.642.20 lakhs, being difference of purchase consideration (Rs.1,284.71 lakhs) and book value of Net

Assets (Rs.642.51 lakhs) transferred to Tinna Trade Limited, has been recorded as Goodwill in the books of the group as per sub-clause (e) of clause 13.2 of the Scheme of Arrangement. The group followed the applicable Accounting Standards specified under Section 133 of the Companies act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles as on the Appointed Date in accordance with the scheme approved by the NCLT, Delhi. This is not similar to the accounting as per applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder. However, this was in compliance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles as applicable when the scheme was filed with Hon'ble High Court and as on the Appointed Date i.e. 31st March 2016. Had the group applied the accounting treatment in accordance with Ind AS 103, Business Combination the following would have been the accounting treatment:

a) No new assets / liabilities would have been recognised and no adjustments would have been made to reflect fair values of assets or liabilities of the transferor companies. As a result of demerger, the group has recognised Goodwill of Rs. 642.20 lakhs.

b) The group has not recognised deferred tax asset or liabilities arising out of assets acquired or liabilities assumed.

c) Goodwill has been amortised over a period five years in accordance with the accounting method and accounting treatment prevailing as on the appointed date i.e. March 31, 2016.

**(iii)** 85,64,750 equity shares of Rs. 10/- each at a premium of Rs. 5/- per share have been issued to the shareholders of Tinna Rubber & Infrastructure Limited in the ratio of 1:1 on 19.02.2018. As on April 1, 2017, the same have been treated as Equity Shares Pending Allotment and disclosed as 'Other Equity' (Note No. 14). Also pursuant to the scheme of arrangement, 50,00,000 equity shares of TTL held by Tinna Rubber & Intrastructure Limited stand cancelled. The same have been cancelled on 19.02.2018 and therefore disclosed under the head 'Other Equity' as on April 1, 2017 (Note No. 14).

**3 a)** In the opinion of the Board, assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

**b)** Balance of trade payables, other current liabilities, long and short term advances, other non-current and current assets and trade receivables are subject to reconciliation and confirmations.

**c)** (i) The Subsidiary Company BGK Infrastructure Developers Private Limited is entitled to a Capital Subsidy of Rs.297.39 lakhs under Rural Godown Scheme as Grameen Bhandaran Yojna under the aegis of NABARD for construction of Rural Godowns which was extended upto FY 2013-14. The Company's godown situated at Akola, Yavatmal and Washim were entitled to capital subsidy under the aforesaid scheme. Accordingly, the Company has complied with all the formalities and an application were made with the prescribed authority through ICICI Bank Ltd and after successful inspection conducted by Joint Inspection Committee (JIC) comprising of officers from NABARD, ICICI Bank Ltd and Department of Marketing & Inspection (DMI) the final subsidy amount was approved by NABARD. A sum of Rs.152.60 lakhs as advance (50%) subsidy and the balance sum of Rs.144.79 lakhs as final (50%) subsidy was disbursed by NABARD to ICICI Bank on May 9, 2017 and Feb 22, 2018 respectively. Accordingly, the Company has recognised subsidy deposit and corresponding grant of Rs.150.11 lakhs on Mar 31, 2017 and Rs.147.28 lakhs on Feb 22, 2018 respectively. ICICI Bank is holding such subsidy received towards the above projects of the Company in Subsidy Reserve Fund Account and shall adjust the above subsidy amount with the last instalments of credit facility granted for the respective projects, thereby reducing the tenure of loan. The bank is not charging interest on the facility amount to the extent of the subsidy amount released into ICICI Bank account from the date of receipt of subsidy amount. The subsidy component when received will not be treated as a prepayment and will not attract any prepayment penalty / charges. The company shall comply with all the loan covenants of the bank and shall continue with the above credit facility from bank for at least 5 years as a condition for adjustment of the said subsidy with the loan amount.

(ii) In accordance with Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", the capital subsidy is recognised as an income in equal amounts over the expected useful life of the respective fixed asset to which such grant relates. The grant relating to such fixed assets is as under:

| Nature of fixed assets | Amount of capital subsidy attributable (Rs.'Lakh) |
|---|---|
| Land | 28.65 |
| Building | 235.41 |
| Roads | 17.90 |
| Plant & Machinery | 7.19 |
| Electric Installations | 2.37 |
| Fire Fighting system | 5.86 |
| **Total** | **297.39** |

The above subsidy has been recognised to the statement of profit and loss on the basis of useful life of each asset as above. A subsidy of Rs.9.89 lakhs and Rs.19.34 lakhs has been recognised as grant income for the period ending 31st March, 2018 and 31st March, 2019 respectively and deferred grant carried forward is Rs.287.48 lakhs (current portion: Rs.19.34 lakhs) as on 31st March, 2018 and Rs.268.13 lakhs (current portion: Rs.16.52 lakhs) as on 31st March, 2019.

**4** During the year, the Subsidiary Company has capitalized the following expenses of revenue nature to the tangible fixed assets, being pre-operative expenses related to projects.

**(Amount in ₹ lakhs)**

| | **As At March 31, 2019** | **As At March 31, 2018** |
|---|---|---|
| Opening Balance | 16.26 | 16.26 |
| Legal and professional expenses | - | - |
| Conveyance and travelling expenses | - | - |
| General expenses | - | - |
| **Total Preoperative Expenses** | **16.26** | **16.26** |

**5** Disclosures pursuant to Ind AS - 19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

**(Amount in ₹ lakhs)**

| | **Year ended March 31, 2019** | **Year ended March 31, 2018** |
|---|---|---|
| **A. Defined Contribution Plan** | | |
| Contribution to Defined Contribution Plan, recognised as expense for the year is as under: | | |
| Employer's Contribution towards Provident Fund (PF) (includes administrative charges) | 12.45 | 12.77 |
| Employer's Contribution towards Family Pension Scheme (FPS) | 5.47 | 5.39 |
| Employer's Contribution towards Employee State Insurance (ESI) | 2.38 | 2.47 |
| | **20.30** | **20.62** |

**B. Defined Benefit Plan**
**Gratuity (Unfunded)**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| a) | **Reconciliation of opening and closing balances of Defined Benefit obligation** | | |
| | Present value of obligation at the beginning of the year | 51.37 | 38.07 |
| | Current Service Cost | 8.63 | 9.09 |
| | Past Service Cost | 0.00 | 1.72 |
| | Interest Cost | 3.98 | 2.93 |
| | Benefits Paid | (10.95) | - |
| | Actuarial (Gain)/ Loss | (13.15) | -0.43 |
| | Present value of obligation at the end of the year | **39.89** | **51.37** |
| b) | **Reconciliation of opening and closing balances of fair value of plan assets** | | |
| | Fair value of plan assets at beginning of the year | - | - |
| | Expected return on plan assets | - | - |
| | Employer contribution | - | - |
| | Remeasurement of (Gain)/loss in other comprehensive income | - | - |
| | Return on plan assets excluding interest income | - | - |
| | Benefits paid | - | - |
| | Fair value of plan assets at year end | **-** | **-** |
| c) | **Net Asset/ (Liability) recognised in the balance sheet** | | |
| | Fair value of plan assets | - | - |
| | Present value of defined benefit obligation | (39.89) | (51.37) |
| | Amount recognised in Balance Sheet- Asset / (Liability) | **(39.89)** | **(51.37)** |
| d) | **Expense recognised in the Statement of profit and loss during the year** | | |
| | Current Service Cost | 8.63 | 9.09 |
| | Past Service Cost | - | 1.72 |
| | Interest Cost | 3.98 | 2.93 |
| | Total expense recognised in employee benefit expenses | **12.62** | **13.74** |
| | Current Liability (Short Term) | 2.09 | 1.45 |
| | Non-current Liability (Long Term) | 37.80 | 49.92 |
| e) | **(Gain)/ Loss recognised in other comprehensive income during the year** | | |
| | Actuarial changes arising from changes in financial assumptions | (1.23) | (3.79) |
| | Actuarial changes arising from changes in experience adjustments | (11.57) | 3.36 |
| | Recognised in other comprehensive income | **(12.80)** | **(0.43)** |
| f) | **Broad categories of plan assets as a percentage of total assets** | | |
| | Insurer managed funds | Nil | Nil |
| g) | **Actuarial Assumptions** | | |
| | Mortality Table (LIC) | 100% of IALM 2006-08 | 100% of IALM 2006-08 |
| | Discount rate (per annum) | 7.75% to 7.78% | 7.75% to 7.78% |
| | Salary Escalation | 7.5% to 10% | 7.5% to 10% |
| | Withdrawal Rate (18 to 30 years) | 5.00% | 5.00% |
| | Withdrawal Rate (30 to 44 years) | 2% to 5% | 3.00% |
| | Withdrawal Rate (44 to 60 years) | 1% to 5% | 2.00% |

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **h)** | **Quantitative sensitivity analysis for significant assumptions is as below:** | | |
| | Increase / (decrease) on present value of defined benefits obligations at the end of the year | | |
| | **Impact of change in discount rate** | | |
| | Impact due to increase by 1% | (25.44) | (36.39) |
| | Impact due to decrease by 1% | 31.19 | 46.13 |
| | **Impact of change in salary** | | |
| | Impact due to increase by 1% | 31.21 | 46.03 |
| | Impact due to decrease by 1% | (26.81) | (37.70) |
| | **Impact of change in withdrawal rate** | | |
| | Impact due to increase by 1% | (26.66) | (39.12) |
| | Impact due to decrease by 1% | 28.12 | 41.37 |
| **i)** | **Maturity profile of defined benefit obligation** | | |
| | Within the next 12 months (next annual reporting period) | 2.12 | 1.59 |
| | Between 01 April 2019 to 31 March 2020 | - | 1.39 |
| | Between 01 April 2020 to 31 March 2021 | 2.09 | 1.47 |
| | Between 01 April 2021 to 31 March 2022 | 2.21 | 2.54 |
| | Between 01 April 2022 to 31 March 2023 | 2.27 | 1.54 |
| | Between 01 April 2023 to 31 March 2024 | 2.33 | - |
| | 01 April 2024 onwards | 61.25 | 70.30 |
| | Total expected payments | **72.27** | **78.83** |

**j)** The average duration of the defined benefit plan obligation at the end of the reporting period is 13-20 years (March 31, 2018: 13-18 years).

**k)** The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

**l)** Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**m)** The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## 6 Segment Reporting

Business Segments

**A** The segment reporting of the group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the group is organised into business units based on its products and services and has two reportable segments as follows:

**B** Operating Segments:
Trading in Agro Commodities
Cargo handling agent services
Storage and warehousing services

**C** The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

**D** Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Others".

**E** Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Others".

**F** There is no transfer of products between operating segments.

**G** There are no customers having revenue exceeding 10% of the total revenues

**(Amount in ₹ lakhs)**

| | | **As at March 31, 2019** | **As at March 31, 2018** |
|---|---|---|---|
| **a)** | **Revenue** | | |
| | **Segment Revenue** | | |
| | Trading in Agro Commodities | 47,789.53 | 45,578.96 |
| | Cargo handling agent services | 535.55 | 431.33 |
| | Storage and warehousing services | 434.28 | 397.08 |
| | | 48,759.36 | 46,407.37 |
| | Inter segment sale | - | - |
| | **Total revenue** | **48,759.36** | **46,407.37** |
| **b)** | **Results** | | |
| | **Segment Profit** | | |
| | Trading in Agro Commodities | 538.68 | 226.67 |
| | Cargo handling agent services | 4.54 | 58.67 |
| | Storage and warehousing services | 173.21 | 116.64 |
| | **Segment operating profit** | **716.43** | **401.98** |
| | **Reconciliation of segment operating profit to operating profit** | | |
| | **Unallocated:** | | |
| | Employee benefits expense | 38.55 | 37.49 |
| | Depreciation and amortisation expenses | 1.59 | 1.45 |
| | Other expenses (net of other income) | (208.75) | (570.12) |
| | **Operating Profit** | **885.04** | **933.16** |
| | Finance costs | 659.54 | 976.25 |
| | **Profit / (Loss) before tax** | **225.50** | **(43.09)** |
| | Income tax expense | 42.08 | (7.12) |
| | **Profit / (Loss) after tax** | **183.42** | **(35.97)** |

(Amount in ₹ lakhs)

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| c) | **Reconciliations to amounts reflected in the financial statements** | | |
| | **Segment Assets** | | |
| | Trading in Agro Commodities | 4,392.73 | 9,198.57 |
| | Cargo handling agent services | 93.82 | 156.68 |
| | Storage and warehousing services | 2,867.43 | 3,010.10 |
| | **Segment operating assets** | **7,353.98** | **12,365.35** |
| | **Reconciliation of segment operating assets to total assets** | | |
| | Cash and bank balance | 442.14 | 142.68 |
| | Others assets | | |
| | Tangible assets | 2.02 | 2.52 |
| | Intangible assets | 2.26 | 3.11 |
| | Income tax refunds | 123.59 | 63.42 |
| | Others | 1.94 | 0.70 |
| | **Total Assets** | **7,925.93** | **12,577.78** |
| | **Segment Liabilities** | | |
| | Trading in Agro Commodities | 2,391.15 | 7,058.72 |
| | Cargo handling agent services | 87.65 | 104.92 |
| | Storage and warehousing services | 307.02 | 358.56 |
| | **Segment operating liabilities** | **2,785.82** | **7,522.20** |
| | **Reconciliation of segment operating liabilities to total liabilities** | | |
| | Borrowings | 1,348.04 | 1,460.58 |
| | Others | 19.35 | 14.43 |
| | **Total liabilities** | **4,153.21** | **8,997.21** |
| | **Non-current assets other than financial assets** | | |
| | Trading in Agro Commodities | 5.69 | 11.02 |
| | Cargo handling agent services | 10.05 | 10.05 |
| | Storage and warehousing services | - | - |
| | | 15.74 | 21.07 |
| | Others | - | - |
| | | **15.74** | **21.07** |
| | **Capital Expenditure** | | |
| | Trading in Agro Commodities | 7.70 | 14.45 |
| | Cargo handling agent services | 0.40 | 0.11 |
| | Storage and warehousing services | 0.56 | - |
| | | 8.66 | 14.56 |
| | Others | 0.24 | 3.52 |
| | | **8.90** | **18.08** |
| | **Depreciation and Amortisation Expenses** | | |
| | Trading in Agro Commodities | 170.59 | 188.05 |
| | Cargo handling agent services | 0.16 | 0.36 |
| | Storage and warehousing services | 115.59 | 115.88 |
| | | 286.35 | 304.29 |
| | Others | 1.59 | 1.45 |
| | | **287.94** | **305.74** |

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| **Non-cash expenses other than depreciation** | | |
| Trading in Agro Commodities | 0.00 | 0.00 |
| Cargo handling agent services | 0.00 | 0.08 |
| Storage and warehousing services | 0.00 | 0.08 |
| | 0.00 | 0.16 |
| Others | 0.00 | 0.53 |
| | **0.00** | **0.69** |
| **Segment Revenue by location of customers** | | |
| The following is the distribution of group's revenue by geographical market, regardless of where the Services are rendered: | | |
| Revenue - domestic market | 48,691.46 | 46,078.75 |
| Revenue - overseas market | 67.90 | 328.62 |
| | **48,759.36** | **46,407.37** |
| **Geographical Segment assets** | | |
| Within India | 7,925.93 | 12,577.77 |
| Outside India | - | - |
| | **7,925.93** | **12,577.77** |
| **Geographical Non-current operating assets** | | |
| Within India | 2,909.34 | 3,195.13 |
| Outside India | - | - |
| | **2,909.34** | **3,195.13** |

**Note:** Non current assets for this purpose consist of Property, plant & equipment, intangible assets and other non current assets.

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| **Geographical Capital Expenditure** | | |
| Within India | 8.90 | 18.08 |
| Outside India | - | - |
| | **8.90** | **18.08** |

**7 Related party transactions**

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:

**A Names of other related parties with whom transactions have taken place during the year :**

**(i) Enterprises in which directors and relative of such directors are interested**

Fratelli Wines Private Limited
Kriti Estates Private Limited
TP Buildtech Private Limited
Tinna Agro Ventures Limited
Tinna Rubber and Infrastructure Limited
Bee Gee Ess Farms & Properties Private Limited
Prasidh Estates Private Limited
Illingworth Marketing LLP

Shree Shubham Logistic Limited
Punarvasu Financial Services Private Limited
Insurexcellence Advisor Private Limited
Gee Ess Pee Land Developers Private Limited

**(ii) Key Management Personnel**
Gaurav Sekhri (Managing Director)
Kapil Sekhri
Anish Mahajan (CFO) (upto 06-04-2019)
Sachin Bhargava (CFO) (w.e.f 09-04-2019)
Bhupinder Kumar Shekri (upto 22-10-2018)
Maneesh Mansingka
Nishita Shah
Monika Gupta- (Company Secretary)
Ashish Madan (w.e.f 22-10-2018)

**(iii) Relatives of key management personnel**
Sobha Sekhri
Pooja Sekhri
Aarti Sekhri

**(iv) Non Executive Directors**
Ashish Madan
Kapil Sekhri
Adhiraj Amar Sarin
Sanvali Kaushik

**B Transactions during the year**

**(Amount in ₹ lakhs)**

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **(i)** | **Loans taken:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Tinna Rubber and Infrastructure Limited | - | 17.00 |
| | Illingwoth Marketing LLP | - | 10.00 |
| | Kriti Estates Private Limited | - | 80.00 |
| | Insurexcellence Advisors Private Limited | 24.00 | 32.00 |
| | | **24.00** | **139.00** |
| **(ii)** | **Loans repaid:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | - | - |
| | Tinna Rubber and Infrastructure Limited | - | 17.00 |
| | Illingwoth Marketing LLP | - | 20.00 |
| | Insurexcellence Advisors Private Limited | 19.00 | |
| | | **19.00** | **37.00** |

| | | (Amount in ₹ lakhs) Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **(iii)** | **Loans given:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Kriti Estates Private Limited | 255.00 | 1,046.00 |
| | Bee Gee Ess Farms & Properties Private Limited | - | 40.00 |
| | Prasidh Estates Private Limited | - | 160.00 |
| | | **255.00** | **1,246.00** |
| **(iv)** | **Loan Repayment Received (Including Interest, Net of TDS):** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Kriti Estates Private Limited | 520.47 | 916.00 |
| | Bee Gee Ess Farms & Properties Private Limited | - | 40.00 |
| | Prasidh Estates Private Limited | 106.33 | 60.00 |
| | | **626.80** | **1,016.00** |
| **(v)** | **Interest received** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Kriti Estates Private Limited | 34.18 | 57.95 |
| | Bee Gee Ess Farms & Properties Private Limited | - | 0.48 |
| | Prasidh Estates Private Limited | 7.03 | 2.62 |
| | TP Buildtech Private Limited | 0.73 | |
| | Tinna Rubber and Infrastructure Limited | 1.37 | |
| | | **43.31** | **61.05** |
| **(vi)** | **Interest Paid / Other financial expenses paid:** | | |
| | **Enterprises over which KMP is able to exercise significant influence** | | |
| | Illingworth Marketing LLP | - | 0.54 |
| | Insurexcellence Advisors Private Limited | 3.95 | 2.57 |
| | Kriti Estates Private Limited | 9.60 | 5.49 |
| | Bee Gee Ess Farms & Properties Private Limited | 18.00 | - |
| | | **31.55** | **8.60** |
| **(vii)** | **Reimbursement of expenses:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Fratelli Wines Private Limited | - | 3.69 |
| | Tinna Rubber and Infrastructure Limited | 48.64 | 38.10 |
| | Shree Shubham Logistics Limited | - | 6.79 |
| | Tinna Rubber and Infrastructure Limited | | |
| | Cargo Handling Charges | 0.23 | - |
| | | **48.87** | **48.58** |
| **(viii)** | **Rent paid** | | |
| | **Enterprises in which directors and relative of such directors are interested:** | | |
| | Tinna Rubber & Infrastructure Limited | 0.42 | - |
| | | **0.42** | **-** |

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **(ix)** | **Reimbursement against services received:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | TP Buildtech Private Limited | 21.66 | 0.41 |
| | TP Buildtech Private Limited | | |
| | Cargo Handling Charges | 24.60 | - |
| | Tinna Rubber and Infrastructure Limited | | |
| | Cargo Handling Charges | 2.43 | 6.65 |
| | | **48.69** | **7.06** |

The Subsidiary Company has recovered actual cargo handling charges by way of debit note from its associate Company, M/s Tinna Rubber and Infrastructure Limited. The service income from said company is disclosed separately above.

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **(x)** | **Earnest Money & Security Deposit Received:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Tinna Rubber and Infrastructure Limited | | |
| | (In compliance with Section 160 of the Companies Act 2013) | - | 1.00 |
| | TP Buildtech Private Limited | - | 21.23 |
| | | **-** | **22.23** |
| **(xi)** | **Security Deposit Transferred:** | | |
| | TP Buildtech Private Limited | - | 4.70 |
| | Tinna Rubber and Infrastructure Limited | | |
| | (In compliance with Section 160 of the Companies Act 2013) | - | 1.00 |
| | | **-** | **5.70** |
| **(xii)** | **Sales of Goods:** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Fratelli Wines Private Limited | 497.09 | 173.98 |
| | Tinna Rubber and Infrastructure Limited | 256.10 | |
| | TP Buildtech Private Limited | 572.63 | 216.22 |
| | | **1,325.82** | **390.20** |
| **(xiii)** | **Purchase of Goods (Included Freight on purchases):** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | Tinna Rubber and Infrastructure Limited | 705.62 | - |
| | | **705.62** | **-** |
| **(xiv)** | **Services Income Received:** | | |
| | **Enterprises over which KMP is able to exercise significant influence** | | |
| | Shree Shubham Logistics Limited | | |
| | Warehouse rental and storage income | 137.14 | 20.42 |
| | Tinna Rubber and Infrastructure Limited | | |
| | Clearing and forwarding services income | 14.27 | 1.71 |
| | Punarvasu Financial Services Private Limited | | |
| | Warehouse rental and storage income | 0.25 | 0.25 |
| | Fratelli Wines Private Limited | | |
| | Other receipts from warehousing operations | 2.40 | 1.97 |
| | TP Buildtech Private Limited | | |
| | Clearing and forwarding services income | 16.92 | |
| | | **170.98** | **24.35** |

(Amount in ₹ lakhs)

| | | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|---|
| **(xv)** | **Remuneration:** | | |
| | **Key Management Personnel** | | |
| | Gaurav Sekhri (Managing Director)* | 119.25 | 119.25 |
| | Monika Gupta (Company Secretary) | 8.69 | 7.44 |
| | Anish Mahajan (CFO) (w.e.f 20-01-2018) | 11.68 | 2.04 |
| | | **139.63** | **128.73** |

*The remuneration payable to Mr. Gaurav Sekhri is as per limits specified in Schedule V of the Companies Act, 2013 and was duly approved by shareholders at the Extra Ordinary General Meeting of Tinna Trade Limited held at the registered office of the Company on 1st Day of December, 2016.

| | | | |
|---|---|---|---|
| **(xvi)** | **Directors Sitting Fees:** | | |
| | **Non Executive Directors** | | |
| | Ashish Madan | 2.00 | 0.40 |
| | Adhiraj Amar Sarin | 1.20 | 0.80 |
| | Sanvali Kaushik | 2.40 | 0.80 |
| | | **5.60** | **2.00** |

(Amount in ₹ lakhs)

| | | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|
| **C** | **Balances at the year end** | | |
| **(i)** | **Amount Receivables** | | |
| | **Enterprises in which directors and relative of such directors are interested** | | |
| | T P Buildtech Private Limited | - | 168.47 |
| | Kriti Estates Private Limited | 95.31 | 330.02 |
| | Fratelli Wines Private Limited | 337.78 | 171.31 |
| | Prasidh Estates Private Limited | - | 100.00 |
| | Tinna Rubber and Infrastructure Limited | 8.38 | 3.88 |
| | Fratelli Wines Private Limited | 0.66 | 0.20 |
| | Shree Shubham Logistics Limited | 9.65 | - |
| | | **451.78** | **773.88** |
| **(ii)** | **Amount Payables** | | |
| | **Related parties where control exists** | | |
| | T P Buildtech Private Limited | 3.43 | 16.53 |
| | Tinna Rubber and Infrastruture Limited | - | 14.16 |
| | Kriti Estates Private Limited | 88.64 | 84.94 |
| | Insurexcellence Advisors Private Limited | 40.55 | 34.31 |
| | **Key Management Personnel** | | |
| | Gaurav Sekhri (Managing Director) | - | 8.00 |
| | Anish Mahajan (CFO) (w.e.f 20-01-2018) | - | 0.87 |
| | Monika Gupta (Company Secretary) | - | 0.53 |
| | | **132.62** | **159.35** |

**a)** The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Parent Company has received a corporate guarantee of Rs. 7500.00 lakhs (March 31, 2018: Rs.7,500.00 lakhs) from Tinna Rubber and Infrastructure Limited ("the Holding Company" upto 31.03.2016). The Subsidiary Company BGK Infrastructure Developers Private Limited has received a corporate guarantee of Rs. 1565 lakhs

(March 31, 2018: Rs.1565 lakhs) from Tinna Trade Limited. Tinna Rubber and Infrastructure Limited and Insurexcellance Advisors Private Limited (realted parties). For the period ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**b)** All the liabilities for post retirement benefits being 'Gratuity' and 'Leave Encashment' are provided on an actuarial basis for the Company as a whole, the amount pertaining to Key management personnel are not included above.

**8 The following table summarises movement in indebtness as on the reporting date:**

**Changes in liabilities arising from financing activities**

**(Amount in ₹ lakhs)**

| Particulars | As on April 1, 2018 | Net Cashflow | Foreign Exchange Management | Classified as current | Change in fair values | As on March 31, 2019 |
|---|---|---|---|---|---|---|
| **Non current borrowings** | | | | | | |
| Term loan from bank | 1,155.42 | (137.50) | - | (32.50) | 3.02 | 988.44 |
| **Current borrowings** | | | | | | |
| Repayable on demand | | | | | | |
| Cash credit facility | 3,814.26 | (2,736.53) | - | | - | 1,077.73 |
| Buyer's credit facility | 1,365.51 | (1,430.35) | 64.42 | | 0.42 | 0.00 |
| From related parties | 119.25 | 5.00 | - | | 4.94 | 129.19 |
| From Others | 51.14 | 10.00 | - | | 2.05 | 63.19 |
| Others | 601.23 | (601.23) | - | | - | - |
| **Total liabilities from financing activities** | **7,106.81** | **(4,890.62)** | **64.42** | **(32.50)** | **10.42** | **2,258.54** |

| Particulars | As on April 1, 2017 | Net Cashflow | Foreign Exchange Management | Classified as current | Change in fair values | As on March 31, 2018 |
|---|---|---|---|---|---|---|
| **Non current borrowings** | | | | | | |
| Term loan from bank | 1,289.92 | (120.00) | | (17.50) | 3.01 | 1,155.43 |
| **Current borrowings** | | | | | | |
| Repayable on demand | | | | | | |
| Cash credit facility | 2,535.05 | 1,279.21 | - | | - | 3,814.26 |
| Buyer's credit facility | 2,861.86 | (1,516.75) | 10.20 | | 10.20 | 1,365.51 |
| From related parties | 10.84 | 102.00 | - | | 6.41 | 119.25 |
| From Others | 10.40 | 38.00 | - | | 2.74 | 51.14 |
| Others | - | 601.23 | - | | - | 601.23 |
| **Total liabilities from financing activities** | **6,708.07** | **383.70** | **10.20** | **(17.50)** | **22.36** | **7,106.82** |

## 9 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the group has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Since there was a loss in the financial year 2017-18 the group, has contributed a sum of Rs.Nil for the year (March 31, 2018: Rs.9.16 lakhs).

**(Amount in ₹ lakhs)**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Details of CSR Expenditure:** | | |
| a) Gross amount required to be spent by the group during the year | 9.23 | 14.12 |
| b) Amount spent during period ended March 31, 2019 | | |

| | Amount spent | | Yet to be spent | | Total | |
|---|---|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Ensuring environmental sustainability | - | 4.89 | 9.23 | 9.23 | - | 14.12 |
| **Total Amount** | **-** | **4.89** | **9.23** | **9.23** | **-** | **14.12** |

## 10 Fair value measurements

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

**(Amount in ₹ lakhs)**

| | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| **Financial instruments by category** | **As at March 31, 2019** | **As at April 1, 2018** | **As at March 31, 2019** | **As at April 1, 2018** |
| **Financial assets at amortized cost** | | | | |
| Investments(current) | 3.97 | 5.52 | 3.97 | 5.52 |
| Investments(non-current) | 409.50 | 409.50 | 409.50 | 409.50 |
| Cash and bank balances | 820.85 | 692.75 | 820.85 | 692.75 |
| Loans and advances | 95.31 | 430.02 | 95.31 | 430.02 |
| Other Financial assets(current) | 31.01 | 169.57 | 31.01 | 169.57 |
| Other Financial assets(non-current) | 322.28 | 339.39 | 322.28 | 339.39 |
| Trade Receivables(current) | 1,923.29 | 5,283.67 | 1,923.29 | 5,283.67 |
| Trade Receivables(non-current) | 76.93 | 137.72 | 76.93 | 137.72 |
| | **3,683.13** | **7,468.15** | **3,683.13** | **7,468.15** |
| **Financial Liabilities at amortized cost** | | | | |
| Trade Payables | 1,075.38 | 827.97 | 1,075.38 | 827.97 |
| Borrowings (non current) | 988.44 | 1,155.42 | 988.44 | 1,155.42 |
| Borrowings (current) | 1,270.11 | 5,951.40 | 1,270.11 | 5,951.40 |
| Other financial liabilities (non current) | - | 13.34 | - | 13.34 |
| Other financial liabilities (current) | 372.67 | 547.61 | 372.67 | 547.61 |
| | **3,706.60** | **8,495.75** | **3,706.60** | **8,495.75** |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change

in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the group's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March, 2019 was assessed to be insignificant.

3) Long-term receivables/ payables are evaluated by the group based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

4) The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019, are as shown below:

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

**Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019**

| | Carrying Value | Fair Value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets carried at amortized cost for which fair value are disclosed** | | | | |
| Investments(current) | 3.97 | 3.97 | - | - |
| Investments(non-current) | 409.50 | - | - | 409.50 |
| Cash and bank balances | 820.85 | - | - | 820.85 |
| Loans and advances | 95.31 | - | - | 95.31 |
| Other Financial assets (current) | 31.01 | - | - | 31.01 |
| Other Financial assets (non-current) | 322.28 | - | - | 322.28 |
| Trade Receivables (current) | 1,923.29 | - | - | 1,923.29 |
| Trade Receivables (non-current) | 76.93 | - | - | 76.93 |
| **Liabilities carried at amortized cost for which fair value are disclosed** | | | | |
| Trade Payables | 1,075.38 | - | - | 1,075.38 |
| Borrowings (non current) | 988.44 | - | - | 988.44 |
| Borrowings (current) | 1,270.11 | - | - | 1,270.11 |
| Other financial liabilities (non current) | - | - | - | - |
| Other financial liabilities (current) | 372.67 | - | - | 372.67 |

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018**

| | Carrying Value | Fair Value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets carried at amortized cost for which fair value are disclosed** | | | | |
| Investments(current) | 5.52 | 5.52 | - | - |
| Investments(non-current) | 409.50 | - | - | 409.50 |
| Cash and bank balances | 692.75 | - | - | 692.75 |
| Loans and advances | 430.02 | - | - | 430.02 |
| Other Financial assets (current) | 169.57 | - | - | 169.57 |
| Other Financial assets (non-current) | 339.39 | - | - | 339.39 |
| Trade Receivables (current) | 5,283.67 | - | - | 5,283.67 |
| Trade Receivables (non-current) | 137.72 | - | - | 137.72 |
| **Liabilities carried at amortized cost for which fair value are disclosed** | | | | |
| Trade Payables | 827.97 | - | - | 827.97 |
| Borrowings (non current) | 1,155.42 | - | - | 1,155.42 |
| Borrowings (current) | 5,951.40 | - | - | 5,951.40 |
| Other financial liabilities (non current) | 13.34 | - | - | 13.34 |
| Other financial liabilities (current) | 547.61 | - | - | 547.61 |

**Note:**
The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

## 11 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The group is exposed to market risk, credit risk and liquidity risk.

The group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the group are accountable to the Board of Directors. This process provides assurance to group's senior management that the group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with group policies and group risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

### (a) 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 prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2019. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the group profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the group that have not been hedged by a derivative instrument or otherwise are as under:

**(Amount in ₹ lakhs)**

| Currency | Currency Symbol | March 31, 2019 | | Gain/ (loss) Impact on profit before tax and equity (Amount in Rs.) | |
|---|---|---|---|---|---|
| | | Foreign Currency (USD in Lakhs) | Indian Rupees (Rs. Lakh) Indian Rupees | 1% decrease | 1% decrease |
| Change in United States Dollar Rate | $ | | | | |
| Trade Payables | | 1.74 | 120.66 | (1.21) | 1.21 |
| Buyer's Credit | | | | | |
| Interest Payable | | - | - | - | - |
| Export Trade Receivables | | - | - | - | - |
| Other liabilities | | 0.12 | 8.57 | (0.09) | 0.09 |
| Bank accounts (EEFC) | | - | - | - | - |
| Other receivables | | 0.11 | 7.93 | 0.08 | (0.08) |

| Currency | Currency Symbol | March 31, 2018 | | Gain/ (loss) Impact on profit before tax and equity (Amount in Rs.) | |
|---|---|---|---|---|---|
| | | Foreign Currency (USD in Lakhs) | Indian Rupees (Rs. Lakh) Indian Rupees | 1% decrease | 1% decrease |
| Change in United States Dollar Rate | $ | | | | |
| Trade Payables | | 0.09 | 6.09 | (0.06) | 0.06 |
| Buyer's Credit | | 21.00 | 1,365.93 | (13.66) | 13.66 |
| Interest Payable | | 0.08 | 5.21 | (0.05) | 0.05 |
| Export Trade Receivables | | 1.09 | 70.59 | 0.71 | (0.71) |
| other liabilities | | 0.09 | 5.73 | 0.06 | (0.06) |
| Bank accounts (EEFC) | | 0.08 | 5.46 | 0.05 | (0.05) |

The gain/ (loss) on due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the statement of profit and loss was Rs. 6.61 lakhs (Gain) for the year ended March 31, 2019.

**(ii) Commodity Price Risk**

The group is exposed to fluctuations in price of Yellow Peas, Sunflower Meal, Crude Degummed Soyabean Oil and Wheat (including fluctuations in foreign currency) arising on purchase/ sale of the above commodities. To manage the variability in cash flows, the group enters into derivative financial instruments to manage the risk associated with the commodity price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts, forward commodity contracts and forward foreign exchange contracts. The risk management strategy against the commodity price fluctuation also includes procuring the said commodities on loan basis, with a flexibility to fix price at any time during the tenor of the loan. The use of such derivative financial instruments is governed by the group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the group's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established. The group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the group actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument. Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

**(Amount in ₹ lakhs)**

| | | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| (a) | Commodity Derivatives | - | (5.18) |
| | **Total** | **-** | **(5.18)** |

The gain/(loss) due to fluctuation in commodity prices on NCDEX , recognized in the statement of profit and loss was Rs.31.86 lakhs (loss) lakhs for the year ended March 31, 2019 (March 31, 2018: Rs.54.44 lakhs (gain))

**(b) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade Receivables**

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and contracts are entered into with reputed parties based on their historical performance and management feedback. In case of supplies of wheat and oil, majority of cases are covered by advance from customers which is secured before any supply is made. Out of the trade receivables, 10 parties owed Rs. 1423.09 lakhs which is 73.85% of the total receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 is the carrying amounts . The group's maximum exposure relating to financial is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the group.

**(Amount in ₹ lakhs)**

| | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|
| **Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)** | | |
| Cash and cash equivalents | 447.94 | 142.68 |
| Other bank balances | 372.92 | 550.07 |
| Loans and advances | 95.31 | 430.02 |
| Others non current financial assets | 322.28 | 339.39 |
| Others current financial assets | 22.81 | 169.57 |
| | **1,261.26** | **1,631.73** |
| **Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)** | | |
| Trade receivables (current receivables) (Gross) | 1,975.10 | 5,421.39 |
| Other receivables (Gross) | 8.19 | 9.76 |
| Insurance claim receivables (Gross) | - | - |
| | **1,983.30** | **5,431.16** |

**(i) Impairment allowance for Trade Receivables**

The group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss allowance is based on the ageing of the days of the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of reporting period as follows:

**The ageing analysis of trade receivables has been considered from the date the invoice falls due**

| **Particulars** | | |
|---|---|---|
| Within credit period | 1,679.26 | 4,448.07 |
| Less than 1 year | 237.98 | 806.11 |
| 1 to 2 years | 6.05 | 46.17 |
| 2 to 3 years | - | 6.82 |
| Over 3 years | 51.81 | 55.68 |
| **Total Trade Receivables** | **1,975.10** | **5,362.84** |

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| Expected Credit Loss | | |
| Within credit period | - | - |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | 100% | 100% |
| **Provision for receivables** | | |
| Within credit period | - | - |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | 51.81 | 55.68 |
| | **51.81** | **55.68** |

**The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-**

(Amount in ₹ lakhs)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| As the beginning of year | 55.68 | 51.81 |
| Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | (3.86) | 3.86 |
| **As the end of year** | **51.81** | **55.68** |

The concentration of credit risk is limited due to the face that the customer base is large and unrelated.

**(ii) Impairment allowance for Other Receivables**

The group has used a practical expedient by computing the expected credit loss allowance for other receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss allowance is based on the ageing of the days of the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of reporting period as follows:

**The ageing analysis of other receivables has been considered from the due date of contractual commitment**

(Amount in ₹ lakhs)

| **Particulars** | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|
| Less than 1 year | 8.19 | 9.76 |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | - | - |
| **Total Trade Receivables** | **8.19** | **9.76** |
| **Expected Credit Loss** | | |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| | (Amount in ₹ lakhs) | |
| Over 3 years | 100% | 100% |
| **Provision for impairment allowance** | | |
| Less than 1 year | - | - |
| 1 to 2 years | - | - |
| 2 to 3 years | - | - |
| Over 3 years | - | - |
| | **-** | **-** |

**The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| | (Amount in ₹ lakhs) | |
| As the beginning of year | - | 3.79 |
| Movement in the expected credit loss allowance on other receivables calculated at lifetime expected credit losses | - | (3.79) |
| **As the end of year** | **-** | **-** |

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at reasonable price. The group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the group's liquidity position through rolling forecasts on the basis of expected cash flows. The group assessed the concentration of risk with respect to its debt and concluded it to below.

**Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| **As at March 31, 2019** | **Less than 1 year** | **1 to 5 years** | **Total** |
|---|---|---|---|
| Borrowings (non current) | - | 988.44 | 988.44 |
| Borrowings (current) | 1,270.11 | - | 1,270.11 |
| Trade payables | 1,075.38 | - | 1,075.38 |
| Other current financial liabilities (non current) | - | - | - |
| Other current financial liabilities | 372.67 | - | 372.67 |

| **As at March 31, 2018** | **Less than 1 year** | **1 to 5 years** | **Total** |
|---|---|---|---|
| Borrowings (non current) | - | 1,155.42 | 1,155.42 |
| Borrowings (current) | 5,951.40 | - | 5,951.40 |
| Trade payables | 827.97 | - | 827.97 |
| Other current financial liabilities (non current) | - | 13.34 | 13.34 |
| Other current financial liabilities | 547.61 | - | 547.61 |

**(d) Interest Rate Risk**

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's short-term debt obligations with floating interest rates. The group manages its interest risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table provides a break up of group's fixed and floating rate borrowings:

(Amount in ₹ lakhs)

| | As At March 31, 2019 | As At April 1, 2018 |
|---|---|---|
| Floating rate borrowings | 2233.39 | 1290.19 |
| Fixed rate borrowings | 192.38 | 170.39 |
| **Total borrowings** | **2425.77** | **1460.58** |

**(e) Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's loss is affected through the impact on floating rate borrowings, as follows:

| Financial Year | Actual amount of interest paid | Increase/ decrease in basis points | Effect on loss |
|---|---|---|---|
| 2017-18 | 121.81 | + / - 50 bps | +6.09 / -6.09 |
| 2018-19 | 93.31 | + / - 50 bps | +4.74 / -4.74 |

**(f) Equity Price Risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 1398.07 lakhs as on March 31, 2019 (Rs.1,398.07 lakhs as on March 31, 2018).

**12 Capital Management**

For the purposes of group's capital management, Capital includes equity attributable to the equity holders of the group and all other equity reserves. The primary objective of the group's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders or issue new shares. The group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and as at March 31, 2018.

The capital structure of the group is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The calculation of the capital for the purpose of capital management is as below:

(Amount in ₹ lakhs)

| Particulars | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|
| Loans and borrowing (net of cash and cash equivalents) | 1,977.83 | 1,012.74 |
| **Net Debt** | **1,977.83** | **1,012.74** |

(Amount in ₹ lakhs)

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| Equity Share Capital | 856.48 | 856.48 |
| Other Equity | 2,268.68 | 2,008.70 |
| **Total Capital** | **3,125.16** | **2,865.17** |
| **Capital and Net Debt** | **5,102.99** | **3,877.92** |
| **Gearing Ratio (Net Debt / Capital and Net Debt)** | **38.76%** | **26.12%** |

**13 Earnings per share**
(attributable to equity shareholders of parent company)

| | | | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|---|
| a) | **Basic Earnings per share** | | | |
| | Numerator for earnings per share | | | |
| | Profit/ (loss) after taxation | (Rs.) | 173.97 | (31.61) |
| | Denominator for earnings per share | | | |
| | Weighted number of equity shares outstanding during the year | (Nos.) | 85,64,750 | 85,64,750 |
| | Earnings per share-Basic (one equity share of Rs.10/- each) | (Rs.) | 2.03 | (0.37) |
| b) | **Diluted Earnings per share** | | | |
| | Numerator for earnings per share | | | |
| | Profit/ (loss) after taxation | (Rs.) | 173.97 | (31.61) |
| | Denominator for earnings per share | | | |
| | Weighted number of equity shares outstanding during the year | (Nos.) | 85,64,750 | 85,64,750 |
| | Earnings per share- Diluted (one equity share of Rs.10/- each) | (Rs.) | 2.03 | (0.37) |

**Note:**

(i) There are no instruments issued by the group which have effect of dilution of basic earning per share.

(ii) Ordinary shares issued as part of consideration transferred in a business combination are included in the weighted average number of shares from the acquisition date.(para 22 of Ind AS 33). Therefore, 85,64,750 ordinary shares have been considered from appointed date i.e. 31st March, 2016.

**14 Disclosure required under Section 186 (4) of the Companies Act, 2013.**

**(i) Particulars of Investments made:**

(Amount in ₹ lakhs)

| Sl. No | Name of the Investee | Year ended March 31, 2019 Investment made | Year ended March 31, 2019 Outstanding Balance | Year ended March 31, 2018 Investment made | Year ended March 31, 2018 Outstanding Balance |
|---|---|---|---|---|---|
| 1 | Fratelli Wines Private Limited* | Nil | 409.50 | Nil | 409.50 |

**(ii) Particulars of Loan given:**

| Sl. No | Name of the Entity | Year ended March 31, 2019 Loan Given | Year ended March 31, 2019 Outstanding Balance (including interest) | Year ended March 31, 2018 Loan Given | Year ended March 31, 2018 Outstanding Balance (including interest) |
|---|---|---|---|---|---|
| 1 | Kriti Estates Private Limited | 255.00 | 95.31 | 1,046.00 | 330.02 |
| 2 | Bee Gee Ess Farms & Properties Private Limited | - | - | 40.00 | - |
| 3 | Prasidh Estates Private Limited | - | - | 160.00 | 100.00 |

The above loans have been proposed to be utilized for General Corporate Purpose by the recipient of the loan.

**15** The figures have been rounded off to nearest rupees in lakhs with upto two decimals.

**16** Note No. 1 to 31 form integral part of the balance sheet and statement of profit and loss.

The accompanying notes are an integral part of the financial statements.
**As per our report of even date**

For **V.R. Bansal & Associates**
Chartered Accountants
ICAI Registration No. 016534N

**Rajan Bansal**
Partner
Membership No. 093591

Place: New Delhi
Date: 30th May 2019

**For and on behalf of Board of Directors**

**Gaurav Sekhri**
(Managing Director)
DIN: 00090676

**Kapil Sekhri**
(Director)
DIN: 00090771

**Monika Gupta**
(Company Secretary)
M No.: FCS-8015

**Sachin Bhargava**
(Chief Financial Officer)

# TINNA TRADE LIMITED

**CIN : L51100DL2009PLC186397**
Regd. Office : No.-6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030
Tel. No. : +91 11 4951 8530 (70 Lines) Fax : +91 11 2680 4883
E-mail : investor.ttl@tinna.in URL : www.tinnatrade.in

**11th Annual general Meeting held on 6th September, 2019 at 9:00 am**

**PROXY FORM**

| | |
|---|---|
| Name of the Member(s): | |
| Registered Address: | |
| Folio No: | |
| No. of shares held: | |
| Email Id: | |

I/We, being the member (s) holding ........................................................ shares of the above named company, hereby appoint:

| | | |
|---|---|---|
| 1. | Name: | |
| | Address: | |
| | E-mail Id: | |
| | Signature: | |

or failing him/her

| | | |
|---|---|---|
| 2. | Name: | |
| | Address: | |
| | E-mail Id: | |
| | Signature: | |

or failing him/her

| | | |
|---|---|---|
| 3. | Name: | |
| | Address: | |
| | E-mail Id: | |
| | Signature: | |

As my/our proxy to attend and vote (on a poll) for me/us and on/my behalf at the Eleventh Annual General Meeting of the members of the company to be held at A-35, Chhatarpur Central Village, Satbari, Chhatarpur, New Delhi-110074 on 6th day of September, 2019 at 09:00 am and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Particulars | For | Against |
|---|---|---|---|
| **Ordinary Business:** | | | |
| 1. | Adoption of Audited financial statements of the company (including Audited consolidated Financial Statements) for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon. | | |
| 2. | To appoint a director in place of Mr. Gaurav Sekhri (DIN-00090676), who retires by rotation and being eligible, offers himself for re-appointment | | |
| **Special Resolution:** | | | |
| 3. | Special resolution for re-appointment of Mr. Ashish Madan (DIN-00108676) as an Non – Executive independent director for second term of five consecutive years with effect from 7th August, 2019 | | |

Signed this ...................... day of........... 2019.

| |
|---|
| Affix Re.1 Revenue Stamp |

Signature of shareholder...........................................................

Signature of Proxy holder(s)....................................................

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# TINNA TRADE LIMITED

**CIN : L51100DL2009PLC186397**
Regd. Office : No.-6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030
Tel. No. : +91 11 4951 8530 (70 Lines) Fax : +91 11 2680 4883
E-mail : investor.ttl@tinna.in URL : www.tinnatrade.in

## ATTENDANCE SLIP

Name and address of the shareholder/Proxy: ____________________

____________________

Folio No.:____________________ No. of Shares held: ____________________

I/We hereby record my/our presence at the Eleventh Annual general Meeting of the members of the company to be held at A-35, Chhatarpur Central Village, Satbari, Chhatarpur, New Delhi-110074 on Friday, 6th September, 2019 at 9:00 am.

Please mark (✓) the appropriate box:

☐ Member ☐ Proxy

Signature of the Shareholder or Proxy:

Please fill attendance slip and hand it over at the entrance of the meeting hall \Joint shareholders may obtain additional Slip at the venue of the meeting.

## REGISTERED POST / COURIER

If undelivered, please return to:


**TINNA TRADE LIMITED**

**CIN : U51100DL2009PLC186397**

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