



**12<sup>th</sup>** Annual Report  
**2019-2020**

**TINNA TRADE LIMITED**

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**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**

Mr. Gaurav Sekhri	Chairman & Managing Director
Mr. Kapil Sekhri	Non-Executive Director
Mr. Ashish Madan	Non-Executive Independent Director
Mr. Adhiraj Amar Sarin	Non-Executive Independent Director
Ms. Sanvali Kaushik	Non-Executive Independent Director

**EXECUTIVE OFFICERS**

Mr. Sanjeev Kumar Garg	Chief Operating Officer
Ms. Monika Gupta	Company Secretary & Compliance Officer
Mr. Anish Mahajan*	Chief Financial Officer
Mr. Sachin Bhargava **	Chief Financial Officer

\*Mr. Anish Mahajan resigned from the position of CFO w.e.f. 06.04.2019.

\*\*Mr. Sachin Bhargava joined as CFO w.e.f. 09.04.2019.

**OUR BANKERS**

CANARA BANK	Vasant Vihar, New Delhi
STATE BANK OF INDIA	Sadar Bazar, Delhi

**AUDITORS**

Statutory Auditors	M/S V.R.Bansals & Associates Chartered Accountants
Secretarial Auditors	M/S Ajay Baroota & Associates Company Secretaries

**SUBSIDIARY DETAILS**

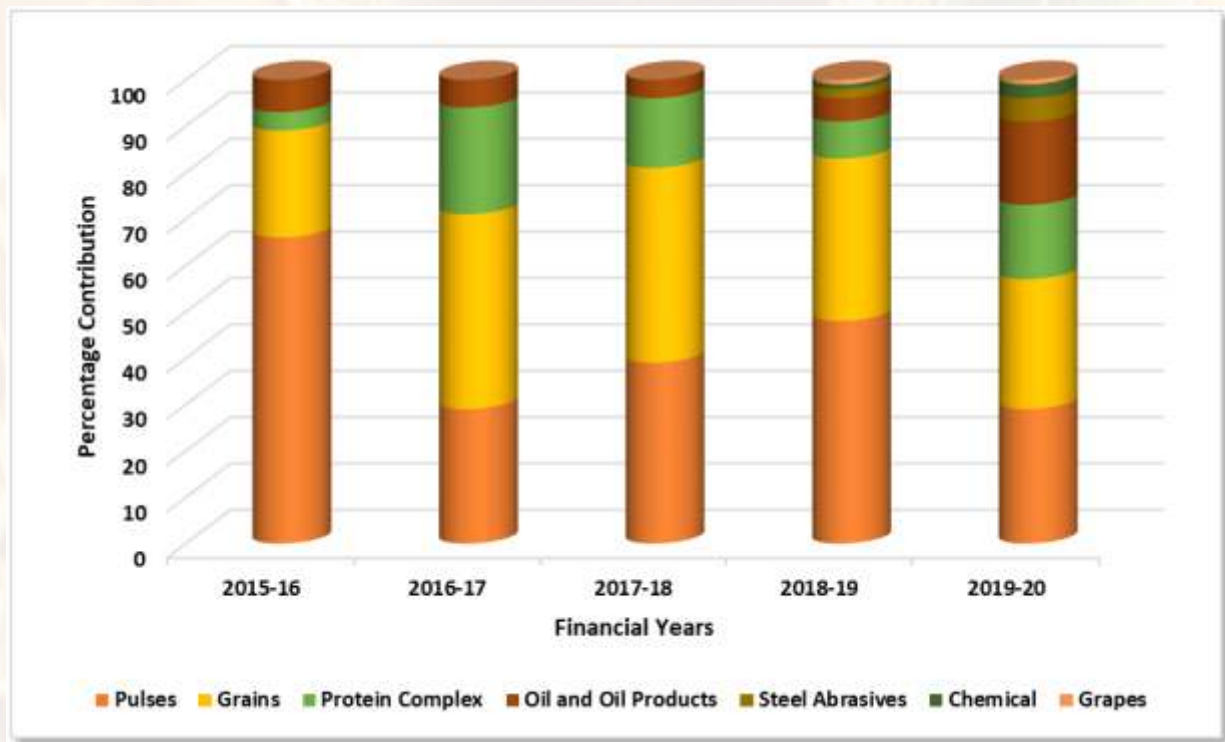
B.G.K. Infrastructure Developers Private Limited

**REGISTRAR AND TRANSFER AGENT**

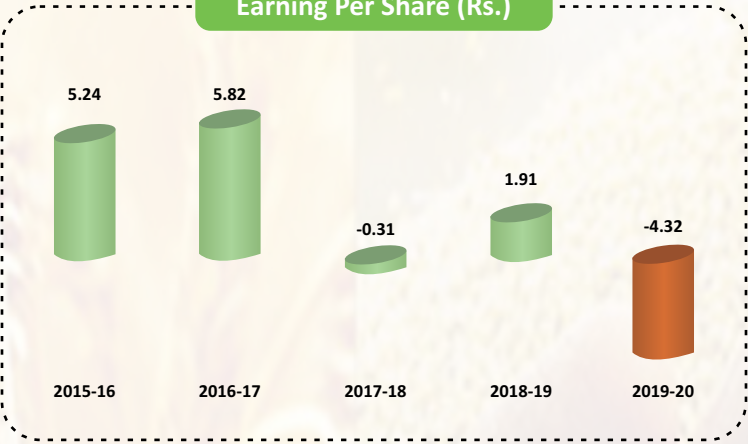
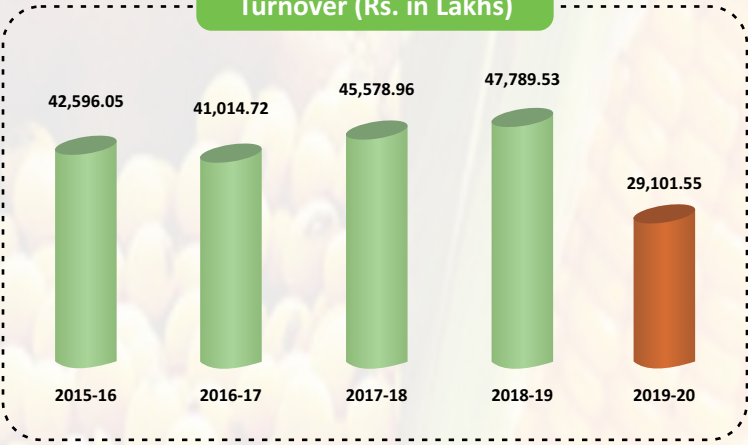
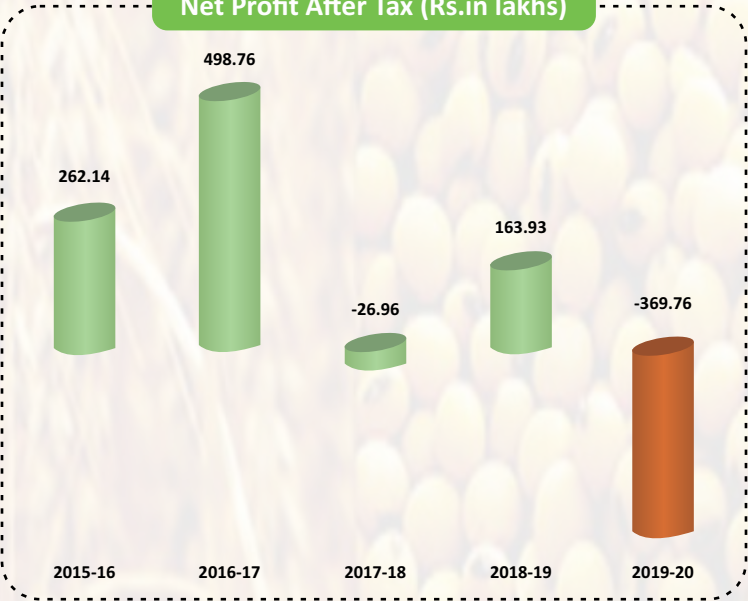
Alankit Assignments Limited  
Alankit Heights, IE/ 13, Jhandewalan Extension, New Delhi - 110055  
Phone: +91-11-42541234 / 23541234, Fax : 91-11- 41543474  
Website : www.alankit.com Email :rta@alankit.com

(Sales in Percentage)

Segment wise percentage contribution to Total Sales					
	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Pulses</b>	66	29	39	48	29
<b>Grains</b>	23	42	42	35	28
<b>Protein Complex</b>	4	23	15	8	16
<b>Oil and Oil Products</b>	7	6	4	5	18
<b>Steel Abrasives</b>	0	0	0	2	5
<b>Chemical</b>	0	0	0	1	3
<b>Grapes</b>	0	0	0	1	1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>



As a part of its diversification strategy, the company is continuously focusing on decreasing its dependence on pulses and increase trading in Non Agri commodities including Construction Chemicals, Grapes and Steel Abrasives.

**KEY FINANCIAL TRENDS - STANDALONE**
**Earning Per Share (Rs.)**

**Turnover (Rs. in Lakhs)**

**Net Profit After Tax (Rs.in lakhs)**


## Chairman's Message

Dear Stakeholders,

*I trust you and your loved ones are safe and doing well. I am writing to you at a time when, over the last few months, Coronavirus pandemic has resulted in unprecedented disruption in the world. As it was expected, the economic impact of the COVID-19 pandemic in India has been especially severe. India's GDP growth has decelerated to 11 year low, estimated at 4.7% in 2019-20.*

*In 2020-21, the economy will see further significant challenges owing to the impact of COVID-19 pandemic and the resultant interruption to economic activity. Economic activity and lifestyles will be rebuilt, factoring in coexistence with COVID-19. Social Distancing and Work from Home practices will see greater prevalence and may become the new normal. As the impact of virus slows down, countries and economies will begin to reboot and we will have to adapt to what will be the new normal going forward.*

*One of our landmark achievements of the year 2019-20 is the finalization of the Consultancy agreement with 'G3 Canada Limited' and acting as their exclusive representatives to trade in agricultural commodities in India. G3 is 75% owned by the SALIC, the Multi-Billion dollar Saudi govt backed fund. We are extremely proud of this association and I hope it will open many new opportunities to trade for our company. Further, our qualified team did extremely well to identify and re-start import and distribution of Sunflower meal into the poultry feed industry. We were proven right as the demand was robust up until December 2019 and we were well positioned to service our customers. However the outbreak of corona virus in China, Europe and USA had an adverse impact on poultry consumption in India. Indian Public dramatically decreased the consumption of chicken, eggs etc. due to fear of the virus and this adversely impacted our business. The excellent and conducive weather, good rainfall and farmer supportive policies of government encouraged farmers to produce bumper crops of food grains. In line with this development, we have increased our engagement in domestic trading of pulses and grains to distribute to the end users/processors. We expect robust business on this account during FY 2020-21.*



*Given the fact of pandemic and its adverse impact on Indian economy, various economic surveys have predicted that India's GDP growth could plummet to even (-15.2%), y-o-y from 3.1% in Q1 of FY 2020-21. However, we are prepared to deal with the slowdown and hope to beat it by growing 15-20% on year on year basis.*

*As part of our risk mitigation strategy, we had commenced diversification into other commodities like specialized steel products and chemicals in FY 18-19 itself. We continued down this path in FY 19-20 also. As mentioned last year, company has hired a team of professionals having strong techno-commercial background to look after this vertical. We have Pan India presence and are committed to grow in this business. In spite of facing headwinds due to slow down in auto sector, we have become a leading supplier of steel abrasives to notable accounts such as Mahindra, Escorts and many OEM's catering to multinational auto companies. We are confident that we will continue to grow in this business in FY 20-21 and have high expectations from it.*

*No doubt that FY 20-21 will be most challenging as it started with the whole World being in Lockdown. As I write this message to you, no proper remedy or vaccine is available yet. The entire globe has been struggling with this Pandemic. We need to evaluate the long-term impact of COVID-19 on consumer preferences in various categories. But with food being an essential commodity, we expect your Company to perform better than other sectors. Also, we are better positioned than our competitors as we have been extremely risk averse and have come out of the most severe phase of the pandemic relatively unscathed.*

*Given the challenge of Pandemic & slow economy, FY 20-21 requires more prudent, more calibrated and more risk averse business. Company is exploring the model of quick rotation of commodities so that a regular revenue stream can be maintained. To mitigate the counter party risk, company shall lay strong emphasis on back to back business and increase trading of Agri products being procured/ sold by govt. agencies under MSP mechanism.*

*I would also like to extend my gratitude and appreciation towards my fellow Board Members for their unstinted support. My thanks also to our business associates and vendors who make our journey easier and simpler. And finally, on behalf of the entire management and the Board, I want to thank you for your unwavering support.*

*I pray and hope for its early end of this Pandemic and for your safety & good health in these unprecedented times.*

**Gaurav Sekhri**  
**Chairman**

## Letter From COO

Dear Shareholders,

*It gives me great pleasure to reconnect with you for presenting the company's Annual Report for FY 2019-20. While this was the year of extreme economic challenges for the world, the situation further aggravated almost beyond measure by the unprecedented COVID-19 pandemic. While the COVID-19 pandemic shook the world, we successfully navigated through the uncertain times with focus on safety and well-being of everyone yet ensuring business continuity. We stayed connected with our customers, business partners, employees, communities and all other stakeholders to help them cope with the situation and eventually evolve with a comprehensive re-start roadmap.*

*As we know the global economy witnessed a slowdown in the calendar year 2019, the impact of slowdown is further affected by the outbreak of COVID-19 in major part of world during the Q4 of FY 2019-20. Since the company is active in the trading & distribution of Agri commodities and a connect in the supply chain of Agri commodities inevitable, we managed to cope up the effects of slow down by maintaining ourselves as one of the key player in the market. Your company continue to play on its strengths.*

*The plan of central Government to double the farmer's income by the year 2022, a continuous hike in the MSP's and a conducive weather, farmers produced larger crops both in Rabi and Kharif season. A regular intervention by NAFED on behalf of government to procure pulses and oil seeds at MSP created NAFED as the largest trading partner in pulses and oil seeds. It has changed the dynamics of these commodities completely.*





*Your company has been engaged in the direct procurement from farmers/aggregators and also from the government agencies to distribute the produce of wheat, pulses and coarse grains to the processors /actual users.*

*India produced close to 110 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 in procuring the commodity during the harvest and to distribute to end users such as Starch Industry and Poultry feed Manufacturers.*

*In continuation of our drive to diversify our business activities in non-Agricultural products, the company has successfully commenced the business of trading in steel abrasives and achieved sales of 3000 MT with revenue of approx. Rs. 14 crores, which we expect to increase by 25% during the FY2020-21.*

*Although the impact of Covid-19 pandemic makes it difficult to forecast the future with any degree of certainty, we are hopeful that the second half of FY 2020-21 will have better economic and business activities. The company is putting its best efforts to mitigate the impact of Pandemic and register enhanced performance. The company is focused on utilizing its resources more judiciously with major focus on bringing down cost along with increase in business opportunities in Agri as well as Non-Agri business.*

*During the FY2020-21, owing to larger production of Rabi & Kharif crop in the country, lesser dependent on imports, we shall have more focus on the trading of Chick Peas, Tur, Oil seeds and edible oil. Nevertheless, we shall keep a constant eye on the procurement/ handling, logistics, supply & distribution cost to be able to achieve Company's targets.*

*As the concluding remarks, I would like to express my thanks to all my colleagues at "TINNA" for their dedication, commitment and hard work. I would also like to thank the top management and entire board for their guidance, trust, confidence and valuable support. Also, I wish to thank our business associates for their long association and confidence and at last but not least I would like to express my thanks to our shareholders and investors in their trust in TINNA and continuous support.*

*Staysafe and in good health!*

**Sanjeev Kumar Garg**

## **NOTICE**

NOTICE is hereby given that the Twelfth (12<sup>th</sup>) Annual General Meeting of the Shareholders of the Tinna Trade Limited (CIN- L51100DL2009PLC186397) will be held on Wednesday, 30<sup>th</sup> September, 2020 at 12:30 pm through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### **ORDINARY BUSINESS:-**

1. To consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the Financial Year ended 31<sup>st</sup> March, 2020 together with 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 in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. To approve re-appointment and fix remuneration of Mr. Gaurav Sekhri as Managing Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of Section 196, 197, 198, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and applicable provisions/regulations of SEBI (Listing Obligations and Disclosure Requirements) (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval be and is hereby accorded for the re-appointment of Mr. Gaurav Sekhri (DIN: 00090676) as Managing Director of the Company for the period of three(3) years from 01<sup>st</sup> April, 2020 and will be liable to retire by rotation on the terms and conditions and remuneration as mentioned below:

- a) Monthly remuneration (including Perquisites & allowances) of Rs. 6,56,665/- (Rupees Six Lacs Fifty Six Thousand Six Hundred Sixty Five only).
- b) Bonus (salary of one month for each year Upto maximum of Rs.50, 000/-).

- c) He shall be entitled to annual performance bonus as per Company policy. Total annual remuneration of Mr. Gaurav Sekhri shall not exceed Rs. 84,00,000/- (Rupees Eighty Four Lacs) including all Perquisites, allowances, Bonus & other benefits or such other amount as permissible in terms of Part-II of Section –II of schedule V of the Companies Act, 2013 in case of inadequate profits or no profits during the tenure.
- d) He shall be entitled to participate in provident fund, gratuity fund or such other schemes for the employees, which the Company may establish from time to time as per Company policy.
- e) Coverage under Mediclaim & personal accident insurance policy of the Managing Director and his family in accordance with the Company policy.
- f) Reimbursement of expenses incurred by him on account of business of the Company or on account of business travel in accordance with the Company policy.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby given liberty to alter and fix/vary the terms & conditions of the appointment / Remuneration so as not to exceed the limits specified herein above or in terms of Part-II of Section II of Schedule V of the Companies Act, 2013 or any amendments hereto, in case of inadequate profit or no profit during the tenure.

**RESOLVED FURTHER THAT** Ms. Monika Gupta (Company Secretary), Mr. Gaurav Sekhri (Managing Director) & Mr. Kapil Sekhri (Director) be and are hereby severally authorised to do such acts, deeds, things, matters etc. as are necessary & required to give effect to the above said resolution(s) including filing/reporting with the office of Registrar of Companies, National Capital Territory of Delhi and Haryana & other concerned authorities.

4. Approval for sale or transfer of equity shares of its subsidiary company, B.G.K. Infrastructure Developers Private Limited

To consider and if thought fit, to pass with or without modification(s), the following resolution as special Resolution:

“RESOLVED THAT pursuant to the applicable provisions if any, of Companies Act, 2013, Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force and subject to such other requisite approvals, consents, permissions and sanctions as may be required, the consent of the

members be and is hereby accorded to the Board of Directors of the Company to divest by way of sale or transfer of 10,00,000 (Ten Lakhs) equity shares of its subsidiary company, B.G.K. Infrastructure Developers Private Limited, in one or more tranches at the price of Rs. 14.96 per share amounting to Rs. 1,49,60,000/- (Rupees One crore, forty Nine Lakhs and Sixty Thousand only) on such terms and conditions as may be decided by the Board and in such manner as the Board deems appropriate as well as the means, methods or modes including the receipt of consideration thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to take all necessary steps, to execute all such documents, deeds, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

5. Approval to grant security under section 185 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 185 & 188 and all other applicable provisions, if any of the Companies Act, 2013, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in

that behalf, the approval of the members of the Company be and is hereby accorded to give guarantee/security/pledge to ICICI bank or any other bank in connection with the term loan availed by B.G.K. Infrastructure Developers Private Limited (a company in which the director(s) of the company is interested) to the extent of Rs. 15.65 crores (Rupees Fifteen crores and sixty five lakhs), utilized for the purpose of principal business activities of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to take all necessary steps, to execute all such documents, deeds, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable”

**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: 04/09/2020**

## Notes

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and 12<sup>th</sup> annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM) on Wednesday, 30<sup>th</sup> September, 2020 at 12:30 pm. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the meeting.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Statement pursuant to section 102 of the Act forms part of this Notice. The Board of Directors at its meeting held on 4<sup>th</sup> September, 2020 has decided that the special business set out under item no. 3 to 5, being considered 'unavoidable', be transacted at the twelfth e-AGM of the Company.
4. 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.
5. Members are requested to intimate the Registrar and Share Transfer Agent of the Company – M/s Alankit Assignments Ltd. immediately if 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.
6. 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.
7. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to Investor.ttl@tinna.in by mentioning their DP ID & Client ID/Physical Folio Number.
10. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
11. The Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
12. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

14. Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23<sup>rd</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive), in connection with the 12<sup>th</sup> Annual General Meeting of the Company.
15. 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 1<sup>st</sup> 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.
16. 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.
17. Your attention is invited on the Companies (Significant Beneficial Ownership) amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8<sup>th</sup> February 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.
18. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at [www.tinnatrade.in](http://www.tinnatrade.in), website of the Stock Exchanges i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
19. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- 20. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AREAS UNDER:**
- (A) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- (B) The remote e-voting period begins on 26<sup>th</sup> September, 2020 (Saturday) at 10:00 A.M. and ends 29<sup>th</sup> September, 2020 (Tuesday) at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- (C) 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
- (D) **Process of remote e-Voting system**
- The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*
- 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:**
- How to Log-in to NSDL e-Voting website?**
- (1) Visit the e-Voting website of NSDL. Open web browser by typing the following URL :

<https://www.evoting.nsd.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.nsd.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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID 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 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 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 use 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
- (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.nsd.com](http://www.evoting.nsd.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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](mailto: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:**

**How to cast your vote electronically on NSDL e-Voting system**

- (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.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- (1) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (investor.ttl@tinna.in) / (rta@alankit.com) / (evoting@nsdl.co.in).
- (2) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (investor.ttl@tinna.in) / (evoting@nsdl.co.in).

**21. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- (1) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (2) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-

Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- (3) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (4) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM AREAS UNDER:**

- (1) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- (2) Members are encouraged to join the Meeting through Laptops for better experience.
- (3) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (4) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (5) Shareholders who have questions may send email during the period 24<sup>th</sup> September, 2020 to 27<sup>th</sup> September, 2020 in advance mentioning their name demat account number/folio number, email id, mobile number at investor.ttl@tinna.in. The same will be replied by the company suitably. The Company reserves the right to restrict the number of questions depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.

**22. General Guidelines for shareholders:**

- (a) 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.
- (b) 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.
22. 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 or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with the voting by electronic means.
23. 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 23<sup>rd</sup> September, 2020 (Wednesday).
24. 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. 23<sup>rd</sup> September, 2020 (Wednesday), 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

25. 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 during the AGM and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-voting and make not later than 48 hours of 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.

26. 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 www.evoting.nsdl.com 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: 04/09/2020**



## 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. Gaurav Sekhri (DIN: 00090676) as Managing Director of the Company.

Mr. Gaurav Sekhri (DIN-00090676) is the promoter and Managing Director of the Company. He has experience of over 26 years in trading business and has been managing the affairs of the Company since 2009. He has been re-appointed as the Managing Director of the company on 01<sup>st</sup> April, 2017 for the period of 3 (three) years. The term of his appointment has expired on 31<sup>st</sup> March, 2020. On the basis of the recommendation of Nomination and remuneration committee, the board of directors of the company at their meeting held on 12<sup>th</sup> February, 2020 has recommended his re-appointment as Managing Director for the period of further three (3) years from 01<sup>st</sup> April, 2020 on the existing terms and conditions.

Due to spread of COVID-19 across the globe, the current business atmosphere is very unpredictable. Due to the adverse effect of COVID on the business of the company, Mr. Gaurav Sekhri has voluntarily decided to accept the cut in his remuneration.

Accordingly, Basis recommendation of Nomination and remuneration committee, the board of directors of the company at their meeting held on 4<sup>th</sup> September, 2020 has proposed to modify the terms and conditions of his re-appointment as Managing Director as per the details stated in the resolution.

Details as required under the Schedule V to the Companies Act, 2013 and under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows :-

#### MR. GAURAV SEKHRI

### 1. GENERAL INFORMATION

S.NO	PARTICULARS	DETAILS		
1	Nature of industry	Commodity Trading Services.		
2	Date or expected date of commencement of commercial production	Not applicable		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4	Financial performance based on the given indicators:	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>
	Total Revenue (In Rs. lacs)	29237.69	47996.86	46155.42
	Total Expenditure (In Rs. Lacs)	29703.72	47790.88	46189.51
	Profit Before Tax (In Rs. Lacs)	(466.03)	205.98	(34.09)
	Profit After Tax (In Rs. Lacs)	(369.76)	163.93	(26.96)
5	Foreign investments or collaboration, if any	Not applicable		

**2. INFORMATION ABOUT THE APPOINTEE**

S.NO	PARTICULARS	DETAILS
1	Background details	Mr. Gaurav Sekhri has done his Bachelor of Business Administration (BBA) from Richmond College, London (UK). He started his career with Tinna Group of companies, promoted by Sekhri families. He was actively involved in the groups' trading business dealing in procurement of various dry bulk commodities like Rice, Wheat, SBM and sugar. Mr.Sekhri played a key role in indentifying ADM as a partner and actively participated in formation and promotion of the joint venture with M/s Archer Daniels Midland (ADM). Until 2009, he oversaw running of all business verticals, including cargo handling operations, oil seed processing, branding and marketing of edible oils and marketing of oil ingredients for the joint venture. Mr.Gaurav Sekhri is promotor director of the joint venture company "Tinna Viterra Trade Pvt Ltd" between with M/s Viterra Inc. Canada and Tinna Rubber and Infrastructure Limited , in 2009 and currently heading the group as the Managing Director.
2	Past remuneration	Monthly Remuneration (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.
3	Recognitions and awards	He have been associated with various reputed associations including : <ul style="list-style-type: none"> <li>- Chairman of Sunflower Seed Promotion Council of SEA (Solvent Extractors Association) of India from 2005 till 2008.</li> <li>-Chairman of SEA Bio Diesel Promotion Council from 2006 till 2010.</li> <li>-Member of 'The Soybean Processors Association of India' (SOPA).</li> <li>- Member of 'Confederation of Indian Industry (CII) &amp; National Committee on Agriculture.</li> <li>- Member of "National Committee a Bio Fuels.</li> <li>- Member of Confederation of Indian Industry (CII) .</li> <li>- Member of National Committee on Agriculture.</li> <li>- Trustee on VPT (Visakhapatnam Port Trust) Board, representing Federation of Madhya Pradesh Chambers of Commerce&amp; Industry (FMPCCI) for 2002-04, 2004-06, 2006-08 &amp; 2008-2010 VPT is the largest Port in India in terms of throughput for last 7 consecutive years.</li> </ul>
4	Job profile and his suitability	Mr. Gaurav Sekhri has experience of over 26 years as in Trading business & other business activities.  He possesses key expertise in the business of commodity trading and other business verticals, including cargo handling operations & warehousing.

5	Remuneration proposed	Rs. 6,56,665/- (Rupees Six Lacs Fifty Six Thousand Six Hundred Sixty Five only) , Bonus (salary of one month for each year upto maximum of Rs.50,000) & Performance Bonus as per company policy.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is very competitive and keeping in view the remuneration packages offered in the industry. In view qualification and experience of the appointee there is enough scope for improving the package.
7	Pecuniary relationship directly or indirectly with the company.	Mr. Gaurav Sekhri holds 66200 (0.77%) equity shares in the company.
8	Relationship with other Directors/Key Managerial Personnel	Relative of Non-Executive Director , Mr. Kapil Sekhri

### 3. OTHER INFORMATION

S.NO	PARTICULARS	DETAILS
a.	Reasons for loss or inadequate profits	Owing to the adverse market conditions and impact of COVID-19, there is economic meltdown and the profits of the Company are still inadequate to absorb the managerial remuneration.
b.	Steps taken or proposed to be taken for improvement	Although we need to evaluate the long-term impact of COVID-19 on consumer preferences, but food being an essential commodity, we expect your Company to perform better on a relative basis.  The Company has entered into consultancy agreement with 'G3 Canada Limited' and acting as their exclusive consultants in agricultural commodities which is giving us stable/regular income.
c.	Expected increase in productivity and profits in measurable terms	As the company is engaged in trading of agricultural commodities, being essential commodities Profitability of the Company is expected to increase relatively, subject to the overall market/economic conditions and impact of COVID-19.

### 4. DISCLOSURES:

1.	Remuneration Package	Rs.6,56,665/- (Rupees Six Lacs Fifty Six Thousand Six Hundred Sixty Five only) , Bonus (salary of one month for each year Upto maximum of Rs.50,000) & Performance Bonus as per company policy.
2.	Disclosures in Directors Report under 'Corporate Governance'	Please refer Corporate Governance Report for necessary disclosure.

Except Mr. Gaurav Sekhri (being appointee), Mr. Kapil Sekhri (Director in the company and relative of Mr. Gaurav Sekhri) and their relatives to the extent of their shareholding in the company, 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. Gaurav Sekhri is not related to any Director of the Company except Mr. Kapil Sekhri. Mr. Gaurav Sekhri hold 66200 (0.77%) equity shares in the company 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.

In terms of the resolution passed by the Nomination and Remuneration Committee and Board of directors, consent of members by way of ordinary resolution is required.

The Directors recommend the Resolution for approval of the Members.

#### **Item No. 4**

##### **Approval for sale or transfer of equity shares of its subsidiary company, B.G.K. Infrastructure Developers Private Limited**

BGK Infrastructure Developers Pvt. Limited (BGKIDPL) is a subsidiary of Your company, Tinna Trade Limited (TTL) holding its 72,00,000 (51.53%) equity shares. The company's business is dynamic by its nature and needs changes in the business plan of the company. As you all know that the company is focusing on diversification of its business activities and needs funds for the same. The changes in the investment holdings of the company is necessitated to address its business requirements. Therefore, management of the company has proposed to divest part of its ownership in its subsidiary to generate necessary cash flows to deliver the future business plans. As per the recommendation of Audit committee, Board of directors of the company at their meeting held on 4<sup>th</sup> September, 2020 proposed to divest/transfer 10,00,000 equity shares, out of its total investment at the price of Rs. 14.96 per share. The price has been obtained on the basis valuation report of equity shares issued by M/S V.R. Bansal & Associates, Chartered Accountants & the same is available for inspection. The total transaction amount shall not exceed Rs. 1,49,60,000/- (Rupees One crore, forty Nine Lakhs and Sixty Thousand only) that may be given effect in one or more tranches as per the business requirement.

In terms of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shareholders' approval by passing a special resolution is required to give effect to this sale of its material subsidiary. Regulation 24(5) of SEBI (LODR) Regulations, 2015 provides that no company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal.

Except Mr. Gaurav Sekhri (Managing Director), Mr. Kapil Sekhri (Director) and their relatives to the extent of their shareholding in the company, 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. 4 of the accompanying Notice of the AGM.

Mr. Gaurav Sekhri is not related to any Director of the Company except Mr. Kapil Sekhri. Mr. Gaurav Sekhri hold 66200 (0.77%) equity shares in the company in the company.

In terms of the resolution passed by the Audit Committee and Board of directors, consent of members by way of special resolution is required

The Directors recommend the Resolution for approval of the Members.

#### **Item No. 5**

##### **Approval to provide security under section 185 of the Companies Act, 2013**

BGK Infrastructure Developers Pvt. Ltd. (BGKIDPL) is a subsidiary of Your Company, Tinna Trade Limited (TTL) and is engaged in the business of warehousing. BGKIDPL has availed term loan of Rs. 15.65 crores from ICICI Bank for the purpose of construction of warehouses at different locations in Maharashtra i.e. its principal business activities. The company, TTL has provided security to ICICI Bank against the loan availed by its subsidiary company (BGKIDPL) by way of pledge of shares and Non- disposable undertaking & Power of Attorney (NDU/POA) of equity shares of BGKIDPL held by TTL.

In continuation of item No. 4, as the company is proceeding further to divest its investment, BGKIDPL will cease to be our material subsidiary.

Therefore, after the divestment of its shares from BGKIDPL, Mr. Gaurav Sekhri, being common director in both the companies, BGKIDPL company will be covered under the category “a person in whom any of the director of the company is interested” under provisions of Section 185 (2) of the Companies Act, 2013 and require consent of shareholders of the company by way of special resolution to continue with the existing arrangement.

Brief particulars of the loan availed by BGKIDPL are as follows:

Name of the company availing loan	BGK Infrastructure Developers Pvt. Ltd
Loan amount for which guarantee/security given	Term loan of Rs. 15.65 crores Outstanding amount as on 31/03/2020 is Rs. 7.18 crores approx.
Particulars of security to be provided	49,11,435 equity shares of BGKIDPL held by TTL has been given by way of security to ICICI Bank. Out of the total shares given, 28,34,850 shares pledged and 20,76,585 shares held in the form of NDU/POA.
Purpose for which the loan or guarantee or security is to be provided.	Construction of warehouses at Maharashtra to pursue its principal business activities.

Except Mr. Gaurav Sekhri (Managing Director), Mr. Kapil Sekhri (Director) and their relatives to the extent of their shareholding in the company, 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. 5 of the accompanying Notice of the AGM.

Mr. Gaurav Sekhri is not related to any Director of the Company except Mr. Kapil Sekhri. Mr. Gaurav Sekhri hold 66200 (0.77%) equity shares in the company in the company.

In terms of the resolution passed by the Audit Committee and Board of directors, consent of members by way of special resolution is required.

The Directors recommend the Resolution for approval of the Members.

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

- Re-Appointment of Mr. Gaurav Sekhri (DIN-00090676), Liable to retire by Rotation (Item No. 2)
- Re-Appointment of Mr. Gaurav Sekhri (DIN-00090676), as Managing Director (Item No. 3)

Name of the Director	Mr. Gaurav Sekhri
Age	47 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	Re-appointment as Managing Director liable to retire by rotation.

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	Rs. 6,56,665/- (Rupees Six Lacs Fifty Six Thousand Six Hundred Sixty Five only) , 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	1 <sup>st</sup> 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 (5)
Directorships of other Boards	<ol style="list-style-type: none"> <li>1. B.G.K Infrastructure &amp; Developers Private Limited</li> <li>2. Fratelli Wines Private Limited</li> <li>3. BGK Infratech Private limited</li> <li>4. YPO (Delhi Chapter) U/S25</li> <li>5. Quenny Agro Tech LLP</li> <li>6. Yardstick Technologies (P) Limited</li> <li>7. BGK Shipping LLP</li> <li>8. Arnav Estates LLP</li> <li>9. Puja Infratech LLP</li> <li>10. Tinna Rubber and Infrastructure Limited</li> <li>11. YPO Capital's Chapter Association</li> </ol>
Membership/Chairmanship of Committees of other Boards	NONE

## BOARD REPORT

**Dear Shareholders,**

Yours Directors have pleasure in presenting the Twelfth Annual Report on the business and operations of the Company and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2020.

### 1. RESULTS OF OPERATIONS AND STATE OF AFFAIRS

#### STANDALONE

The Standalone Financial results of the company for the Financial Year 2019-20 are as follows:

Statement of Profit and Loss	(Amount in Rs. Lacs)	
	March 31, 2019	March 31, 2020
Revenue from Operations	47789.53	29101.55
Other income	207.33	136.14
<b>Total Income</b>	<b>47996.86</b>	<b>29237.69</b>
Expenses (other than interest, depreciation and Tax)	47080.26	29200.76
<b>Profit/(Loss) before Interest, Depreciation and Tax (EBITA)</b>	<b>916.6</b>	<b>36.93</b>
Less: Interest and Finance Charges	540.03	331.36
<b>Profit/(Loss) before depreciation</b>	<b>376.57</b>	<b>(294.43)</b>
Less: Depreciation and amortization expenses	170.59	171.61
<b>Profit/(loss) before tax</b>	<b>205.98</b>	<b>(466.04)</b>
Income tax expense (including deferred tax and adjustment of tax related to earlier years)	42.05	96.27
<b>Profit/ (loss) for the year</b>	<b>163.93</b>	<b>(369.76)</b>

During the year under review, the revenue of the company is Rs. 29,101.55 Lacs as against Rs. 47,789.53 Lacs in the previous Financial Year. The company has incurred loss of Rs. 369.76 Lacs as compared to profit of Rs. 163.93 Lacs during previous Financial Year. There is significant reduction in finance cost to Rs. 331.36 Lacs as compared to Rs.540.03 Lacs in 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 its holding company Tinna Rubber & Infrastructure Limited (TRIL) over the period of five years as per applicable accounting standards.

## CONSOLIDATED

The Consolidated Financial results of the company for the Financial Year 2019-20 are as follows

Statement of Profit and Loss	(Amount in Rs. Lacs)	
	March 31, 2019	March 31, 2020
Revenue from Operations	48759.36	30309.29
Other income	233.87	174.49
<b>Total Income</b>	<b>48993.23</b>	<b>30483.78</b>
Expenses (other than interest, depreciation and Tax)	47820.25	30090.45
<b>Profit before Interest, Depreciation and Tax (EBITA)</b>	<b>1172.98</b>	<b>393.33</b>
Less: Interest and Finance Charges	659.54	447.64
<b>Profit before depreciation</b>	<b>513.44</b>	<b>-54.31</b>
Less: Depreciation and amortization expenses	287.94	298.81
<b>Profit/(loss) before tax</b>	<b>225.5</b>	<b>(353.36)</b>
Income tax expense	42.08	(96.27)
<b>Profit/ (loss) for the year</b>	<b>183.42</b>	<b>(257.09)</b>

During the year under review, the consolidated revenue of the company is Rs. 30,309.29 Lacs as against Rs. 48993.23 Lacs in the previous Financial Year. The consolidated loss during the year is Rs. 353.362 Lacs as compared to profit of Rs. 225.49 Lacs during previous Financial Year. The consolidated finance cost has come down to Rs. 447.64 Lacs as compared to 659.54 Lacs during the previous financial year.

### 2. PANDEMIC – CORONAVIRUS (COVID-19)

Towards the end of the financial year, the World Health Organization (WHO) has declared Covid-19 a pandemic and the outbreak, which infected millions, has resulted in deaths of a significant number of people globally. Covid-19 is seen having an unprecedented impact on people and economies worldwide.

The impact of the Covid-19 crisis on the Company's performance in 2019-20 was limited as it struck towards the end of March 2020. The lockdown, lots of restrictions and unexpected variables has adversely affected the business results and future growth plans of the Company. Due to the presence of limited number of buyers and sellers in the market and availability of limited number of transportation vehicles due to absenteeism of drivers has impacted the business activities adversely. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. It is focused on controlling the fixed costs and maintaining liquidity.

However, future performance will depend on when the pandemic fades and normalcy returns, which remains uncertain at this stage. The impact of global health pandemic may be different from that estimated as on date and the Company will continue to closely monitor any material changes to future economic conditions.

### 3. DIVIDEND

The Directors of the company do not recommend any dividend for the F.Y. 2019-2020.

### 4. TRANSFER TO RESERVES

The Company has not transferred any amount towards any reserves during the FY 2019-20.

### 5. CHANGE IN THE NATURE OF BUSINESS

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

### 6. FUTURE OUTLOOK

Government of India has repeatedly mentioned the desire to double the farmer's income by the year 2022. There are many steps being taken by Govt. such as to increase the MSP of Rabi and Kharif crop as compared to previous years. The procurement of wheat and rice has always a norm on radar for many decades as Food Corporation of India having playing a vital role for the procurement of both the staples. Since none of the govt agencies were procuring pulses and oil seeds, the agriculture growth of both pulses and oil seed was getting decreased due to the market price Realisation to the farmer was below the MSP.

To address this abnormality govt. has appointed NAFED as nodal agency to procure the pulses and oil seeds during the harvest at MSP. The results are visible, country has produced more than 25 million metric tons of pulses and a large portion is being procured by NAFED. It has paved the way for your company to participate in the disposal tenders of pulses issued by NAFED, so that companies distribution network could be integrated with the stock being offered by NAFED in many towns / cities of various states.

But the spread of COVID – 19 across the globe has decreased the momentum of business although your companies fortunate to be in the business of Agri commodities. The prolonged lockdown has affected the demand of food products especially in hotels, restaurant and cafe etc. since outside eating has become almost negligible. It may put a pressure on company's top line in the financial year 2020-21.

### 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 31<sup>st</sup> March, 2020. The company does not have any Joint Venture or associate company as on 31<sup>st</sup> March, 2020. 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 this 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](http://www.tinnatrade.in).

### 8. RISK MANAGEMENT

The Company has well defined process to ensure risks are identified and steps to treat them are put in place at the right level in the management. The operating managers are responsible for identifying and putting in place mitigation plan for operational and process risks. Key strategic and business risks are identified and managed by the senior leadership team in the organization. The Company's approach to address business risks is comprehensive and includes periodic review of such risks and has established a framework for mitigating controls and reporting mechanism of such risks. Some of the risks that the Company is exposed to are Financial Risk, Regulatory Risks, Human Resources Risks, Strategic Risks and Foreign Exchange Fluctuation risks. 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](http://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

Your Company's Internal Control Systems are commensurate with the nature, size and complexity of its business. The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct



of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

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 auditor carries out internal audit of the company and reports its findings to the Board of directors and Audit Committee of the company, which reviews the 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.

## 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 85,64,750 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

Mr. Gaurav Sekhri who was appointed as Managing Director of the company, for the period of three (3) consecutive years with effect from 1<sup>st</sup> April, 2017, was re-appointed by the board of Directors and the Audit Committee, based on the recommendation of Nomination and Remuneration Committee, as a managing Director of the Company, for a period of three (3) years (i.e. from 1<sup>st</sup> April, 2020) subject to approval of the Members at the ensuing AGM. Necessary Resolution(s) alongwith disclosure(s) / information(s) in respect of the directors seeking appointment / re-appointment at the ensuing AGM are being given in the Notice convening the ensuing AGM.

Mr. Anish Mahajan, Chief financial officer, has resigned with effect from close of business hours on 6<sup>th</sup> April, 2019. Board places on record its deep appreciation for the services rendered by him.

Based on the recommendation of the Audit Committee & Nomination and Remuneration Committee of the Board, Mr. Sachin Bhargava, a qualified Chartered Accountant, has been appointed by the board of directors at its meeting held on 9<sup>th</sup> April, 2019 as Chief Financial Officer and KMP of the company w.e.f. 09<sup>th</sup> April, 2019.

**ii) Retirement by Rotation**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Gaurav Sekhri is liable to retire by rotation at the ensuing Annual General Meeting AGM. Mr. Gaurav Sekhri, being eligible offers himself for re-appointment. Your Directors recommend his re-appointment as Director of the Company. The brief resume of Mr. Gaurav Sekhri and other relevant details are given in the accompanying Notice of AGM.

**B) Declaration by Independent Directors**

Mr. Adhiraj Amar Sarin, Mr. Ashish Madan & Ms. Sanvali Kaushik, Independent Directors of your Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

**15. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of Section 134(3), Section 149(8) and Schedule IV of the Companies Act, 2013 read with Listing Regulations, Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board has been carried out. The performance evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board, details of which are provided in the Corporate Governance Report. The properly defined and systematically structured questionnaire was prepared after having considered various aspects and benchmarks of the Board's functioning, composition of the Board and its Committees, performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors in their separate meeting. The

Board of Directors expressed their satisfaction with the evaluation process

**16. STATUTORY AUDITORS**

In terms of the provisions of Section 139 of the Act read with provisions of the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s V. R. Bansal & Associates, Chartered Accountants ( Firm Registration No.016534N) was appointed as statutory auditors of the company for a second term of consecutive period of 5 (Five) years to hold office from the conclusion of AGM held on 28<sup>th</sup> 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.

The reports given by the Auditors on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

**17. SECRETARIAL AUDITOR**

In terms of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Board has appointed M/s Ajay Baroota & Associates, Practicing Company secretary (ICSI Membership No. FCS 3495 and C. P. No. 3945), was appointed as secretarial auditor of the company for the financial year 2019-20. The Secretarial Audit Report for the FY 2019-20 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.

**18. COST RECORDS**

Neither maintenance of cost records nor audit thereof in terms of Section 148 of the Act is applicable to the Company

**19. NOMINATION AND REMUNERATION POLICY**

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, Your Board has adopted a Remuneration Policy for identification, selection and appointment of Directors, Key Managerial Personnel

(KMPs) and Senior Management Personnel (SMPs) of your Company. The Policy provides criteria for fixing remuneration of the Directors, KMPs, SMPs as well as other employees of the Company. The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee. Your Board, on the recommendations of the Nomination and Remuneration Committee, appoints Director(s)/KMP'S and SMP's of the Company based on his / her eligibility, experience and qualifications.

The policy on Nomination and remuneration of Directors and KMP's and other matters provided in Section 178(3) of the Companies Act, 2013 is available on the website of the Company [www.tinnatrade.in](http://www.tinnatrade.in).

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

In line with the requirements of the Companies Act, 2013 and amendment to the Listing Regulations, your Company has formulated a revised Policy on Related Party Transactions which is also available on the Company's website at [www.tinnatrade.in](http://www.tinnatrade.in). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length on annual basis.

Disclosure of the related parties transactions as required under Section 134 read with section 188 of the companies Act, 2013 is made in Form AOC-2 as Annexure-D to the Board's report.

The related party disclosures as specified in Para A of Schedule V read with Regulation 34 (3) of the Listing Regulations are given in the Financial Statements.

## 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, is attached as Annexure – E and forms an integral part of this annual 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 forming part of this Report.

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

The Board met 5 (Five) 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 2019-20 forms part of the Corporate Governance Report.

**25. AUDIT COMMITTEE**

The Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Companies Act, 2013. The audit committee of the company comprises of three Non-Executive independent Directors- Mr. Adhiraj Amar Sarin, Mr. Ashish Madan & Ms. Sanvali Kaushik. Further, terms of reference, number of meetings held and other details are given in the Report on Corporate Governance which forms part of the Annual Report. 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 this Report.

**27. WHISTLE BLOWER POLICY / VIGIL MECHANISM**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, In terms of provisions of Section 177 of the Act and Rules framed thereunder read with Regulation 22 of the Listing Regulations, your Company has a vigil mechanism in place for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be raised. A Vigil Mechanism Committee under the Chairmanship of the Audit Committee Chairman is also in place. The Whistle Blower Policy has been uploaded on the website of the Company [www.tinnatrade.in](http://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	2019-20
Foreign Exchange earnings (INR)	60.98	129.38
Foreign Exchange Outgo (INR)	3716.52	4277.28

**30. COMMITTEES OF THE BOARD**

The Board of Directors of your Company has constituted various Committees as follows:

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 audited balance sheet dated 31<sup>st</sup> March, 2019, 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) from 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.

### 32. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed Internal Complaints Committee for various work places to address complaints pertaining to sexual harassment in accordance with the POSH Act. No complaint for any sexual harassment has been received during the year.

### 33. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board members of the Company are accorded every opportunity to familiarize themselves with the Company, its Management, its Operations and above all, the Industry perspective and issues. They interacted with Senior Management personnel and proactively provided with relevant news, views and updates on the Company and its subsidiary. All the information/ documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

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. 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](http://www.tinnatrade.in).

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

During the year under review, there were no significant material orders passed by the Regulators / Courts as on March 31, 2020, which would impact the going concern status and future operations of your Company.

### 35. REPORTING OF FRAUDS

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

### 36. SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with applicable Secretarial Standards specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Companies Act, 2013

### 37. REVIEW OF COMPLIANCE REPORT BY THE BOARD

The Company has in place a proper system to enable the Board to review on a quarterly basis the Compliance Report pertaining to all applicable laws to the Company and also to assess the steps taken by the Company to rectify instances of non-compliances, if any.

### 38. HUMAN RESOURCES MANAGEMENT

Company strongly believes that people are its greatest asset and this has been the focal point of all its Human Resource Management (HRM) practices. It emphasises on the freedom to express views, competitive pay

structure, performance-based reward system and growth opportunities. It has well-documented and disseminated employee-friendly policies to enhance transparency, create a sense of teamwork and trust among employees and align employee interests with organizational strategic goals.

The Company also provide necessary training to enhance the skills of its employees, as per industry requirements. It promotes a work environment that is characterized by fair and equal treatment for all employees. Tinna is committed to maintain the highest standards of ethics, learning environment and growth opportunities for all its employees.

### 39. ACKNOWLEDGEMENT

The directors hereby acknowledge the dedicated and loyal services rendered by the employees of the company during the year. We would also like to place on record their appreciation for the continued co-operation and support received by the company during the year

from bankers, financial institutions, Government authorities, business partners, shareholders and other stakeholders without whom the overall satisfactory performance would not have been possible and look forward for the continuance of the same in future.

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

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

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

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

**Place: New Delhi  
Dated: 04/09/2020**

**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**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

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	31 <sup>st</sup> March, 2020
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 (47,40,700)
6.	Total assets	INR 31,20,99,099
7.	Total Liabilities	INR 16,76,35,399
8.	Investments	NIL
9.	Turnover	INR 13,19,88,753
10.	Profit before taxation	INR 1,12,67,049
11.	Provision for taxation	NIL
12.	Profit after taxation	INR 1,12,67,049
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 31<sup>st</sup> March, 2020**

## **ANNEXURE B TO BOARD REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **1. ECONOMIC AND INDUSTRY OVERVIEW**

##### **Global Economy**

The year 2019 was a challenging year for the global economy. The ongoing trade war between the US and China, geopolitical tension between the US and Iran leading to rise in crude oil prices and Brexit affected the GDP growth rate. The GDP is estimated to be 2.9% in 2019, down from 3.6% in 2018. This downturn of the global economy was also due to slowdown in the manufacturing sector across the globe, with diminishing demands and lower consumption.

The year 2020 is expected to be yet another challenging year mainly due to the outbreak of corona virus. The virus have brought the global economy to a standstill with major disruptions in manufacturing and supply. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020. We may witness many of the countries will eventually reach to the negative GDP in the calendar year 2020.

##### **Indian Economy**

The Indian economy grew by 4.2% in FY19-20 compared to 6.1% in FY18-19, weakest since the financial crisis hit more than a decade back. The decline in the GDP growth rate was due to the slowdown across all sectors of the economy, especially manufacturing. This slowdown also led to lower spending by consumers resulting in lower demand & consumption of goods and services across the country.

The Government unveiled a series of far-reaching reforms, aimed at energizing the Indian economy through a combination of short-term, medium-term, and long-term measures. The Government's Vision of Aspirational India and Economic Development gives specific focus on rural development, healthcare, education and skill development. The focus is on Digital Revolution which includes - Seamless delivery of services through Digital Governance, developing National Infrastructure Pipeline, Risk mitigation through Disaster Resilience and Social security.

The growth outlook for India is weak due to the coronavirus outbreak and the subsequent lockdown that created significant hurdles for manufacturing, supply and distribution channels.

##### **Industry Structure And Development**

More than 50% population of country is dependent on agriculture. Trade/processing of the agri product is inevitable to feed the population of 1.3 billion. The food processing industries is fragmented across India and the processing mills are varying in the size of per day processes of 5 MT – 2000 MT. In some of the commodities, country is still dependent on Import such as edible oils where roughly 60% quantity of oil is being imported. Same time due to favorable weather, boost by Govt. by regular increase in MSP's and procurement of the farm produce at MSP encouraged farmers to produce more pulses. This leads to the bumper production of pulses and reducing the substantial quantity of Import.

Almost every MNC who operates globally and has presence in Indian Market, have large processing units mainly of edible oil & refining. Indian companies as large as ITC, Emami, Patanjali and various mid to small size companies are engaged in the trading and processing of Agriproducts.

The Government of India has announced several pro-farmer initiatives to double farmers' income by 2022 and provide growth impetus to the agriculture sector. These include the Pradhan Mantri Kisan Maan Dhan Yojana ('PM-KMY'), Pradhan Mantri Kisan Samman Nidhi ('PM-KISAN'), the e-NAM portal to promote 'One Nation One Market', Direct Cash Benefit Transfer, and growth impetus to horticulture.

#### **2. OPPORTUNITIES AND THREATS**

##### **Opportunities**

The growing population, require more foods, change in the food habits also require innovative foods products. Its gives a solid demand and assurance of the business to the companies engaged in agri and food products. Even during the Pandemic when there is zero activities in so many other industries, Agri & food industry is still in operations.

##### **Threats**

There is very steep competition with MNC's who are having access to the cheaper funds, bigger risk taking capacity and presence in many countries. The free distribution of grains and pulses by Govt. to the poor is disturbing the dynamics of the trade resulting in washout of lots of demand.



### 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 32(8) of consolidated Financial Statements.

### 4. OUTLOOK

Although the projections for 2021 are encouraging, in the short term, the economic cost of the lockdown could prolong economic recovery in India even as the country unlocks and reopens for business. The market stimulus and reforms introduced by the government included corporate tax rate cuts, cash transfers to farmers, rural developmental spends, payments of all pending goods and services tax (GST), income tax refunds, and further liberalisation of foreign direct investment (FDI). These measures were supported by the Reserve Bank of India (RBI) with a series of rate cuts, reduction in the cash reserve ratio (CRR), moratorium on term loans and working capital loans, the injection of liquidity through various modes to help the industry get back on its feet. The measures should begin to facilitate growth.

Despite all the effect of pandemic in the current year, food products are necessity for the livelihood. A fantastic monsoon rains, enlarged sowing by farmers for next Rabi crop and expected opening of lockdown shall be boon for the future growth of the business. An excellent track record of our company, a good legacy and a solid distribution network of the customers should be instrumental for the business however an early cure of the pandemic is must for any future growth.

### 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 Soybean 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, 2020 (Rs. 1,398.07 lakhs as on March 31, 2019).

### Political and economic environment

Any changes in political and economics 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 have implemented an internal control framework to ensure all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly. The framework includes internal controls over financial reporting, which ensures the integrity of financial statements of the Company and eliminates the possibility of frauds. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Company has implemented ERP systems with the aim of maximizing automated control transactions and digitizing all critical control processes. The Company has an internal control mechanism which is aligned with its evolving needs.

The company has appointed Mr. Ganesh pandey (Deputy Manager-Accounts) as internal auditor in place of M/S O.P.Bagla & Associates who have resigned during the year under review. Mr. Ganesh Pandey 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. Suggestions, recommendations and Implementation of Internal Auditors are placed before the Management and the Audit Committee of the Board of Directors periodically. During FY20, the Audit Committee was satisfied with the adequacy of the Internal Control systems and procedures of the Company.

## 7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO 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	2019-20
Inventory Turnover Ratio (Times)	48.81	19.49
Debtors Turnover Ratio (Times)	13.58	17.16
Total Debt / Equity Ratio (Times)	0.32	0.86
Current Ratio (Times)	1.63	1.33
Interest Coverage Ratio (Times)	1.38	-
Operating Profit Margin (% terms)	1.13	(0.93)
Net Profit Margin (% terms)	0.43	(1.60)
Return on net worth (% terms)	6.17	(15.73)

**Reasons for significant changes:**

1. Lower ratio due to lower revenue of Rs 29101.55 lacs in FY 19-20 as compared to revenue of Rs 47789.53 for FY 18-19.
2. Improvement in Debt-equity ratio due to maintaining receivable at low levels during the year.
3. Total Debt Ratio increased because of increase in outstanding of bank limits during March, 20 and decrease in equity due to loss in FY 19-20.
4. No Significant change in Current ratio of company.
5. Interest cost has remained lower in FY 19-20 as compared to FY 18-19, however negative EBIT has led to change in interest coverage ratio.
6. Negative operating profit has led to change in operating profit margin.
7. Negative net profit has led to change in Net profit margin.
8. Negative return has led to change in Return on net worth.

**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 35 employees on its payrolls as on 31<sup>st</sup> March, 2020. 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  
31<sup>ST</sup> MARCH, 2020**

[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 31<sup>st</sup> March, 2020 (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, 2020 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, 2009 and 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)
- (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 Acts, Laws and Regulations applicable 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 as observed below:

- As per audited balance sheet as on 31<sup>st</sup> March, 2019, the Company does not meet any of the threshold prescribed under Section 135 of the Companies Act, 2013. Hence, the provisions of Companies Act, 2013 with regard to CSR would not be applicable. 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.

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 there were no such event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

**For Ajay Baroota & Associates  
Company Secretaries**

**Ajay Baroota  
Proprietor  
FCS 3495 : CP 3945  
UDIN:F003495B000615359**

**Place : Delhi  
Date : 25<sup>th</sup> August, 2020**

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**  
**UDIN:F003495B000615359**

**Place: Delhi**  
**Date: 25<sup>th</sup> August, 2020**

**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.**

<b>Name of related part and nature of relationship</b>	<b>Nature of contract/ arrangement/ transaction</b>	<b>Duration of contract /arrangement /Transaction</b>	<b>Salient terms of contract /arrangement/transaction including value, if any (In INR)</b>	<b>Date of approval by Board</b>	<b>Amount paid as advance, if any</b>
Fratelli Wines Pvt Ltd	Sale of grapes	Ongoing	2,89,57,572.00	09 <sup>th</sup> April, 2019	Not Applicable
Fratelli Wines Pvt Ltd	Purchase of wines	Ongoing	99,840.00	09 <sup>th</sup> April, 2019	Not Applicable
Tinna Rubber & Infrastructure Limited	Sale of steel products (including cut wire, steel shots)	Ongoing	4,49,45,311.00	09 <sup>th</sup> April, 2019	Not Applicable
Tinna Rubber & Infrastructure Limited	Purchase of steel products (including cut wire, steel shots)	Ongoing	4,37,43,615.00	09 <sup>th</sup> April, 2019	Not Applicable
TP Buildtech Pvt Ltd	Sale of chemicals	ongoing	5,72,64,433.00	09 <sup>th</sup> April, 2019	Not Applicable
BGK Infrastructure developers Pvt ltd	Warehouse rent agreement and cargo handling services	Ongoing	1,12,14,518.00	09 <sup>th</sup> April, 2019	Not Applicable
Tinna Rubber & Infrastructure Limited	Leave and License Agreements	Eleven months from 1 <sup>st</sup> January, 2020	Rs. 5000 per month	12 <sup>th</sup> November, 2019	Not applicable

**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 2019-20

S.No.	Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year 2019-20
1	Mr. Gaurav Sekhri	38.21
2	Mr. Kapil Sekhri	0
3	Mr. Ashish Madan	0
4	Mr. Adhiraj Amar Sarin	0
5	Ms. Sanvali Kaushik	0

**Note:**

- i. Median remuneration of all the employees (excluding directors/CEO/MD) of the company was Rs. 3.12lacs  
 ii. 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	Designation	Percentage (%) increase in remuneration in the financial year 2019-20
1	Mr. Gaurav Sekhri	Managing Director	NIL
2	Mr. Kapil Sekhri	Director	NIL
3	Mr. Ashish Madan	Director	NIL
4	Mr. Adhiraj Amar Sarin	Director	NIL
5	Ms. Sanvali Kaushik	Director	NIL
6	Mr. Anish Mahajan*	Chief Financial Officer	NIL
7	Mr. Sachin Bhargava*	Chief Financial Officer	NIL
8	Ms. Monika Gupta	Company Secretary	21.97%

**Note: There has been no increase/change in the remuneration of Chief financial Officer as:**

- i. Mr. Anish Mahajan resigned from the position of Chief Financial Officer w.e.f. 06<sup>th</sup> April, 2019.  
 ii. Mr. Sachin Bhargava joined as Chief Financial Officer w.e.f. 09<sup>th</sup> April, 2019



- (c) The percentage increase in the median remuneration of employees in the financial year 2019-20 is 34.48%
- (d) The No. of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2020 is 35.
- (e) The Average percentage increase in the salaries of employees other than the managerial personnel was 1.56% and there is no change in the remuneration of managerial personnel (includes Chairman and Managing director) of the company during the FY 2019-20.
- (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.)	Nature of employment	Qualification & experience (no. of years)	date of commencement of employment	Age	last employment	Percentage of equity share held in the company	Whether employee is relative of director of the company
1	Sanjeev Kumar Garg	Chief Operating Officer	3979280	Permanent	Bsc, 26 years	01-Feb-15	50	Business	Nil	No
2	Karishma Gaiind	General Manager- HR & Admin	2450000	Permanent	BA, 10.5 years	01-Nov-16	40	M/s Panjwani Properties Pvt Ltd	2900 (0.034%)	No
3	Yash Pal Singh	Senior Manager-Marketing (Steel Abrasives)	1656622	Permanent	PGDM (Marketing), 13 years	1-Oct-18	37	Winoa Abrasives India Pvt Ltd	Nil	No
4	Niraj Singh	Manager Commercial (Oil & oil Seeds)	1123064	Permanent	MBA (Finance), 9 years	8-Aug-15	35	Raghnath Agencies Pvt Ltd	Nil	No
5	Niten Gupta	Trader-Pulses	990654	Permanent	MBA (Marketing), 21 years	01-May-13	45	DCM Shriram Consolidated Ltd	Nil	No
6	Vinky Sachdeva	Assistant Manager-Admin & EA to MD	921200	Permanent	B.Com, 23 years	05-Feb-16	45	Max Ventures Pvt Ltd	Nil	No
7	Amit Kumar	Manager-Commercial (Grains)	757914	Permanent	B.A., 17 Years	16-Aug-19	42	Dayal Industrise Pvt.Ltd	Nil	No
8	Ganesh Pandey	Deputy Manager-Accounts	710890	Permanent	MBA, 15 years	16-Jan-12	39	B.L. Lifesciences Pvt Ltd	Nil	No
9	Rajiv Nalwa	Senior Manager-Secretarial	710000	Permanent	B.com, 26 years	20-Jan-18	50	Tinna Rubber & Infrastructure Ltd	600 (0.007%)	No
10	Ravikant	Assistant Manager-Commercial	621016	Permanent	M.com, 8 years	20-Sep-11	32	Fresher	Nil	No

- (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 remuneration for any part of that year at the rate which , in the aggregate, was not less than Rs. 8.5 Lakhs per month-**NONE**

**ANNEXURE-F TO BOARD REPORT**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2020  
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 Alankit Heights, 1E/13, Jhandewalen Extension, New Delhi – 110055 Phone : +91-11-42541234 / 23541234 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**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	B.G.K. Infrastructure Developers Pvt Ltd, A-63,Second Floor FIEE Okhla Industrial Area Phase II 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 01.04.2019)				No. Of shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	6321347	-	6321347	73.81%	6321347	-	6321347	73.81%	-
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	6321347	-	6321347	73.81%	6321347	-	6321347	73.81%	-
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Cenntal 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)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	28200	-	28200	0.330%	28200	-	28200	0.330%	-

Category of Shareholders	No. of shares at the beginning of the year (As on 01.04.2019)				No. Of shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	369249	523008	892257	10.420%	400353	511708	912061	10.650%	0.230%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	842786	-	842786	9.840%	842786	-	842786	9.840%	-
c) Others (specify)	333260	146900	480160	5.610%	314456	145900	460356	5.380%	-0.230%
<b>SUB TOTAL (B)(2):</b>	1545295	669908	2215203	25.870%	1557595	657608	2215203	25.870%	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	1573495	669908	2243403	26.200%	1585795	657608	2243403	26.200%	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>7894842</b>	<b>669908</b>	<b>8564750</b>	<b>100%</b>	<b>7907142</b>	<b>657608</b>	<b>8564750</b>	<b>100%</b>	<b>0.000%</b>

**(ii) SHARE HOLDING OF PROMOTERS**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% 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%	-	-
	<b>TOTAL</b>	<b>6321347</b>	<b>73.81%</b>	<b>-</b>	<b>6321347</b>	<b>73.81%</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Shareholding at the beginning of the Year (01.04.2019)		Cumulative Shareholding during the year (31.03.2020)	
		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 01.04.2019)	6321347	73.81%	6321347	73.81%
	Changes during the year*	-	-	-	-
	At the end of the year (as on 31.03.2020)	6321347	73.81%	6321347	73.81%

\*No change during the Financial Year 2019-20

**(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 beginning of the Year (01.04.2019)		Cumulative Shareholding during the year (31.03.2020)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>NAME-SHAMA ASHOK MEHRA</b>				
	At the beginning of the year (As on 01.04.2019)	363000	4.238%	363000	4.238%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	363000	4.238%	363000	4.238%
<b>2</b>	<b>NAME-PADMAVATHI MANCHALA</b>				
	At the beginning of the year (As on 01.04.2019)	300000	3.503%	300000	3.503%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	300000	3.503%	300000	3.503%

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (01.04.2019)		Cumulative Shareholding during the year (31.03.2020)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>3</b>	<b>NAME-ASHOKA MERCANTILE LIMITED</b>				
	At the beginning of the year (As on 01.04.2019)	291812	3.407%	291812	3.407%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	291812	3.407%	291812	3.407%
<b>4</b>	<b>NAME-MADAN KUKREJA</b>				
	At the beginning of the year (As on 01.04.2019)	120450	1.406%	120450	1.406%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	120450	1.406%	120450	1.406%
<b>5</b>	<b>NAME-ABHISHEK SOMANY Jt1: MINAL SOMANY</b>				
	At the beginning of the year (As on 01.04.2019)	59336	0.693%	59336	0.693%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	59336	0.693%	59336	0.693%
<b>6</b>	<b>NAME-SHRETA SANJEEV THAWANI</b>				
	At the beginning of the year (As on 01.04.2019)	51800	0.605%	51800	0.605%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	51800	0.605%	51800	0.605%
<b>7</b>	<b>NAME-PRATHAM ROAD TECHNOLOGIES &amp; CONSTRUCTION LTD</b>				
	At the beginning of the year (As on 01.04.2019)	45100	0.527%	45100	0.527%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	45100	0.527%	45100	0.527%
<b>8</b>	<b>NAME-THE PRADESHIYA INDUSTRIAL AND INVESTMENT CORPORATION OF UP LTD.</b>				
	At the beginning of the year (As on 01.04.2019)	28200	0.329%	28200	0.329%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	28200	0.329%	28200	0.329%

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (01.04.2019)		Cumulative Shareholding during the year (31.03.2020)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>9</b>	<b>NAME-PRAVIN DONGRE Jt1: ANITA DONGRE</b>				
	At the beginning of the year (As on 01.04.2019)	18738	0.219%	18738	0.219%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	18738	0.219%	18738	0.219%
<b>10</b>	<b>NAME-JAGJEET KAUR MALIK Jt1: JASJEET SINGH MALIK</b>				
	At the beginning of the year (As on 01.04.2019)	16900	0.197%	16900	0.197%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	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 beginning of the Year (01.04.2019)		Cumulative Shareholding during the year (31.03.2020)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>NAME-MR. GAURAV SEKHRI</b>				
	At the beginning of the year (As on 01.04.2019)	66200	0.773%	66200	0.773%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	66200	0.773%	66200	0.773%
<b>2</b>	<b>NAME-MR. KAPIL SEKHRI</b>				
	At the beginning of the year (As on 01.04.2019)	79700	0.931%	79700	0.931%
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	79700	0.931%	79700	0.931%
<b>3</b>	<b>NAME-MR. ASHISH MADAN</b>				
	At the beginning of the year (As on 01.04.2019)	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	-	-	-	-



Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year (01.04.2019)		Cumulative Shareholding during the year (31.03.2020)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>4</b>	<b>NAME-MR. ADHIRAJ AMAR SARIN</b>				
	At the beginning of the year (As on 01.04.2019)	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	-	-	-	-
<b>5</b>	<b>NAME-MRS. SANVALI KAUSHIK</b>				
	At the beginning of the year (As on 01.04.2019)	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	-	-	-	-
<b>6</b>	<b>NAME-MR. ANISH MAHAJAN*</b>				
	At the beginning of the year (As on 01.04.2019)	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	-	-	-	-
<b>7</b>	<b>NAME-MR. SACHIN BHARGAVA**</b>				
	At the beginning of the year (As on 01.04.2019)	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	-	-	-	-
<b>8</b>	<b>NAME-MS. MONIKA GUPTA</b>				
	At the beginning of the year (As on 01.04.2019)	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year (as on 31.03.2020)	-	-	-	-

\*Mr. Anish Mahajan (CFO) resigned wef 06.04.2019

\*\*Mr. Sachin Bhargava (CFO) joined wef 09.04.2019

**V INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1077.73	-	-	1077.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,077.73</b>	-	-	<b>1,077.73</b>
<b>Change in Indebtedness during the financial year</b>				
Additions (including interest)	1,505.96	-	-	1,505.96
Reduction	-	-	-	-
<b>Net Change</b>	<b>1,505.96</b>	-	-	<b>1,505.96</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,562.18	-	-	2,562.18
ii) Interest due but not paid	21.51	-	-	21.51
iii) Interest accrued but not due	0.15	-	-	0.15
<b>Total (i+ii+iii)</b>	<b>2,583.84</b>	-	-	<b>2,583.84</b>

Note: The company do not have any term loan .The loan amount reflecting above is cash credit limit availed from banks.

**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
		<b>Mr. Gaurav Sekhri</b>	
		<b>Managing Director</b>	
1	<b>Gross salary</b>	1,19,25,371.00	1,19,25,371.00
	(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	-	-
	<b>Total (A)</b>	<b>1,19,25,371.00</b>	<b>1,19,25,371.00</b>
	<b>Ceiling as per the Act</b>	<b>1,64,00,000.00</b>	<b>1,64,00,000.00</b>

**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	
1	Independent Directors				
	(a) Fee for attending board committee meetings	1,20,000.00	2,00,000.00	1,20,000.00	4,40,000.00
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Director Remuneration	-	-	-	-
	Director Remuneration	-	-	-	-
	<b>Total (1)</b>	<b>1,20,000.00</b>	<b>2,00,000.00</b>	<b>1,20,000.00</b>	<b>4,40,000.00</b>
	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>1,20,000.00</b>	<b>2,00,000.00</b>	<b>1,20,000.00</b>	<b>4,40,000.00</b>
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act.</b>				

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

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO	CFO	Total
1	<b>Gross Salary</b>	<b>Ms. Monika Gupta</b>	<b>Mr. Anish Mahajan*</b>	<b>Mr. Sachin Bhargava*</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,47,000	45,055	12,85,068	22,77,123
	(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	-	-	-	-
	<b>Total</b>	<b>9,47,000</b>	<b>45,055</b>	<b>12,85,068</b>	<b>22,77,123</b>

\*Mr. Anish Mahajan resigned from the position of CFO wef 06.04.2019 and Mr. Sachin bhargava joined as CFO wef 09.04.2019.

**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)
<b>A. COMPANY</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					

## **REPORT ON CORPORATE GOVERNANCE**

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, 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**

Corporate Governance is a process that aims to allocate corporate resources in a manner that maximizes value for all stakeholders such as shareholders, investors, employees, customers, suppliers, environment and the community at large. We strongly believe that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company always endeavors to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs.

At TTL, we believe and continuously endeavor to achieve good governance through timely disclosures, transparency, accountability and responsibility in all our dealings with the employees, shareholders, clients and community at large. The Board of Directors represents the interest of the Company's Stakeholders and continuously strives for optimising long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance with the Code of Conduct adopted by the Company.

The Company ensures to comply with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations')

### **A. THE BOARD OF DIRECTORS**

#### **Role of Board of directors**

We believe that an active and well-informed Board is necessary to ensure highest standards of corporate governance. All statutory and other significant and material information are placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

#### **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, 2020, 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. 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.

#### **Key Skills, Expertise and Competencies of the Board**

The Board of the Company comprises eminent personalities and leaders in their respective fields. These members bring in the required skills, competence and expertise to the Board. These Directors are nominated based on well-defined selection

criteria. Nomination and Remuneration Committee ('NRC') considers, *inter alia*, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

S.No.	Name of director	Designation	Expertise in functional areas
1	Mr. Gaurav Sekhri	Managing Director	<ul style="list-style-type: none"> <li>✓ General Management,</li> <li>✓ leadership,</li> <li>✓ Industry Experience (commodity trading, cargo handling operations, warehousing),</li> <li>✓ Corporate strategy/strategy planning</li> <li>✓ Risk Management</li> <li>✓ Human resource and communication</li> </ul>
2	Mr. Kapil Sekhri	Non-Executive Director	<ul style="list-style-type: none"> <li>✓ General Management,</li> <li>✓ Corporate strategy/strategy planning</li> <li>✓ Risk Management</li> <li>✓ Human resource and communication</li> </ul>
3	Mr. Ashish Madan	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>✓ General Management,</li> <li>✓ Corporate strategy/strategy planning</li> <li>✓ Risk Management</li> <li>✓ Finance</li> <li>✓ Regulatory and Governance</li> </ul>
4	Mr. Adhiraj Amar Sarin	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>✓ General Management,</li> <li>✓ Industry Experience (commodity trading)</li> <li>✓ Risk Management</li> <li>✓ Human resource and communication</li> </ul>
5	Ms. Sanvali Kaushik	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>✓ General Management,</li> <li>✓ Industry Experience (commodity trading)</li> <li>✓ Risk Management</li> <li>✓ Human resource and communication</li> </ul>

#### **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.

The composition and categories of Directors as on March 31, 2020 as, also the number of Directorships/Chairpersonships and Committee positions held by them in other public limited companies and the names of the listed entities where they hold Directorship and the category of such Directorship are given below:

S.No.	Name & DIN of director	Designation /category	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 DIN-00090676	Chairman and Managing Director	01-05-2009	2	3	None	None	Tinna Rubber & Infrastructure Limited (Non-Executive, Non Independent Director)
2	Mr. Kapil Sekhri DIN-00090771	Non-Executive Non-independent Director	06-02-2009	0	3	None	None	None
3	Mr. Ashish Madan DIN-00108676	Non-Executive Independent Director	07-08-2014	2	6	2	2	Tinna Rubber & Infrastructure Limited (Non- Executive Independent Director)
4	Mr. Adhiraj Amar Sarin DIN-00140989	Non-Executive Independent Director	09-08-2016	1	1	None	1	Andhra Paper Limited (formerly known as International Paper APPM Limited) (Non- Executive Independent Director)
5	Ms. Sanvali Kaushik DIN-07660444	Non-Executive Independent Director	01-12-2016	1	1	None	1	None

**Notes:**

1. Mr. Ashish Madan has been appointed as Non-Executive Independent Director of the company w.e.f. 07/08/2014 for five years and has been re-appointed for second term of five year w.e.f. 07/08/2019.
2. Directorships exclude Foreign Companies, Limited Liability Partnership (LLP) 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.
4. 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
5. No Director is related to any other Director on the Board interms 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.
6. Attention of the members is invited to the relevant item of the Notice of the Annual General Meeting (AGM) seeking their approval for re-appointment of Director, who is retiring by rotation and being eligible, offers himself for re-appointment. Relevant information as required under the Listing Regulations is appended in the AGM Notice.

**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 5 (five) meetings were held on 9<sup>th</sup> April, 2019, 30<sup>th</sup> May, 2019, 6<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 & 12<sup>th</sup> February, 2020. 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. Comprehensively drafted notes for each agenda item along with the pre-agenda materials, wherever necessary, are circulated well in advance to the Committee /Board, to enable them for making value addition as well as exercising their business judgment in the Committee / Board meetings. This ensures timely and informed decisions by the Board.

The maximum gap between any two consecutive meetings was less than one hundred and twenty days in all the quarters 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 Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for meetings of the Committees / Board in order to assist the Directors for planning their schedules well in advance to participate 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

The Company, regularly places before the Board for its review, all the information such as annual operating plans, budget and its quarterly updates, quarterly financial results, minutes of meetings of Committees of the Board and subsidiaries, information on recruitment and remuneration of senior officers one level below the Board, any significant development in Human Resources quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable.

### **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 non compliance, if any.

### **Code of Conduct**

The Board has laid down the code of conduct for all the Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at [www.tinnatrade.in](http://www.tinnatrade.in). All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year ended March 31, 2020 and a declaration to this effect duly signed by Managing Director and Chief Financial Officer (CFO) of the Company is appended to this report.



### 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 2019-20	Attendance at AGM held on 06.09.2019
1	Mr. Gaurav Sekhri	Managing Director	5	PRESENT
2	Mr. Kapil Sekhri	Non-Executive Director	4	PRESENT
3	Mr. Ashish Madan	Non-Executive Independent Director	3	PRESENT
4	Mr. Adhiraj Amar Sarin	Non-Executive Independent Director	3	LEAVE
5	Ms. Sanvali Kaushik	Non-Executive Independent Director	5	PRESENT

*Notes: Total No. of Board meetings held during the year is 5 (Five)*

### The Chairman and Managing Director

The Chairman takes a lead role in managing the Board and facilitates effective communication among directors. He is responsible for overseeing matters pertaining to governance, including the organization, composition and effectiveness of the Board and its committees and individual directors in fulfilling their responsibilities. His primary role 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](http://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 shall 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 11<sup>th</sup> February, 2020. 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.

### **Independent director data bank registration**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Data bank. Requisite disclosures have been received from the directors in this regard.

### **Familiarisation Programme For Directors**

The Company has familiarisation Programme for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarisation Programme along with details of the same imparted to the Independent Directors during the year are available on the Company's website [www.tinnatrade.in](http://www.tinnatrade.in).

## **C. BOARD COMMITTEES**

The Board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory committees viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee.

The terms of reference of these Committees are determined by the Board and their performance are being reviewed. Meetings of each of these Committees are convened by the respective Chairman of the Committee, informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the subsequent Board meetings.

### **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**

The role and responsibilities of the Audit Committee inter alia, include the following:

- a. Over viewing the Company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- c. Reviewing with the management, the annual financial statements and auditor's report Thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement in terms of clause (c) of sub-section (3) of Section 134 of the Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;

- Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion, if any, in the draft audit report.
- d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  - e. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
  - f. Approving and reviewing any transactions of the Company with related parties;
  - g. Scrutinizing the inter-corporate loans and investments;
  - h. Evaluating internal financial controls and risk management systems;
  - i. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - j. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - k. Reviewing the functioning of the Whistle Blower Mechanism;
  - l. Approving the appointment of CFO after assessing the qualifications, experience and Background of the candidate; and

In addition, reviewing of such other functions as envisaged under Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 18 of the Listing Regulations.

The matters reviewed and recommended in the meetings of the Audit Committee were apprised to the Board by the Chairman of the Committee, for its approval.

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 5 (Five) times during the Financial Year 2019-20. The maximum gap between two Meetings was not more than 120 days. The Committee met on 4<sup>th</sup> April, 2019, 30<sup>th</sup> May, 2019, 6<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 & 11<sup>th</sup> February, 2020.

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 2019-20
1	Mr. Ashish Madan	Non-Executive Independent Director	Chairman	5
2	Mr. Adhiraj Amar Sarin	Non-Executive Independent Director	Member	3
3	Ms. Sanvali Kaushik	Non-Executive Independent Director	Member	5

### 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. Guiding the Board for laying down the terms and conditions in relation to the appointment and removal of Director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company.
- 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;
- VII. Oversee familiarisation programmes for Directors
- VIII. Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either

#### Meetings and Attendance

The Nomination and Remuneration Committee met 3 (three) times during the Financial Year 2019-20. The Committee met on 4<sup>th</sup> April, 2019, 24<sup>th</sup> June, 2019 and 11<sup>th</sup> February, 2020. 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 2019-20
1	Ms. Sanvali Kaushik	Non-Executive Independent Director	Chairman	3
2	Mr. Adhiraj Amar Sarin	Non-Executive Independent Director	Member	0
3	Mr. Ashish Madan	Non-Executive Independent Director	member	3

#### PERFORMANCE EVALUATION

Nomination and Remuneration Committee prescribed a peer evaluation methodology by way of set of questionnaire to evaluate the performance of individual Directors, Committee(s) of the Board, Chairman and the Board as a whole, and the Board carried out the performance evaluation as per the methodology.

The performance evaluation of individual director was carried out based on his / her commitment to the role and fiduciary responsibilities as a board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading /acting as member of various Committees etc.

The evaluation process includes review, discussion and feedback from the directors in reference to set criteria and questions.

The Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors for the Financial Year 2019-20 has been carried out following the manner and process as per the Policy in this respect. The Directors are satisfied with the performance and evaluation.

## 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 2019-20 was Rs. 4.40 Lakhs. 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, 2020

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	1.20	-
3	Mr. Adhiraj Amar Sarin	Non-Executive Independent Director	1.20	-
4	Ms. Sanvali Kaushik	Non-Executive Independent Director	2.00	-

#### Notes:

1. None of the directors hold any convertible instrument as on 31<sup>st</sup> March, 2020.
2. 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, 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](http://www.tinnatrade.in).

### DETAILS OF REMUNERATION PAID TO EXECUTIVE DIRECTOR FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Mr. Gaurav Sekhri (chairman and Managing Director)
Term of appointment	For 3 Years (01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> 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.

### Succession Plan

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee works along with the Human Resource team of the Company for a structured leadership succession plan.

### 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.
- iv. Review statutory compliance relating to all security holders
- v. Review measures taken for effective exercise of voting rights by shareholders
- vi. Oversee compliances in respect of transfer of shares to the Investor Education and Protection Fund, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time
- vii. Recommend measures for overall improvement of the quality of investor services

### Meetings and Attendance

The Stakeholders Relationship Committee met twice during the Financial Year 2019-20. The Committee met on 30<sup>th</sup> May, 2019 & 6<sup>th</sup> August, 2019. 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 2019-20
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 2019-20.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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](http://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 once during the Financial Year 2019-20. The Committee met on 30<sup>th</sup> May, 2019. 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 2019-20
1	Mr. Gaurav Sekhri	Non-Executive Independent Director	Chairman	1
2	Ms. Sanvali Kaushik	Non-Executive Independent Director	Member	1
3	Mr. Ashish Madan	Non-Executive Independent Director	Member	1

## 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
9 <sup>th</sup>	2016-17	19 <sup>th</sup> 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 <sup>th</sup>	2017-18	28 <sup>th</sup> September, 2018 at 12:30 P.M.	18 <sup>th</sup> , South Drive Way, DFLF Farms, Chattarpur, New Delhi-110074	None
11 <sup>th</sup>	2018-19	6 <sup>th</sup> September, 2019 at 9:00 A.M.	A-35, Chattarpur Central Village, Satbari, Chattarpur, Delhi – 110074	Re-Appointment of Mr. Ashish Madan for a second term of five consecutive years as Non-Executive Independent director

**Extra Ordinary General Meeting**

No Extra Ordinary General Meeting held during the year 2019-20

**Postal ballot**

No special resolution was passed through Postal Ballot during 2019-20. 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****Company Website**

Pursuant to Regulation 46 of the Listing Regulations, the Company's website [www.tinnatrade.in](http://www.tinnatrade.in) contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, various policies of the Company and all other required details.

**BSE Corporate Compliance & Listing Centre ('Listing Centre')**

The Listing Centre of BSE Ltd., is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre

**Financial Results**

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly unaudited as well as annual audited financial results to both the stock exchanges i.e. BSE & CSE. The quarterly, half-yearly and annual results of the Company's performance are published in leading newspapers such as Financial Express and Jansatta. The results are also made available on the Investors section of the Company's website at [www.tinnatrade.in](http://www.tinnatrade.in)

**Annual Report**

The annual report containing, inter alia, the audited financial statements (standalone & consolidated), Board's Report, Auditors' Report, the Management Discussion and Analysis (MDA) report and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website at [www.tinnatrade.in](http://www.tinnatrade.in)

**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](mailto:investor.ttl@tinna.in) exclusively for investor relation, and the same is prominently displayed on the Company's website [www.tinnatrade.in](http://www.tinnatrade.in)



## GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting & Financial Year

Day & Date of AGM	Wednesday, 30 <sup>th</sup> September, 2020
Time	12:30 pm
Venue	There is no requirement to have a venue for the AGM as the Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 05, 2020. For details, please refer to the Notice of AGM
Dates of Book Closure	23.09.2020 (Wednesday) to 30.09.2020(Wednesday)
E voting Dates	26.09.2020 (Saturday) 10:00 am to 29.09.2020 (Tuesday) 05:00 pm

### Tentative Calendar for Financial Year 2020-21

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

Quarter ended	Tentative dates
Quarter ended 30 <sup>th</sup> June, 2020	On or before 14 <sup>th</sup> August, 2020
Quarter/half year ended 30 <sup>th</sup> September, 2020	On or before 14 <sup>th</sup> November, 2020
Quarter/nine months ended 31 <sup>st</sup> December, 2020	On or before 14 <sup>th</sup> February, 2021
Quarter/year ended 31 <sup>st</sup> March, 2021	On or before 30 <sup>th</sup> May, 2021

### Dividend

The Directors of the company do not recommend any dividend for the F.Y. 2019-2020.

### Company Information

Corporate Identity Number (CIN)	L51100DL2009PLC186397
Registered office	No.6, Sultanpur, Mandi road, Mehrauli, New Delhi-110030
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
International Securities Identification Number (ISIN)	INE401201019
Details of stock exchanges	Bombay Stock Exchange (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001  Calcutta Stock Exchange (CSE) 7, Lyons Range, Kolkata 700001
Stock 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 NSDL, respectively for the financial years 2019-20 and 2020-21.

**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 (Rs.)	Month's Low Price (Rs.)	No. of shares traded
April, 2019	22.00	18.35	4,123
May, 2019	19.95	16.15	987
June, 2019	20.50	16.85	219
July, 2019	21.85	16.30	997
August, 2019	16.35	14.25	292
September, 2019	16.27	14.73	443
October, 2019	16.20	13.10	1,204
November, 2019	19.27	13.70	724
December, 2019	21.95	19.20	226
January, 2020	20.80	19.90	61

**Note:**

*The shares of the company has not been traded for the month of February & March, 2020.*

**PERFORMANCE OF SHARE PRICE IN COMPARISON TO BSE SENSEX**

Month	Tinna Trade Limited (Rs.)	BSE SENSEX
April, 2019	19.95	39,031.55
May, 2019	18.00	39,714.20
June, 2019	17.65	39,394.64
July, 2019	16.30	37,481.12
August, 2019	14.30	37,332.79
September, 2019	15.46	38,667.33
October, 2019	14.40	40,129.05
November, 2019	19.27	40,793.81
December, 2019	20.90	41,253.74
January, 2020	20.75	40,723.49
February, 2020	-	38,297.29
March, 2020	-	29,468.49

**Note:**

*The shares of the company has not been traded for the month of February & March, 2020.*

## REGISTRAR & SHARE TRANSFER AGENTS:

M/s Alankit Assignments Limited  
 Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055  
 Phone:+91-11-49518530,Fax:91-11-26804883  
 Website : www.alankit.com, Email: rta@alankit.com Contact Person: Mr. JK Singla

## SUSPENSION OF SECURITIES FROM TRADING

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

## SHARE TRANSFER/TRANSMISSION SYSTEM

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. In view of the same, members are advised to dematerialise shares held by them in physical form.

Applications for transfer of shares in physical form relating to the transfer deeds lodged prior to April 01, 2019 are processed by the Company's Registrar and Transfer Agent.

The Company has constituted Share Transfer Committee to look after the transfer/transmission of shares, issue of duplicate shares and allied matters. The transfer of shares in physical form (relating to the transfer deeds lodged prior to April 01, 2019) are normally processed within 15 days from the date of receipt of documents complete in all respects. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective Depositories i.e. NSDL and CDSL within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

The Company has obtained half-yearly certificate from Practicing Company Secretary to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal etc. as required under Regulation 40(9) of the Listing Regulations and the same were submitted to the Stock Exchanges.

A Company Secretary in Practice carried out an Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. The Audit confirms that the total issued / listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form. The Reconciliation of Share Capital Audit Report issued by the Company Secretary in Practice in this regard is submitted to the Stock Exchanges on a quarterly basis.

## Distribution of shareholding

Distribution of shareholding as on 31<sup>st</sup> March, 2020 is mentioned below:

S.No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1	1-500	4584	95.46	568461	6.64
2	501-1000	98	2.04	70512	0.82
3	1001-2000	52	1.08	74422	0.87
4	2001-3000	15	0.31	37730	0.44
5	3001-4000	7	0.15	25749	0.30
6	4001-5000	7	0.15	32208	0.38
7	5001-10000	17	0.35	116750	1.36
8	10001-9999999999	22	0.46	7638918	89.19
	<b>Total</b>	<b>4802</b>	<b>100.00</b>	<b>8564750</b>	<b>100.00</b>

**Shareholding pattern**

Shareholding pattern of the company as on 31<sup>st</sup> March, 2020 is mentioned below:

Category	No. of shares	Percentage of Total
Promoter & promoter group	6321347	73.807
Domestic companies	408256	4.767
NRI	80000	0.934
HUF	2764	0.032
Clearing members	300	0.003
Resident individuals	1752083	20.457
<b>Total</b>	<b>8564750</b>	<b>100</b>

**Top 10 Shareholders of the Company as on 31<sup>st</sup> March, 2020:**

Sr. No.	Name	Shares	Percentage (%)
1	Puja Sekhri	1749160	20.42
2	Shobha Sekhri	1636343	19.11
3	Aarti Sekhri	1511347	17.65
4	Shama Ashok 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 and CDSL.

The details of number of equity shares of the Company which are in dematerialized and physical form as on 31<sup>st</sup> March, 2020 are given below:

Particulars	No. of shares	Percentage to total No. of shares
<b>Dematerialised form</b>		
NSDL (A)	7629176	89.08
CDSL (B)	277966	03.25
Physical form (C)	657608	07.68
<b>Total (A+B+C)</b>	<b>8564750</b>	<b>100.00</b>

*Note: 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. 30(11) 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**

<b>Correspondence with Company</b>	<b>Correspondence with Share Transfer and registrar agent (RTA)</b>
<b>Tinna Trade Limited</b> Registered Office: No.6 Sultanpur, Mandi Road, Mehrauli, NewDelhi-110030 Phone: +91-11-4951 8530 Fax:+91-11-2680 4883 Website : www.tinnatrade.in Email- investor.ttl@tinna.in	Alankit Assignments Limited Alankit Heights, IE/13, Jhandewalan Extension, New Delhi-110055 Phone: +91-11-42541234/23541234, Fax: 91-11-41543474 Website: www.alankit.com 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**

Your Company is pleased to offer the facility of nomination to members. Pursuant to Section 72 of the Companies Act, 2013, the members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly complete nomination form, available on the website of the Company www.tinnatrade.in, to the Registrar and Share transfer Agent of the Company.

The Members, who hold shares in the electronic form and wish to avail nomination facility, are requested to send request to their respective Depository Participant(s) only.

**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 Whistle blower 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](http://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](http://www.tinnatrade.in)
- f) The policy on dealing with related party transactions has been uploaded on the Company's website at [www.tinnatrade.in](http://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. 3011) 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 28 to the Standalone Financial Statements and Note 30 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](http://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 par as (2) to (10) of section (C) of Schedule V to the Listing Regulations.

#### **ADOPTION OF DISCRETIONARY REQUIREMENTS**

The discretionary requirements as stipulated in Part E of Schedule II of the SEBI Listing Regulations, have been adopted to the extent and in the manner as stated under the appropriate headings in this 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 here with.

#### **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, 2020.

**For Tinna Trade Limited**

**Gaurav Sekhri  
Managing Director  
DIN-0090676**

**Sachin Bhargava  
Chief Financial Officer  
PAN - CXFPS5948K**

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

**Date: 22.07.2020  
Place: New Delhi**



## Compliance Certificate

**To  
The Members of  
Tinna Trade Limited**

I have examined the compliance of the conditions of Corporate Governance by The Tinna Trade Limited ('the Company') for the year ended on March 31, 2020, 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, as amended ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My 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 my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the SEBI Listing Regulations, as applicable for the year ended on March 31, 2020, referred in para 1 above.

I 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**

**CSAjay Baroota  
Proprietor  
FCS-3495  
CPNo. -3945  
UDIN :F003495B000610961**

**Place: Delhi  
Date: 24.08.2020**

**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**

I 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 me 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, as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers.

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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	Designation	Date of Appointment
1	Mr. Gaurav Sekhri	00090676	Managing Director	01-05-2009
2	Mr. Kapil Sekhri	00090771	Non-Executive Director	06-02-2009
3	Mr. Ashish Madan*	00108676	Non-Executive Independent Director	07-08-2014
4	Mr. Adhiraj Amar Sarin	00140989	Non-Executive Independent Director	09-08-2016
5	Ms. Sanvali Kaushik	07660444	Non-Executive Independent Director	01-12-2016

\*Mr. Ashish Madan has been appointed as Non-Executive Independent Director of the company w.e.f. 07/08/2014 for five years and has been re-appointed for second term of five year w.e.f. 07/08/2019.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my 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**  
**CPNo. -3945**  
**UDIN :F003495B000610959**

**Place: Delhi**  
**Date: 24.08.2020**

## **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, 2020, the Statement of Profit and Loss (including other comprehensive loss), the Statement of Cash Flows, and the 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 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 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, 2020, the loss and total comprehensive loss, changes in equity and its 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 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 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 on the standalone Ind AS financial statements.

#### **Emphasis of Matter**

1. We draw attention to Note No. 30(1)(ii) 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. 31<sup>st</sup> 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.

2. We draw attention to Note No. 30(2) of the accompanying Standalone Ind AS Financial Statements which describes the basis of fair value of the company's investment of Rs. 338.35 lakhs in M/s Fratelli Wines Private Limited which is to be valued at fair value through other comprehensive income in accordance with IND AS 109 "Financial Instruments" as 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. The Valuation involves significant management judgments and estimates on the valuation methodology and various assumptions used in determination of value in use/fair value by independent valuation experts as is more fully described in the aforesaid note. Based on the management policy, no change in fair value of the investee company is considered necessary for the current financial year.

Our opinion is not modified in respect of above matters.

#### **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 of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our 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 Ind AS financial statement section of our report, including in relation to these matters. Accordingly, our audit includes the performance of procedures designed to respond to our assessment of the risk of material misstatement of the standalone Ind AS financial statement. 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.

Sr. No.	Key Audit Matter	Auditor's Response
		<b><u>Principal Audit Procedures</u></b>
1.	<p><b>Evaluation of tax positions</b></p> <p>The Company 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. 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. Refer Note 29(A)(c) to the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures include the following substantive procedures:</li> <li>• Obtained an understanding of key tax litigations and potential tax exposures</li> <li>• We along with our internal tax experts -</li> <li>• read and analyzed select key correspondence and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;</li> <li>• discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and</li> <li>• 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.</li> </ul>
2	<p><b>Taxation Significant judgments</b> are required in determining provision of income taxes, both current and deferred, as well as the assessment of provision for uncertain tax position including estimates where appropriate.</p>	<p>We evaluated the design and implement of controls in respect of provision for current tax and the recognition and recoverability of deferred tax assets.</p> <p>We discussed with management the adequate implementation of policies and control regarding current and deferred tax.</p> <p>We examined the procedure in place for the current and deferred tax calculation for completeness and valuation and audited the related tax computation and estimates in light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist.</p> <p>We performed the assessment of the material components impacting the tax expenses, balance and exposures. We reviewed and challenged the information reported by components with the support of our tax specialist, where appropriate.</p> <p>In respect of deferred tax assets and liabilities, we assess the appropriateness of management's assumption and</p>

		<p>Estimates to support deferred tax assets for tax losses carried forward and related disclosures in financial statements. Based on the procedure performed above, we obtain sufficient audit evidence to corroborate management's estimates regarding current and deferred tax balances.</p>
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### **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 standalone Ind AS financial statements, the 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.

The 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 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 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 misstatement in the standalone Ind AS financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable users of the Ind AS financial statement may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatement 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 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 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 Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st

March, 2020 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 control over financial reporting of the Company 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, 2020 has been paid / provided by Company to its directors in accordance with the provision 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 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 was no amount which was 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  
UDIN: 20093591AAAAIE6674**

**Place: Delhi  
Dated: 29/06/2020**

**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 to the information and explanations given to us, the Company has granted unsecured loans of Rs. 265.00 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. 108.26 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, 2020, 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 Statue	Nature of Dues	Amount (in Rs.)	Period to which amount	Forum where dispute is pending
Income Tax Act, 1961	Disallowances and additions to taxable income	Rs.194.60 lacs	A.Y. 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 noncash 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  
UDIN: 20093591AAAAIE6674**

**Place: Delhi  
Dated: 29/06/2020**



## 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 31<sup>st</sup> March, 2020 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 2020, 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  
UDIN: 20093591AAAAIE6674**

**Dated: 29/06/2020  
Place: Delhi**

## Balance Sheet As At Mar 31, 2020

(Amount in ₹ lakhs)

	Notes	As at March 31,2020	As at March 31,2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	79.85	73.49
Goodwill	4	128.44	256.88
Other intangible assets	4	10.67	11.23
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	76.93
(iii) Other financial assets	6.3	17.19	21.72
Deferred tax assets (Net)	7	166.97	65.64
Other non-current assets	8	0.66	5.69
		<b>1,878.78</b>	<b>1,909.65</b>
<b>Current assets</b>			
Inventories	9	2,177.23	809.54
Financial assets			
(i) Investments	10.1	4.70	3.97
(ii) Trade receivables	10.2	1,536.27	1,855.05
(iii) Cash and cash equivalents	10.3	149.16	441.04
(iv) Other bank balances	10.4	43.76	297.04
(v) Loans and advances	10.5	108.26	95.31
(vi) Other financial assets	10.6	113.91	30.26
Current tax assets (Net)	11	6.64	-
Other current assets	12	492.91	289.69
		<b>4,632.83</b>	<b>3,821.89</b>
		<b>6,511.61</b>	<b>5,731.54</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	856.48	856.48
Other equity	14	2,106.04	2,480.15
		<b>2,962.52</b>	<b>3,336.63</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	19.12	-
Provisions	16	45.13	49.13
		<b>64.25</b>	<b>49.13</b>
Current liabilities			
Financial liabilities			
(i) Borrowings	17.1	2,559.88	1,077.73
(ii) Trade payables	17.2		
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		379.53	1,021.10
(iii) Other financial liabilities	17.3	296.14	155.30
Other current liabilities	18	229.56	43.81
Provisions	19	19.73	2.42
Current tax liabilities (Net)	20	-	45.43
		<b>3,484.84</b>	<b>2,345.78</b>
		<b>6,511.61</b>	<b>5,731.54</b>
<b>Total Equity and Liabilities</b>			
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	29		
Other notes on accounts	30		

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: 29<sup>th</sup> June 2020

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

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

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

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

**Sachin Bhargava**  
(Chief Financial Officer)

## Statement Of Profit And Loss For The Year Ended Mar 31, 2020

(Amount in ₹ lakhs)

	Notes	Year ended March 31,2020	Year ended March 31,2019
<b>I INCOME</b>			
Revenue from operations	21	29,101.55	47,789.53
Other income	22	136.14	207.33
<b>Total Income</b>		<b>29,237.69</b>	<b>47,996.86</b>
<b>II EXPENSES</b>			
Purchase of traded goods	23	29,173.05	43,334.49
Change in inventories of traded goods	24	(1,374.43)	317.15
Employee benefits expense	25	428.68	448.00
Finance costs	26	331.36	540.03
Depreciation and amortization expenses	27	171.61	170.59
Other expenses	28	973.45	2,980.63
<b>Total Expenses</b>		<b>29,703.72</b>	<b>47,790.88</b>
<b>III Profit/(loss) before exceptional items and tax</b>		<b>(466.03)</b>	<b>205.98</b>
Add : Exceptional items		-	-
<b>IV Profit/(loss) before tax</b>		<b>(466.03)</b>	<b>205.98</b>
<b>V Tax expenses</b>			
Current tax		-	50.60
Adjustment of tax relating to earlier years		3.59	-
Deferred tax		(99.86)	(8.55)
<b>Income tax expense</b>		<b>(96.27)</b>	<b>42.05</b>
<b>VI Profit/ (loss) for the year</b>		<b>(369.76)</b>	<b>163.93</b>
<b>VII Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
i) Re-measurement gains /(losses) on defined benefit plans		(5.81)	12.09
ii) Re-mesurement gains on investments FVTOCI		-	-
iii) Income tax effect [(expense)/income]		1.46	(4.04)
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>(4.35)</b>	<b>8.05</b>
<b>VIII Total comprehensive income/ (loss) for the year, net of tax</b>		<b>(374.11)</b>	<b>171.98</b>
<b>IX Earnings per equity share (nominal value of share Rs.10/-)</b>			
Basic (Rs.)		(4.32)	1.91
Diluted (Rs.)		(4.32)	1.91
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	29		
Other notes on accounts	30		

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: 29<sup>th</sup> June 2020

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

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

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

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

**Sachin Bhargava**  
(Chief Financial Officer)

## Statement Of Changes In Equity For The Year Ended 31 Mar, 2020

### A) Equity Share Capital

Particulars	Nos.	(Amount in ₹ lakhs)
As at March 31, 2018	<u>85,64,750</u>	<u>856.48</u>
As at March 31, 2019	85,64,750	856.48
As at March 31, 2020	<u>85,64,750</u>	<u>856.48</u>

### B) Other Equity

(Amount in ₹ lakhs)

Particulars	Reserves and surplus		Total
	Securities Premium	Retained Earnings	
As at March 31, 2018	428.24	1,879.93	2,308.17
Profit/ (Loss) for the year	-	163.93	163.93
<b>Other comprehensive income for the year</b>			
Re-measurement gains on defined benefit plans (net of tax)	-	8.05	8.05
As at March 31, 2019	428.24	2,051.91	2,480.15
Profit/ (Loss) for the year	-	(369.76)	(369.76)
<b>Other comprehensive income for the year</b>			
Re-measurement gains on defined benefit plans (net of tax)	-	(4.35)	(4.35)
As at March 31, 2020	428.24	1,677.80	2,106.04

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	29
Other notes on accounts	30

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: 29<sup>th</sup> June 2020

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

**Sachin Bhargava**  
(Chief Financial Officer)

## Cash Flow Statement For The Year Ended March 31, 2020

(Amount in ₹ lakhs)

	Year ended March 31,2020	Year ended March 31,2019
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before Income tax	(466.03)	205.98
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	171.61	170.59
Interest Income	(55.63)	(78.02)
Dividend Income	(0.08)	(0.04)
Diminution in value of Investments	4.61	0.84
Interest on Income Tax and TDS	6.57	2.99
Interest and Financial Charges	324.79	497.28
Profit on sale of Investments	(0.32)	-
Excess provisions no longer required written back	-	(64.65)
Profit on sale of Fixed Assets	-	(0.54)
<b>Operating profit before working capital changes</b>	<b>(14.48)</b>	<b>734.42</b>
<b>Movement in Working capital</b>		
(Increase)/Decrease in other non-current financial assets	2.27	15.06
(Increase)/Decrease in other non-current assets	5.03	5.34
(Increase)/Decrease in Inventories	(1,367.69)	339.23
(Increase)/Decrease in Trade Receivables	318.79	3,452.50
(Increase)/Decrease in other current financial assets	(83.66)	125.23
(Increase)/Decrease in other current assets	(203.22)	278.48
(Increase)/Decrease in long-term provisions	(4.00)	(6.54)
(Increase)/Decrease in Trade payables	(641.57)	290.62
(Increase)/Decrease in other current financial liabilities	140.85	(234.42)
(Increase)/Decrease in other current liabilities	185.74	(39.16)
(Increase)/Decrease in short-term provisions	17.31	(27.86)
<b>Cash generated from operations</b>	<b>(1,644.63)</b>	<b>4,932.92</b>
Income tax paid (net of refunds)	(13.21)	(7.99)
<b>Net cash from/(used) operating activities</b>	<b>(1,657.84)</b>	<b>4,924.93</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(38.91)	(3.02)
Purchase of other intangible assets	(3.87)	(4.68)
Sale of property, plant and equipment	-	1.95
Purchase of current investment (net)	(8.14)	0.71
Proceeds from fixed deposit with banks (net)	253.28	259.92
Loans and advances given (net)	(12.96)	334.71
Dividend Income	0.08	0.04
	<b>189.48</b>	<b>589.64</b>
<b>C. Cash flow from financing activities</b>		
Proceeds of short term borrowings (net of interest expense)	1,176.49	(5,200.56)
<b>Net cash from/(used) in financing activities</b>	<b>1,176.49</b>	<b>(5,200.56)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>(291.88)</b>	<b>314.01</b>
Cash and Cash equivalents at the beginning of the year	441.04	127.03
Cash and Cash equivalents at the end of the year	149.16	441.04

## Notes:-

1 The cash flow statement has been prepared under the indirect method set out in "Accounting Standard -7 Cash Flow Statements"(specified under section 133 of the Companies Act,2013, read with Rule 7 of Companies(Accounts) Rules, 2014).

2 Components of cash and bank balances:

**Cash and Cash Equivalents**

Balances with Banks

Current Accounts

148.50

440.24

Cash on hand

0.66

0.80

149.16441.04**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: 29<sup>th</sup> June 2020**Monika Gupta**

(Company Secretary)

M No.: FCS-8015

**Sachin Bhargava**

(Chief Financial Officer)

## Notes to Standalone financial statements for the period ended March 31, 2020

### 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, 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 policies adopted in the preparation of the standalone financial statement. These policies have been consistently applied to all the years presented unless otherwise stated.

#### 2.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (INDAS) 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 29th June, 2020.

#### 2.02 Basis of preparation

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

### New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

#### a) Ind AS 116 Leases

##### The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under

#### b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix 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

The Company has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, 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 Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

**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. These amendments have no impact on the standalone 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:

- (a) 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.
- (b) 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 had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

**e) Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures. These amendments had no impact on the standalone financial statements as the Company as the Company is in compliance with the said amendment."

**f) Annual Improvements to Ind AS 2018**

**i) Ind AS 103 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures

its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the standalone financial statements of the Company as there is no transaction where joint control is obtained.

**ii) Ind AS 111 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments had no impact on the standalone financial statements of the company as there is no transaction where a joint control is obtained.

**iii) Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company

**iv) 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. The entity applies the 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 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

## **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 equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred.

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

<b>Assets</b>	<b>Useful life (in years)</b>
Furniture and Fixtures	10
Vehicles	8 to 10
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 straight 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:**

<b>Type of assets</b>	<b>Basis</b>
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 equity 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 Characteristics 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 Characteristics Test:** The asset's contractual 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 derecognition 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 addition, 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 neither transferred nor 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 INDAS 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 initially 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 :

<b>Original classification</b>	<b>Revised classification</b>	<b>Accounting treatment</b>
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 derivatives 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 accumulated 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 instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until 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 occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated 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 from 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 operation 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 used, 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 Service Tax has been accounted for in respect of the goods cleared. The Company is providing Goods and Service 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 Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates and amount collected on behalf of third parties.

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 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 certainty 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 Contracts**

Profit/ Loss on contracts for future settled during the year are recognised in the statement of profit and loss. Future contracts outstanding at year-end are marked to market at fair value. Any losses arising on that account are recognised in the statement of profit and loss for the year.

**2.17 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(a) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

**(b) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(c) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**2.18 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 scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme 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 - payment will lead to, for example, a reduction in future payment 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 obligation 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 reference 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 Company 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**

Accumulated 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 accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial 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 deferred. 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.

### **2.19 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.

### **2.20 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.

### **2.21 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 publically 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.

## **2.22 Segment accounting**

Based on "Management Approach" 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.

## **2.23 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 exchange 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 covered 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.

**2.24 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 approved by the shareholders. A corresponding amount is recognized directly in equity.

**2.25 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.

## 2.26 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 INDAS 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 mortality 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. 30(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. 30(10) 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 asset's 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 suitable discount rate in order 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 that 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 day of the receivables are due and the rates are given in the provision matrix.

**(i) COVID-19 Impact on Estimates, Judgements, Revenue & Financial instruments**

**i) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):-** The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic

conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of Information. As on current date, the Company has concluded that the Impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties In future periods, if any. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

- ii) **Loss allowance for receivables and unbilled revenues:-**The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.
- iii) **Revenue from Operations:** The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

## 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 existing 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.

## 2.29 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2020

### 3 Property, plant and equipments

(Amount in ₹ lakhs)

Particulars	Furniture and Fixtures	Vehicles	Vehicles under finance lease	Office Equipments	Computers	Total
<b>Gross Block (At Cost)</b>						
<b>At March 31, 2018</b>	<b>7.41</b>	<b>197.81</b>	-	<b>17.75</b>	<b>17.68</b>	<b>240.66</b>
Additions	<b>0.35</b>	-	-	<b>1.33</b>	<b>1.33</b>	<b>3.02</b>
Disposals	-	<b>28.13</b>	-	-	-	<b>28.13</b>
<b>At March 31, 2019</b>	<b>7.76</b>	<b>169.68</b>	-	<b>19.09</b>	<b>19.02</b>	<b>215.55</b>
Additions	<b>0.18</b>	-	<b>32.19</b>	<b>2.28</b>	<b>4.26</b>	<b>38.91</b>
Disposals	-	-	-	-	-	-
<b>At Mar 31, 2020</b>	<b>7.94</b>	<b>169.68</b>	<b>32.19</b>	<b>21.37</b>	<b>23.28</b>	<b>254.46</b>
Depreciation						
<b>At March 31, 2018</b>	<b>3.95</b>	<b>101.76</b>	-	<b>13.54</b>	<b>14.42</b>	<b>133.67</b>
Charge for the period	<b>0.95</b>	<b>29.99</b>	-	<b>2.18</b>	<b>1.99</b>	<b>35.11</b>
Disposals	-	<b>26.72</b>	-	-	-	<b>26.72</b>
<b>At March 31, 2019</b>	<b>4.90</b>	<b>105.03</b>	-	<b>15.72</b>	<b>16.41</b>	<b>142.06</b>
Charge for the period	<b>0.76</b>	<b>20.07</b>	<b>7.57</b>	<b>1.77</b>	<b>2.36</b>	<b>32.55</b>
Disposals	-	-	-	-	-	-
<b>At Mar 31, 2020</b>	<b>5.66</b>	<b>125.10</b>	<b>7.57</b>	<b>17.49</b>	<b>18.78</b>	<b>174.61</b>
<b>Net carrying amount</b>						
<b>At March 31, 2019</b>	<b>2.86</b>	<b>64.66</b>	-	<b>3.37</b>	<b>2.60</b>	<b>73.49</b>
<b>At March 31, 2020</b>	<b>2.27</b>	<b>44.59</b>	<b>24.61</b>	<b>3.88</b>	<b>4.50</b>	<b>79.85</b>

#### 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.41.09 lakhs (March 31, 2019: Rs.59.75 lakhs) are yet to be registered in the name of the Company.
- (iii) Impairment losses recognised in profit or loss in accordance with the Ind AS 36 are Rs.Nil (March 31, 2019: Nil)
- (iv) (a) Net Block of Property, plant and equipment pledged as security towards liabilities are Rs.24.61 lakhs (Previous year 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, 2019: Nil)
- (c) The amount of contractual commitments for the acquisition of Property, plant and equipment are Rs.Nil (March 31, 2019: Nil)

**4 Goodwill and Other intangible assets**

(Amount in ₹ lakhs)

Particulars	Right to use Assets	Other intangible assets	Total	Goodwill
	Buildings	Software		
<b>Gross Block (At cost)</b>				
<b>At March 31, 2018</b>	-	<b>27.86</b>	<b>27.86</b>	<b>642.20</b>
Additions	-	4.68	<b>4.68</b>	-
Disposals	-	-	-	-
<b>At March 31, 2019</b>		32.54	<b>32.54</b>	642.20
Additions	6.19	3.87	<b>10.06</b>	-
Disposals	-	-	-	-
<b>At Mar 31, 2020</b>	6.19	36.41	<b>42.60</b>	642.20
<b>Impairment and Amortization</b>				
<b>At March 31, 2018</b>		<b>14.27</b>	<b>14.27</b>	<b>256.88</b>
Charge for the period	-	7.04	<b>7.04</b>	128.44
Disposals	-	-	-	-
<b>At March 31, 2019</b>		<b>21.31</b>	<b>21.31</b>	<b>385.32</b>
Charge for the period	5.30	5.32	10.62	128.44
Disposals	-	-	-	-
<b>At Mar 31, 2020</b>	<b>5.30</b>	<b>26.63</b>	<b>31.93</b>	<b>513.76</b>
<b>Net carrying amount</b>				
<b>At March 31, 2019</b>	-	<b>11.23</b>	<b>11.23</b>	<b>256.88</b>
<b>At Mar 31, 2020</b>	<b>0.88</b>	<b>9.78</b>	<b>10.67</b>	<b>128.44</b>

**Notes: -**

- (i) Goodwill and indefinite life intangible assets are tested for impairment as at the end of each year (refer note no. 30(13)).
- (ii) Refer accounting policy 2.07 and note no. 30(13) for impairment and amortization of intangible assets and Goodwill.
- (iii) Right to use Assets represent properties taken on lease for offices and accounted for in accordance with principles of IND AS116 "Leases" (refer Note No. 30 (3))

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>5</b>	<b>INVESTMENTS IN SUBSIDIARIES</b>		
	<b>Investments in equity instruments (unquoted) non-trade, (valued at cost)</b>		
	<b>Investments in subsidiaries</b>		
	B.G.K. Infrastructure Developers Private Limited	988.57	988.57
	72,00,000 (51.53%) (March 31, 2019: 72,00,000 (51.53%))		
	equity shares of Rs. 10/- each fully paid up		
	<b>Aggregate amount of unquoted investments in subsidiary</b>	<u>988.57</u>	<u>988.57</u>
	<b>Aggregate amount of impairment on value of investments</b>	<u>-</u>	<u>-</u>
	<b>Notes:</b>		
	(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 by the company 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 B.G.K. Infrastructure Private Ltd.		
	(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.		
<b>6</b>	<b>NON-CURRENT FINANCIAL ASSETS</b>		
	<b>6.1 INVESTMENTS</b>		
	<b>Investments in equity instruments (unquoted), non trade</b>		
	<b>Valued at Fair Value through Other Comprehensive Income [FVTOCI]</b>		
	Fratelli Wines Private Limited	409.50	409.50
	2,25,000 (March 31, 2019: 2,25,000)		
	equity shares of Rs. 10/- each fully paid up		
	<b>Aggregate amount of unquoted investments (at fair value)</b>	<u>409.50</u>	<u>409.50</u>
	<b>(refer note no. 30(2))</b>		
	<b>Aggregate amount of unquoted investments (at cost)</b>	<u>338.34</u>	<u>338.34</u>
	<b>6.2 TRADE RECEIVABLES</b>		
	(a) Trade receivables considered good - Secured	-	-
	(b) Trade receivables considered good - Unsecured	76.93	76.93
	(c) Trade receivables which have significant increase in Credit Risk	-	-
	(d) Trade receivables - credit impaired	76.93	76.93
		<u>153.86</u>	<u>153.86</u>
	Less: Claim payable	<u>76.93</u>	<u>76.93</u>
		<u>76.93</u>	<u>76.93</u>
	<b>Notes:</b>		
	(i) Long term trade receivable of Rs. 153.86 lakh 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 lakh has been made as per the CLB order.		
	(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	As at
	March 31, 2020	March 31, 2019

**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

	16.24	18.50
Security deposits	0.96	3.23
	<b>17.19</b>	<b>21.72</b>

**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
Adjustment of tax relating to earlier years	3.59	-
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	(99.86)	(8.55)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(96.27)</b>	<b>42.05</b>

**(b) Other Comprehensive Income**

Re-measurement (gains)/losses on defined benefit plans	1.46	(4.04)
<b>Tax expense related to items recognized in OCI during the year</b>	<b>1.46</b>	<b>(4.04)</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

Accounting Profit before tax	(466.03)	205.98
Applicable tax rate	25.17%	33.38%
<b>Computed Tax Expense</b>	<b>(117.29)</b>	<b>68.76</b>
Difference in tax rate	17.99	(4.91)
Income not considered for tax purpose	(0.10)	(20.73)
Expense considered for tax purpose	-	(2.22)
Expense not allowed for tax purpose	3.13	1.28
Ind AS effect not allowed for tax purpose (net)	(0.00)	(0.14)
<b>Income tax charged to Statement of Profit and Loss at effective rate of (20.66%) (March 31, 2019: 20.41%)</b>	<b>(96.27)</b>	<b>42.05</b>

	Balance Sheet		Statement of profit & loss	
	As at	As at	Year ended	Year ended
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>(d) Deferred tax assets comprises:</b>				
Accelerated Depreciation for Tax purposes	36.78	25.84	10.94	17.59
Provision for employee benefits	16.33	17.21	(0.89)	(12.94)
Expenses allowable on payment basis	19.67	22.59	(2.92)	(0.14)
Losses Carried forward under Income Tax Act	94.19	-	94.19	-
	166.97	65.64	101.32	4.51
MAT Credit entitlement	-	-	-	-
	<b>166.97</b>	<b>65.64</b>	<b>101.32</b>	<b>4.51</b>

	(Amount in ₹ lakhs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>(e) Reconciliation of deferred tax assets (net)</b>		
Opening balance	65.64	61.13
Tax expense recognised in statement of profit and loss during the year	99.86	8.55
Tax expense recognised in other comprehensive income during the year	1.46	(4.04)
<b>Closing balance</b>	<u><u>166.97</u></u>	<u><u>65.64</u></u>

**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 current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- (iii) There are unabsorbed carried forward business losses of Rs 374.21 lakhs as on 31st March 2020, out of which Rs.274.97 lakh expire in Financial year 2026-27. Further there is unabsorbed business depreciation of Rs.99.24 lakhs with infinite expiry. Deferred tax asset on the same has been recognised in view of probability that taxable profits will be available against which the carried forward unused tax losses can be utilised.

**8 OTHER NON-CURRENT ASSETS****(Unsecured, considered good)**

Deposits with Statutory/ Government authorities	0.66	5.66
Deferred Rent (unamortised)	-	0.03
	<u><u>0.66</u></u>	<u><u>5.69</u></u>

**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)	2,174.72	800.29
Packing materials	2.51	9.25
	<u><u>2,177.23</u></u>	<u><u>809.54</u></u>

**Notes:**

- (i) The above includes goods in transit as under:
- |              |   |       |
|--------------|---|-------|
| Traded goods | - | 58.71 |
|--------------|---|-------|
- (ii) Inventories are hypothecated with the bankers and others against working capital limits. (refer note no. 17.1)
- (iii) During the year ended March 31, 2020: Nil (March 31, 2019: 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, 2020	As at March 31, 2019
<b>10 CURRENT FINANCIAL ASSETS</b>		
<b>10.1 INVESTMENTS</b>		
<b>Trade Investments (at fair value through profit and loss) [FVTPL] (refer accounting policy 2.09)</b>		
<b>Quoted Equity Instruments</b>		
Transport Corporation of India Limited 190 (March 31, 2019: 50) equity shares of Rs.2/- each	0.36	0.16
Agro Tech Foods Limited NIL (March 31, 2019: 35) equity shares of Rs.10/- each	-	0.21
Ruchi Soya Industries Limited 22 (March 31, 2019: 2,200) equity shares of Rs.2/- each	0.04	0.15
Ashok Leyland Limited Nil (March 31, 2019: 500) equity shares of Rs. 1/- each	-	0.46
GMR Infrastructure Limited 11700 (March 31, 2019:700) equity shares of Rs. 1/- each	1.91	0.14
HSIL Limited Nil (March 31, 2019: 190) equity shares of Rs. 2/- each	-	0.48
Nelcast Limited 1,970 (March 31, 2019: 1350) equity shares of Rs. 2/- each	0.59	0.96
Somany Ceramics Limited 1900 (March 31, 2019: 40) equity shares of Rs. 2/- each	1.73	0.17
Indian Overseas Bank 500 (March 31, 2019: 500) equity shares of Rs. 10/- each	0.04	0.07
Somani Home Innovation Ltd 50 (March 31, 2019: Nil) equity shares of Rs.2/- each	0.03	
Tata Motors Limited Nil (March 31, 2019: 675) equity shares of Rs. 2/- each	-	1.18
<b>Aggregate amount of quoted investments (Fair Value)</b>	<u><u>4.70</u></u>	<u><u>3.97</u></u>
<b>Aggregate amount of quoted investments (Cost)</b>	<u><u>8.62</u></u>	<u><u>4.81</u></u>
<b>10.2 TRADE RECEIVABLES</b>		
Unsecured, considered good		
(a) Trade receivables considered good - Secured	-	-
(b) Trade receivables considered good - Unsecured	1,536.27	1,855.05
(c) Trade receivables which have significant increase in Credit Risk	-	-
(d) Trade receivables - credit impaired	51.81	51.81
Trade receivables (gross)	1,588.08	1,906.87
Less: Impairment allowance for trade receivables considered doubtful	51.81	51.81
	<u><u>1,536.27</u></u>	<u><u>1,855.05</u></u>



	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Notes:</b>		
(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)	249.89
	Fratelli Wines Private Limited (Company where director is a director)	194.30
		-
		337.78
(iii)	The movement in impairment allowance as per ECL model is as under:	
	Balance as at beginning of the year	51.81
	Impairment allowance during the year	-
	<b>Balance as at end of the year</b>	<b>51.81</b>
		55.68
		(3.86)
		<b>51.81</b>

### 10.3 CASH AND CASH EQUIVALENTS

Balances with banks:		
Current accounts	148.50	440.24
Cash on hand	0.66	0.80
	<b>149.16</b>	<b>441.04</b>

**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	10.43	19.35
Fixed deposits held as margin money against borrowings having a original maturity period of more than three months but less than twelve months	33.32	15.00
Fixed deposits pledged with bank against borrowings having original maturity period of more than twelve months	-	262.69
	<b>43.76</b>	<b>297.04</b>

**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 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)

### 10.5 LOANS AND ADVANCES

**Loans receivables**

(a) Loan receivables considered good - Secured	-	-
(b) Loan receivables considered good - Unsecured	108.26	95.31
(c) Loan receivables which have significant increase in Credit Risk	-	-
(d) Loan receivables - credit impaired	-	-
	<b>108.26</b>	<b>95.31</b>

**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	108.26	95.31
-------------------------------	--------	-------

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>10.6 OTHER CURRENT FINANCIAL ASSETS</b>			
	<b>Unsecured, considered good, unless otherwise stated (at amortised cost)</b>		
	Security deposits	2.63	0.38
	Deposit towards forward contracts and future trading options	99.76	-
	Other Receivables	11.52	29.88
		<u>113.91</u>	<u>30.26</u>
		<u><b>113.91</b></u>	<u><b>30.26</b></u>
	<b>Notes:</b>		
	(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.		
<b>11 CURRENT TAX ASSETS (NET)</b>			
	Tax Deducted at Source (TDS)	6.64	-
		<u><b>6.64</b></u>	<u>-</u>
<b>12 OTHER CURRENT ASSETS</b>			
	<b>Unsecured, considered good</b>		
	Refund Due from Government departments	99.08	99.08
	Advances for materials and services	218.93	5.42
	Security deposits with Government Authorities	6.05	10.85
	Others		
	Prepaid expenses	13.48	32.36
	Balance with Statutory/ Government authorities:		
	GST	138.92	133.49
	VAT	6.43	6.67
	License in hand	1.33	1.33
	Other receivables	8.71	0.50
		<u><b>492.91</b></u>	<u><b>289.69</b></u>
	<b>Notes:</b>		
	(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.		
<b>13 EQUITY SHARE CAPITAL</b>			
<b>a) Authorized</b>			
	90,00,000 equity shares of Rs.10/- each		
	(March 31,2019: 90,00,000 equity shares of Rs.10/- each)	900.00	900.00
	<b>Issued, subscribed and fully paid up</b>		
	85,64,750 equity shares of Rs.10/- each		
	(March 31,2019: 85,64,750 equity shares of Rs.10/- each)	856.48	856.48
<b>b) Reconciliation of the shares outstanding at the beginning and at the end of the year</b>			
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>No. of shares</b>	<b>No. of shares</b>
		<b>Amount in ₹ Lakhs</b>	<b>Amount in ₹ Lakhs</b>
	At the beginning of the year	85,64,750	85,64,750
	Add: Shares issued during the year	-	-
	At the end of the year	<u>85,64,750</u>	<u>85,64,750</u>

**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 31,2019 : 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, 2020		As at March 31, 2019	
	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.

**e) As per the records of the Company no calls remain and 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:**

	As at March 31, 2020 No. of shares	As at March 31, 2019 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, 2020	As at March 31, 2019
<b>14 OTHER EQUITY</b>		
Security Premium	428.24	428.24
Retained Earnings	1,677.80	2,051.91
<b>TOTAL OTHER EQUITY</b>	<b>2,106.04</b>	<b>2,480.15</b>

**Notes:**

**a) Security Premium**

On issue of equity shares	428.24	428.24
	<b>428.24</b>	<b>428.24</b>

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>b)</b>	<b>Retained Earnings</b>		
	Opening balance	2,051.91	1,879.93
	Net profit/ (loss) for the year	(369.76)	163.93
	<b>Items of other comprehensive income recognised directly in retained earnings</b>		
	Re-measurement gains /(losses) on defined benefit plans (net of tax)	(4.35)	8.05
	Re-mesurement gains on Investments [FVTOCI]	-	-
	<b>Closing Balance</b>	<u><u>1,677.80</u></u>	<u><u>2,051.91</u></u>
<b>c)</b>	<b>Nature and purpose of reserves</b>		
	<b>Security Premium</b>		
	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013		
	<b>Retained Earnings</b>		
	Retained Earnings are profit the company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.		
<b>15</b>	<b>NON CURRENT FINANCIAL LIABILITIES</b>		
	<b>BORROWINGS (valued at amortised cost) (Secured)</b>		
	Financial Lease Obligations from banks		
	HDFC Bank Limited	19.12	-
		<u><u>19.12</u></u>	<u><u>-</u></u>
	<b>Notes:-</b>		
	(i) Finance lease obligation are secured against hypothecation of respective vehicles under lease.		
	(ii) Terms of repayment are as under: 60 monthly equal installments of Rs. 0.55 lakh (including interest) commencing from 05.08.2019		
	(iii) There are no defaults in repayment of principal and interest during the year.		
<b>16</b>	<b>NON CURRENT PROVISIONS</b>		
	Provision for employee benefits		
	Gratuity (refer note no. 30(5))	24.74	25.95
	Leave encashment	20.39	23.18
		<u><u>45.13</u></u>	<u><u>49.13</u></u>
<b>17</b>	<b>CURRENT FINANCIAL LIABILITIES</b>		
	<b>17.1 BORROWINGS</b>		
	<b>SECURED (valued at amortised cost)</b>		
	<b>From Banks</b>		
	<b>Repayable on Demand</b>		
	Working capital limits (refer point i and iv below)		
	Cash credit facility	2,559.88	1,077.73
		<u><u>2,559.88</u></u>	<u><u>1,077.73</u></u>
	<b>Notes:</b>		
	(i) Working capital limits are from Canara Bank and State Bank of India and are secured as under:-		

- (a) Working capital limits from Canara Bank 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 guarantee of Bee Gee Ess Farms & Properties Private Limited.
- (c) The company has furnished corporate guarantee of Tinna Rubber and Infrastructure Limited in favour of State Bank of India for limits sanctioned to it.
- (d) Fixed Deposit (Cash Margin) pledged against non fund based limit are Rs. 32.75lakh (March 31, 2019: Rs. 15 lakh) in favour of State bank of India.

	(March 31, 2020)	(March 31, 2019)
(e) Aggregate amount of working capital limits secured by way of personal guarantees of Directors.	2,559.88	1,077.73
(ii) The Company has also availed warehouse finance facility from bank which remained undrawn on the date of balance sheet (refer note no. 29(D)).		
(iii) The Company has not defaulted in repayment of principal amount and interest during the year and complied with loan covenants of the lenders.		
(iv) The working capital limits with ICICI Bank Limited were closed in October 2019 but the charge on securities created was satisfied on 12th June 2020.		

\* The effective rate of interest on short term borrowings ranges between 9% 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	As at
	March 31, 2020	March 31, 2019

## 17.2 TRADE PAYABLES

Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	379.53	1,021.10
	<u>379.53</u>	<u>1,021.10</u>

### Notes:

\* Trade payables includes due to related parties Rs. Nil (March 31, 2019: 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. 30(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, 2020 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: -Principal -Interest	Nil Nil	Nil Nil
(b)	The amount of interest paid by the buyer in terms of section 16, 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, 2019 : Rs. Nil/-)

	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>17.3 OTHER CURRENT FINANCIAL LIABILITIES</b>		
<b>At amortised cost</b>		
Current maturities of finance lease obligations	4.84	-
Creditors for capital goods	-	0.46
Others		
Employee Benefit Expenses payable	24.99	0.29
Derivative financial contracts	9.42	-
Lease Liability (Refer Note No 30(3))	0.94	-
Other payables	255.95	154.55
	<b>296.14</b>	<b>155.30</b>

**Notes:**

- (i) Employee benefit expenses payable includes Rs 12.08 lakh payable to Mr. Gaurav Sekhri (Managing Director). (Previous year Rs.Nil)

Other payables are in respect of staff imprest, expenses payable, brokerage payable and other miscellaneous expenses payable. Other payables includes due to :-

B.G.K. Infrastructure Developers Private Limited (Subsidiary Company)	67.93	3.77
Fratelli Wines Pvt. Limited	3.29	-

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>18</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advance from Customers	20.71	6.86
	Other payables		
	Statutory Dues	199.62	27.72
	Corporate Social Responsibility (refer note no.30 (9))	9.23	9.23
		<u>229.56</u>	<u>43.81</u>
	<b>Notes:</b>		
	Statutory dues payable are in respect of PF, ESI, TDS, Custom Duty and Goods and Service Tax payable.		
<b>19</b>	<b>CURRENT PROVISIONS</b>		
	Provision for employee benefits		
	Gratuity (refer note no. 30(5))	9.93	1.41
	Leave encashment	6.79	1.01
	Performance Bonus	3.02	-
		<u>19.73</u>	<u>2.42</u>
	<b>Notes:</b>		
	(i) Performance bonus payable includes a sum of Rs.Nil/- (March 31, 2019: Nil/-) 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.		
	<b>The movement of provision are as under:</b>		
	<b>At the beginning of the year</b>		
	Gratuity (Non Current Rs.25.95 lakh)	27.36	40.18
	Leave encashment (Non Current Rs.23.18 lakh)	24.20	29.01
	Performance Bonus (Non Current Rs. Nil)	-	28.85
	<b>Arising during the year</b>		
	Gratuity (Net of OCI)	11.03	(2.58)
	Leave encashment	3.22	-
	Performance Bonus	6.03	0.37
	<b>Utilised during the year</b>		
	Gratuity	3.73	10.25
	Leave encashment	0.24	2.74
	Performance Bonus	3.02	29.22
	<b>Unused amount reversed</b>		
	Gratuity	-	-
	Leave encashment	-	2.07
	Performance Bonus	-	-
	<b>At the end of the year</b>		
	Gratuity (Non Current Rs.24.74 lakh)	34.67	27.36
	Leave encashment (Non Current Rs.20.39 lakh)	27.18	24.20
	Performance Bonus (Non Current Rs. Nil)	3.02	-
<b>20</b>	<b>CURRENT TAX LIABILITIES (NET)</b>		
	Income Tax (Net of advance tax and TDS)	-	45.43
		<u>-</u>	<u>45.43</u>

		(Amount in ₹ lakhs)	
		Year ended March 31, 2020	Year ended March 31, 2019
<b>21</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of products		
	Traded Goods	29,056.87	47,789.53
	Sale of Services	44.68	-
		<u>29,101.55</u>	<u>47,789.53</u>
	<b>Note:</b>		
	<b>(a) Sale of traded goods comprises</b>		
	Yellow Peas	2,850.94	14,768.84
	Chana	2,452.92	5,418.37
	Lentils	2,195.30	684.24
	Toor	541.23	1,487.07
	Mung	-	87.47
	Urad	361.09	593.39
	Maize	1,718.80	10,306.45
	Wheat	5,955.10	6,039.47
	Paddy	-	45.28
	Crude Degummed Soyabean Oil	5,041.31	3,320.32
	Palmolien Oil	-	327.96
	Sunflower Meal	4,271.71	604.61
	Palm Kernel	-	3.68
	Soya DOC	-	451.49
	De Oiled Rice Bran	50.51	93.81
	Rapeseed Doc	28.28	299.24
	Mustard Seeds	209.39	74.49
	Sale Soya Extraction Meal	226.45	-
	Cotton Seed Oil Cake	-	935.81
	Bajra	299.07	-
	Grapes	289.58	497.09
	Steel Shots	860.83	608.53
	Cut Wire Shot	536.42	323.28
	Crumb Rubber Mesh	-	46.70
	Rubber Ultrafine	-	191.45
	Steel Wire Scrap	-	7.84
	Chemical	572.64	572.63
	Bitumen	149.45	-
	Broken Rice	132.19	-
	Poha Konda(Cattle Feed)	5.64	-
	Tyres	308.02	-
		<u>29,056.87</u>	<u>47,789.53</u>
	<b>(b) Sale of services</b>		
	Consultancy income	44.68	-
		<u>44.68</u>	<u>-</u>
<b>22</b>	<b>OTHER INCOME</b>		
	Interest received on financial assets carried at amortised cost:		
	From banks	15.18	26.16
	From others	40.29	51.86
	On security deposits	0.16	0.16
	Other non-operating income		
	Foreign currency exchange fluctuations (Net)	42.16	-
	Profit on sale of current investments	0.32	1.25
	Profit on sale of Property Plant and equipment	-	0.54
	Rental Income	3.94	8.61



		(Amount in ₹ lakhs)	
		Year ended March 31, 2020	Year ended March 31, 2019
	Dividend received on trade, current investments	0.08	0.04
	Unclaimed balances written back	8.69	34.60
	Provision for debts no longer required	-	64.65
	Miscellaneous income	25.32	19.45
		<u>136.14</u>	<u>207.33</u>
<b>23</b>	<b>PURCHASE OF TRADED GOODS</b>		
	Yellow Peas	2,794.69	12,738.90
	Chana	2,486.73	4,998.36
	Lentils	2,049.99	619.05
	Toor	560.15	1,586.87
	Bajra	294.57	
	Mung	-	86.62
	Urad	353.10	579.96
	Maize	1,813.27	8,357.76
	Wheat	5,789.63	5,901.75
	Paddy	-	39.56
	Crude Degummed Soyabean Oil	5,027.19	3,320.17
	Palmolien Oil	-	320.32
	Sunflower Meal	5,282.34	493.12
	Palm Kernel Expeller	-	6.07
	Soya DOC	218.21	467.44
	De Oiled Rice Bran	46.16	66.83
	Rapeseed Doc	26.48	291.85
	Mustard Seed	197.40	81.18
	Soya Seed	94.61	-
	Cottonseed Oil Cake	-	761.01
	Grapes	254.30	460.75
	Steel Shots	372.40	937.98
	Cut Wire Shots	387.82	360.84
	Crumb Rubber Mash	-	45.14
	Broken Rice	130.86	-
	Ultrafine Rubber	-	185.23
	Steel Wire Scrap	-	7.68
	Chemicals	560.19	561.34
	Bitumen	132.75	-
	Poha Konda(Cattle Feed)	5.57	-
	Old Tyre	294.63	-
	Traded goods in transit		
	Steel Shots	-	58.71
		<u>29,173.05</u>	<u>43,334.49</u>
<b>24</b>	<b>CHANGE IN INVENTORIES OF TRADED GOODS</b>		
		As at March 31, 2020	As at March 31,2019
			(Increase) / Decrease
	<b>Inventories at the end of the year</b>		
	Traded goods	<u>2,174.72</u>	<u>800.29</u>
		<u>2,174.72</u>	<u>(1,374.43)</u>
	<b>Inventories at the beginning of the year</b>		
	Traded goods	<u>800.29</u>	<u>1,117.44</u>
		<u>800.29</u>	<u>317.15</u>
	<b>(Increase)/ Decrease in stocks</b>	<u>(1,374.43)</u>	<u>317.15</u>

	As at March 31, 2020	As at March 31, 2019	(Increase) / Decrease
<b>Details of inventory at the end of the year</b>			
Wheat	-	29.67	
Chana	84.08	-	
Toor	228.65	197.41	
Steel Shots	137.03	421.05	
Cut Wire Shot	35.45	93.45	
Maize	134.09	-	
Sunflower Meal	1,450.22	-	
Soyabean	104.64	-	
Lentils	0.56	-	
Trade goods in transit			
Steel Shots	-	58.71	
	<u>2,174.72</u>	<u>800.29</u>	

	(Amount in ₹ lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Details of inventory at the beginning of the year</b>		
Wheat	29.67	47.27
Crude Degummed Soyabean Oil	-	-
Yellow Peas	-	266.97
Toor	197.41	-
Steel Shots	421.05	-
Cut Wire Shot	93.45	-
Chana	-	197.54
Maize	-	152.18
Sunflower Meal	-	127.93
Cottonseed Oil Cake	-	157.28
Trade goods in transit	-	-
Yellow Peas	-	163.13
Sunflower Meal	-	-
Palm Kernel Expeller	-	5.14
Steel Shots	58.71	-
	<u>800.29</u>	<u>1,117.44</u>

<b>Increase/ (Decrease) in inventories of traded goods</b>		
Wheat	29.67	17.60
Soyabean	(104.64)	-
Yellow Peas	-	266.97
Toor	(31.24)	(197.41)
Chana	(84.08)	197.54
Maize	(134.09)	152.18
Sunflower Meal	(1,450.22)	127.93
Cottonseed Oil Cake	-	157.28
Steel Shots	284.02	(421.05)
Cut Wire Shot	58.00	(93.45)
Lentils	(0.56)	-
Trade goods in transit		
Yellow Peas	-	163.13
Sunflower Meal	-	-
Palm Kernel Expeller	-	5.14
Steel Shots	58.71	(58.71)
	<u>(1,374.43)</u>	<u>317.15</u>

(Amount in ₹ Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>25 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	395.12	409.97
Contribution towards PF, Family Pension and ESI	10.82	12.43
Gratuity/Leave expense	8.45	9.52
Performance bonus	6.03	-
Staff Recruitment Expenses	2.53	1.06
Staff welfare expenses	5.73	15.02
	<b>428.68</b>	<b>448.00</b>
Employee benefits expenses includes managerial remuneration as detailed below:		
Salary	118.75	118.75
Contribution towards PF	4.46	6.46
Diwali Bonus	0.50	0.50
Insurance Premium	0.10	0.12
<b>26 FINANCE COSTS</b>		
<b>Interest expense on</b>		
Financial liabilities measured at amortised costs		
Interest expense	261.65	411.65
Exchange difference to the extent considered as an adjustment to borrowing cost	-	39.38
Interest on performance Bonus Payable	-	0.37
<b>Others</b>		
Interest on Income Tax	6.38	2.99
Interest on TDS and Service Tax	0.19	-
Bank Charges and Other Financial Charges	63.14	85.63
	<b>331.36</b>	<b>540.03</b>
<b>27 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of tangible assets	32.55	35.11
Amortization of goodwill	128.44	128.44
Amortization of other intangible assets	10.62	7.04
	<b>171.61</b>	<b>170.59</b>
<b>28 OTHER EXPENSES</b>		
Electricity and water	4.94	3.93
Rent and warehousing charges	109.88	145.84
Repairs and maintenance- others	12.38	19.72
Insurance	27.60	47.16
Communication expenses	19.46	21.87
Travelling and conveyance	62.02	75.02
Freight and forwarding	207.01	2,007.49
Brokerage and commission	90.40	144.65
Business promotion expenses	20.49	42.93
Legal and professional charges	44.53	44.61
Payment to auditors *	8.32	8.09
Loss on forward contracts/foreign exchange (net)	-	3.45
Loss on future trading and options/forex	28.73	25.01
Clearing and forwarding expenses	39.80	33.92
Stock handling and supervision charges	190.95	75.64
Demurrage charges	1.60	40.42
Statutory charges	13.36	17.53
Packing material consumed	52.80	23.94
Bad debts and short recoveries	-	154.31

	(Amount in ₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Contract settlement expense (net)	9.70	4.70
Loss on fair valuation of current investments [FVTPL]	4.61	0.84
Miscellaneous expenses	24.85	39.55
	<u>973.45</u>	<u>2,980.63</u>
<b>*Payment to auditors</b>		
Statutory Audit Fees	7.00	8.00
Other Matters	1.10	-
Reimbursement of out of pocket expenses	0.22	0.09
	<u>8.32</u>	<u>8.09</u>

	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019

**29 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: Rs. NIL))	0.01	0.01
b) Letter of credit from banks (net of imports)	293.09	-
c) Disputed tax liabilities on account of Income Tax (Refer Point (i) and (ii) below)	194.76	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 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 lacs 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. The same is pending before the authority, Based on the opinion of the legal advisors, the Company does not expect any liability on the above account.
- ii) The Company has outstanding TDS demands of Rs.0.16 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.

**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	473.66	-
Sell contracts	385.71	-

**C The Company has given bonds amounting to Rs. 150.00 Lakhs (March 31,2019: Rs Nil) to central tax department against import of goods without payment of basic custom duty.**

## D Unused Warehousing Finance Limits

The Company has availed fund based Warehousing Finance facility from Indusind Bank Limited for Rs.10 crores (March 31, 2019: Rs.10 crores secured by pledge of agricultural commodities deposited by the pledger at the designated warehouse/ godowns as approved by Indusind Bank Limited, in favour of the bank. 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.

## 30 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 liabilities 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 of 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". Also pursuant to the scheme of arrangement, 50,00,000 equity shares of TTL held by Tinna Rubber & Infrastructure 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.

## 2 Fair Value of Investment in Fratelli Wines Private Limited

The Company has invested a sum of Rs 338.34 lakhs in M/s Fratelli Wines private limited which is to be valued at fair value through other comprehensive income in accordance with IND AS 109 "Financial Instruments" as 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. The Fair value of the said investee company last available with the company is dated 20th March, 2019. Since the company is dependent upon external sources arranged by the Investee company, the management has continued to use the fair value as at 20th March, 2019 for the current financial year also. In view of the circumstances and complexities involved in fair valuation of the investee company, the management has adopted the policy of obtaining the fair value once in 3 years and has relied upon the certificate given by the management of the investee company that there are no material changes since the valuation last available of the investee company.

## 3 Leases

### (i) Ind AS 116 Transition

Ministry of Corporate Affairs ("MCA") has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 requires lessee to recognise assets and liabilities for all the leases which conveys the right to use an asset for a period of time in exchange for consideration. Under Ind AS 17, lease arrangements where risk and rewards incidental to ownership of assets substantially vest to lessors were identified as operating leases. Ind AS 116 requires to recognise depreciation and interest cost instead of rent expenses as hitherto done under Ind AS 17.

- (ii) The Company's lease asset primarily consist of leases for building for branch offices having various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.
- (iii) The following is the summary of practical expedients elected on initial application:
- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
  - (b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
  - (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
  - (d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
  - (e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
- (iv) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

Particulars	(Amount in ₹ lakhs)	
	Right to use Asset (Building)	Total
<b>Balance as at April 1, 2019</b>	-	-
Transition impact on account of adoption of Ind AS 116 “Leases” (refer Note 4)	6.19	6.19
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 “Leases”	-	-
Reclassified from Earnest money and Security Deposits	-	-
<b>Total Right of Use on the date of transition</b>	<b>6.19</b>	<b>6.19</b>
Additions during the year	-	-
Deletion during the year	-	-
Depreciation of Right of use assets (refer note 4)	5.30	5.30
<b>Balance as at March 31, 2020</b>	<b>0.88</b>	<b>0.88</b>

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Lease Liability	Total
Transition impact on account of adoption of Ind AS 116 “Leases”	6.19	6.19
Additions during the year	-	-
Finance cost accrued during the year	0.42	0.42
Deletions	-	-
Payment of lease liabilities	5.67	5.67
<b>Balance as at March 31, 2020</b>	<b>0.94</b>	<b>0.94</b>
Current maturities of Lease liability	0.94	0.94
Non-Current Lease Liability	-	-

- (v) The adoption of the new standard has also resulted in increase in loss before tax by Rs 0.05 lakhs (Increase in Depreciation expense and finance cost by Rs 5.30 lakhs and Rs 0.42 lakhs respectively with corresponding decrease in other expense by Rs 5.67 lakhs). The effect of this adoption is insignificant on earnings per share.
- (vi) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11%.
- (vii) Rental expense recorded for short-term leases was Rs 109.88 lakhs for the year ended March 31, 2020.
- (viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- (ix) **Lease Liabilities**

Particulars	As at March 31, 2020
Maturity analysis- Undiscounted cash flows	
Less than one year	0.96
More than one year	-
Total undiscounted lease liabilities	0.96
Lease liabilities included in financial position	
Current	0.94
Non Current	-

- 4 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 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.

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, 2020	Year ended March 31, 2019
<b>A. Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognised as expense for the year is as under:		
Employer's Contribution towards Provident Fund (PF) (includes administrative charges)	6.91	8.10
Employer's Contribution towards Family Pension Scheme (FPS)	2.99	3.02
Employer's Contribution towards Employee State Insurance (ESI)	0.91	1.31
	<u>10.82</u>	<u>12.43</u>
<b>B. Defined Benefit Plan</b>		
<b>Gratuity (Unfunded)</b>		
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.		
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of obligation at the beginning of the year	27.36	40.18
Current Service Cost	3.55	6.40
Past Service Cost	-	-
Interest Cost	1.67	3.11
Benefits Paid	(3.73)	(10.25)
Actuarial (Gain)/ Loss	5.81	(12.09)
Present value of obligation at the end of the year	<u>34.67</u>	<u>27.36</u>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
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	<u>-</u>	<u>-</u>
<b>c) Net Asset/ (Liability) recognised in the balance sheet</b>		
Fair value of plan assets	-	-
Present value of defined benefit obligation	(34.67)	(27.36)
Amount recognised in Balance Sheet- Asset / (Liability)	<u>(34.67)</u>	<u>(27.36)</u>
<b>d) Expense recognised in the Statement of profit and loss during the year</b>		
Current Service Cost	3.55	6.40
Past Service Cost	-	-
Interest Cost	1.67	3.11
Total expense recognised in employee benefit expenses	<u>5.22</u>	<u>9.52</u>
Current Liability (Short Term)	9.93	1.41
Non-current Liability (Long Term)	24.74	25.95



<b>e) (Gain)/ Loss recognised in other comprehensive income during the year</b>		
Actuarial changes arising from changes in financial assumptions	26.45	(1.27)
Actuarial changes arising from changes in experience adjustments	(25.76)	(10.82)
Actuarial changes arising from changes in demographic assumptions	5.12	-
Recognised in other comprehensive income	<u>5.81</u>	<u>12.09</u>
<b>f) Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	Nil	Nil
<b>g) Actuarial Assumptions</b>		
Mortality Table (LIC)	100% of IALM 2012-14	100% of IALM 2006-08
Discount rate (per annum)	5.04%	7.75%
Salary Escalation	10.00%	10.00%
Withdrawal Rate (18 to 30 years)	33.00%	5.00%
Withdrawal Rate (30 to 44 years)	33.00%	5.00%
Withdrawal Rate (44 to 60 years)	33.00%	5.00%
<b>h) Quantitative sensitivity analysis for significant assumptions is as below:</b>		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Impact of change in discount rate</b>		
Impact due to increase by 1%	(0.89)	(24.78)
Impact due to decrease by 1%	0.91	30.48
<b>Impact of change in salary</b>		
Impact due to increase by 1%	0.51	29.75
Impact due to decrease by 1%	(0.49)	(25.53)
<b>Impact of change in withdrawal rate</b>		
Impact due to increase by 1%	(0.16)	(26.68)
Impact due to decrease by 1%	0.16	28.14
<b>i) Maturity profile of defined benefit obligation</b>		
Within the next 12 months (next annual reporting period)	9.93	1.41
Between 01 April 2019 to 31 March 2020	-	1.13
Between 01 April 2020 to 31 March 2021	7.91	1.81
Between 01 April 2021 to 31 March 2022	5.33	1.91
Between 01 April 2022 to 31 March 2023	3.64	1.93
Between 01 April 2023 to 31 March 2024	2.45	1.97
Between 01 April 2024 to 31 March 2025	1.63	-
01 April 2025 onwards	3.78	28.48
Total expected payments	<u>34.67</u>	<u>38.64</u>
<b>j) The average duration of the defined benefit plan obligation at the end of the reporting period is 2.48 years (March 31, 2019:20 years).</b>		
<b>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.</b>		
<b>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.</b>		

- 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

The Company's primary segment is reflected based on principal 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.

## 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 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 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 (Director)  
Monika Gupta (Company Secretary)  
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

## C Transactions during the year

	(Amount in ₹. lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>(i) Loans given:</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Kriti Estates Private Limited	265.00	255.00
	<u>265.00</u>	<u>255.00</u>
<b>(ii) Loan Repayment Received (Including Interest, Net of TDS):</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Kriti Estates Private Limited	265.00	520.47
Prasidh Estates Private Limited	-	106.33
	<u>265.00</u>	<u>626.80</u>
<b>(iii) Other Financial Expenses Paid</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Bee Gee Ess Farms & Properties Private Limited	18.00	18.00
	<u>18.00</u>	<u>18.00</u>
<b>(iv) Interest received</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Kriti Estates Private Limited	14.00	34.18
Prasidh Estates Private Limited	-	7.03
TP Buildtech Private Limited	23.89	0.73
Tinna Rubber and Infrastructure Limited	-	1.37
	<u>37.89</u>	<u>43.31</u>
<b>(v) Rent paid</b>		
<b>Enterprises in which directors and relative of such directors are interested:</b>		
Tinna Rubber and Infrastructure Limited	2.40	0.42
	<u>2.40</u>	<u>0.42</u>
<b>(vi) Reimbursement of expenses paid</b>		
<b>Related parties where control exists</b>		
B.G.K. Infrastructure Developers Private Limited (Subsidiary Company)	47.98	0.71
<b>Enterprises in which directors and relative of such directors are interested</b>		
Fratelli Wines Private Limited	0.41	-
Tinna Rubber and Infrastructure Limited	59.05	48.64
	<u>107.44</u>	<u>49.36</u>
<b>(vii) Reimbursement against services/expenses received:</b>		
<b>Related parties where control exists:</b>		
B.G.K. Infrastructure Developers Private Limited (Subsidiary Company)	8.31	0.19
<b>Enterprises in which directors and relative of such directors are interested</b>		
TP Buildtech Private Limited	9.19	21.66
Tinna Rubber and Infrastructure Limited	3.96	-
	<u>21.46</u>	<u>21.85</u>
<b>(viii) Sales of Goods:</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Fratelli Wines Private Limited	289.58	497.09
Tinna Rubber and Infrastructure Limited	449.45	256.10
TP Buildtech Private Limited	572.64	572.63
	<u>1,311.67</u>	<u>1,325.82</u>

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>(ix) Purchase of Goods (Included Freight on purchases):</b>			
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	Tinna Rubber and Infrastructure Limited	437.44	705.62
	Fratelli Wines Private Limited	1.00	-
		<u>438.43</u>	<u>705.62</u>
<b>(x) Services Received:</b>			
	<b>Related parties where control exists:</b>		
	B.G.K. Infrastructure Developers Private Limited (Subsidiary Company)		
	Handling and C& F charges	112.15	28.22
	Warehouse Management Charges	-	0.09
		<u>112.15</u>	<u>28.31</u>
<b>(xi) Remuneration:</b>			
	<b>Key Management Personnel</b>		
	Gaurav Sekhri (Managing Director)*	119.25	119.25
	Monika Gupta (Company Secretary)	9.47	7.76
	Anish Mahajan (CFO) (upto 06-04-2019)	0.45	11.68
	Sachin Bhargava (CFO) (w.e.f 09-04-2019)	12.85	-
		<u>142.02</u>	<u>138.70</u>

\*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 22nd Day of February, 2017.

<b>(xii) Directors Sitting Fees:</b>			
	<b>Non Executive Directors</b>		
	Ashish Madan	1.20	2.00
	Adhiraj Amar Sarin	1.20	1.20
	Sanvali Kaushik	2.00	2.40
		<u>4.40</u>	<u>5.60</u>

**D Balances at the year end**

<b>(i) Amount Receivables</b>			
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	T P Buildtech Private Limited	249.89	-
	Kriti Estates Private Limited	108.26	95.31
	Fratelli Wines Private Limited	194.30	337.78
		<u>552.46</u>	<u>433.09</u>
<b>(ii) Amount Payables</b>			
	<b>Related parties where control exists</b>		
	B.G.K. Infrastructure Developers Private Limited (Subsidiary Company)	67.93	3.77
	Fratelli Wines Private Limited	3.29	-
	<b>Key Management Personnel</b>		
	Gaurav Sekhri (Managing Director)	12.08	-
	Sachin Bhargava (CFO) (w.e.f 09-04-2019)	0.78	-
	Monika Gupta (Company Secretary)	0.62	-
		<u>84.70</u>	<u>3.77</u>

- 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.1960.00 lakhs (March 31, 2019: Rs.7,500.00 lakhs) from Tinna Rubber and Infrastructure Limited ("the Holding Company" upto 31.03.2016). For the period ended March 31, 2020, 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 indebtedness as on the reporting date:**

**Changes in liabilities arising from financing activities**

Particulars	(Amount in ₹ lakhs)				
	As on April 1, 2019	Net Cash flow	Foreign Exchange Management	Change in fair values	As on March 31, 2020
Non-current Borrowings					
Financial lease obligations	-	19.12	-	-	19.12
Current borrowings					
Repayable on demand					
Cash credit facility	1,077.73	1,482.15	-	-	2,559.88
Buyer's credit facility	-	-	-	-	-
Others	-	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>1,077.73</b>	<b>1,501.28</b>	<b>-</b>	<b>-</b>	<b>2,579.00</b>

**Changes in liabilities arising from financing activities**

Particulars	(Amount in ₹ lakhs)				
	As on April 1, 2018	Net Cash flow	Foreign Exchange Management	Change in fair values	As on March 31, 2019
Non-current Borrowings					
Financial lease obligations					
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)	-	-	-
<b>Total liabilities from financing activities</b>	<b>5,781.00</b>	<b>(4,768.12)</b>	<b>64.42</b>	<b>0.42</b>	<b>1,077.73</b>

**9 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 the company does not satisfy the conditions as specified under section 135(1) of the Companies Act, 2013, the company has not provided for any CSR expenditure.

Details of CSR Expenditure:	(Amount in ₹ lakhs)	
	Year ended March 31,2020	Year ended March 31,2019
a) Gross amount required to be spent by the Company during the year	Nil	Nil
b) Amount unspent on CSR objectives	9.23	9.23

**10 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:

Financial instruments by category	Carrying Value		(Amount in ₹ lakhs) Fair Value	
	As at	As at	As at	As at
	March 31,2020	March 31,2019	March 31,2020	March 31,2019
<b>Financial assets at amortized cost</b>				
Investments(current)	4.70	3.97	4.70	3.97
Investments(non-current)	409.50	409.50	409.50	409.50
Cash and bank balances	192.92	738.08	192.92	738.08
Loans and advances	108.26	95.31	108.26	95.31
Other Financial assets(current)	113.91	30.26	113.91	30.26
Other Financial assets(non-current)	17.19	21.72	17.19	21.72
Trade Receivables(current)	1,536.27	1,855.05	1,536.27	1,855.05
Trade Receivables(non-current)	76.93	76.93	76.93	76.93
	<u>2,459.68</u>	<u>3,230.82</u>	<u>2,459.68</u>	<u>3,230.82</u>
<b>Financial Liabilities at amortized cost</b>				
Borrowings (Non-current)	19.12	-	19.12	-
Trade Payables	379.53	1,021.10	379.53	1,021.10
Borrowings (Current)	2,559.88	1,077.73	2,559.88	1,077.73
Other financial liabilities (current)	296.14	155.30	296.14	155.30
	<u>3,254.68</u>	<u>2,254.12</u>	<u>3,254.68</u>	<u>2,254.12</u>

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) 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 2020, 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

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2020**

	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investments(current)	4.70	4.70	-	-
Investments(non-current)	409.50	-	-	409.50
Cash and bank balances	192.92	-	-	192.92
Loans and advances	108.26	-	-	108.26
Other Financial assets (current)	113.91	-	-	113.91
Other Financial assets (non-current)	17.19	-	-	17.19
Trade Receivables (current)	1,536.27	-	-	1,536.27
Trade Receivables (non-current)	76.93	-	-	76.93
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (Non-current)	19.12	-	-	19.12
Trade Payables	379.53	-	-	379.53
Borrowings (Current)	2,559.88	-	-	2,559.88
Other financial liabilities (current)	296.14	-	-	296.14

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019**

	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
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
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Trade Payables	1,021.10	-	-	1,021.10
Borrowings	1,077.73	-	-	1,077.73
Other financial liabilities (current)	155.30	-	-	155.30

**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 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, 2020. 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, 2020.

**(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:

Currency	Currency Symbol	March 31, 2020		(Amount in ₹ lakhs)	
		Foreign Currency	Indian Rupees	Gain/ (loss) Impact on profit before tax and equity (Amount in Rs.)	
				1% increase	1% decrease
Change in United States Dollar Rate Trade Payables	\$	1.55	116.72	(1.17)	1.17
Ohers Receivables	\$	-	-	-	-

Currency	Currency Symbol	March 31, 2019		(Amount in ₹ lakhs)	
		Foreign Currency	Indian Rupees	Gain/ (loss) Impact on profit before tax and equity (Amount in Rs.)	
				1% increase	1% decrease
Change in United States Dollar Rate Trade Payables	\$	1.74	120.66	(1.21)	1.21
Ohers Receivables	\$	0.11	7.93	0.08	(0.08)

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. (33.31) lakhs for the year ended March 31, 2020.



## (ii) Commodity Price Risk

The Company is exposed to fluctuations in price of Yellow Peas, Chick 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	As at
	March 31, 2020	March 31, 2019
(a) Commodity Derivatives (refer note no. 17.3)	9.42	-
<b>Total</b>	<b>9.42</b>	<b>-</b>

The gain/(loss) due to fluctuation in commodity prices on NCDEX, recognized in the statement of profit and loss was Rs.4.57 lakhs (gain) for the year ended March 31, 2020 (March 31, 2019: Rs.31.86 lakhs (loss)).

## (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 sunflower meal 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. 1076.37 lakhs which is 67.77% 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 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, 2020 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, 2020	As at March 31, 2019
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Cash and cash equivalents	149.16	441.04
Other bank balances	43.76	297.04
Loans and advances	108.26	95.31
Others non current financial assets	17.19	21.72
Others current financial assets	113.91	22.06
	432.29	877.17
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade receivables (current receivables) (Gross)	1,588.08	1,906.87
Other receivables (Gross)	11.14	8.19
	1,599.22	1,915.06

**(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, 2020	As at March 31, 2019
Within credit period	947.09	1,663.27
Less than 1 year	564.07	188.81
1 to 2 years	22.14	2.97
2 to 3 years	2.97	-
Over 3 years	51.81	51.81
<b>Total Trade Receivables</b>	<b>1,588.08</b>	<b>1,906.87</b>

<b>Expected Credit Loss</b>		
Within credit period	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	100%	100%
<b>Provision for receivables</b>		
Within credit period	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	51.81	51.81
	<u>51.81</u>	<u>51.81</u>

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-

	(Amount in ₹ lakhs)	
	Year ended March 31,2020	Year ended March 31, 2019
As the beginning of year	51.81	55.68
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(3.86)
<b>As the end of year</b>	<u>51.81</u>	<u>51.81</u>

The concentration of credit risk is limited due to the fact 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**

Particulars	(Amount in ₹ lakhs)	
	As at March 31,2020	As at March 31, 2019
Less than 1 year	11.14	8.19
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	-	-
<b>Total Trade Receivables</b>	<u>11.14</u>	<u>8.19</u>
<b>Expected Credit Loss</b>		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	100%	100%

**Provision for impairment allowance**

Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	-	-
	<u>-</u>	<u>-</u>

**(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 be 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.

<b>As at March 31, 2020</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
Financial lease obligations	-	19.12	19.12
Borrowings	2,559.88	-	2,559.88
Trade payables	379.53	-	379.53
Other current financial liabilities	296.14	-	296.14
<b>As at March 31, 2019</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
Borrowings	1,077.73	-	1,077.73
Trade payables	1,021.10	-	1,021.10
Other current financial liabilities	155.30	-	155.30

**(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, 2020 (Rs.1,398.07 lakhs as on March 31, 2019).

**12 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, 2020 and March 31, 2019. 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:

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	856.48	856.48
Other Equity	2,106.04	2,480.15
<b>Total Capital</b>	<b>2,962.52</b>	<b>3,336.63</b>
	Year ended March 31, 2020	Year ended March 31, 2019
Loans and Borrowings (refer note 15 & 17.1)	2,579.01	1,077.73
Cash and cash equivalents (refer note 10.3)	(149.16)	(441.04)
<b>Net debt</b>	<b>2,429.85</b>	<b>636.69</b>
Equity/net worth	2,962.52	3,336.63
<b>Total Capital</b>	<b>2,962.52</b>	<b>3,336.63</b>
<b>Capital and Net Debt</b>	<b>5,392.36</b>	<b>3,973.32</b>
<b>Gearing Ratio (Net Debt/Capital and Net Debt)</b>	<b>45.06%</b>	<b>16.02%</b>

**Note:** No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019

### 13 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, 2020, and March 31, 2019.

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 2020 (March 31, 2019: 1%) and discount rate of 7.5% on 31st March 2020 (March 31, 2019: 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, 2020**
**14 Earnings per share**

		(Amount in ₹ lakhs)	
		Year ended	Year ended
		March 31,2020	March 31, 2019
<b>a) Basic Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	(369.76)	163.93
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.)	(4.32)	1.91
<b>b) Diluted Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	(369.76)	163.93
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.)	(4.32)	1.91

**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.

**15 Impact of COVID-19**

World Health Organization (WHO) declared outbreak Coronavirus Disease (COVID-19) a global pandemic on March 11,2020. Consequent to this, Government of India declared lockdown on March 24,2020 which has impacted the business activities of the Company. On account of this, the Company has prepared cash flow projections, and also assessed the recoverability of receivables, contract assets, factored assumptions used in annual impairment testing of intangible assets having indefinite useful life, using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluations and current indicators of future economic conditions , the company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The Company will continue to closely monitor any material changes to future economic conditions.

**16 Dividend Received**

	Year ended	Year ended
	March 31,2020	March 31,2019
Dividend received on equity shaes held as non trade, non current investents	-	-
Dividend received on equity shaes held as trade, current investents	<u>0.08</u>	<u>0.04</u>
	<u>0.08</u>	<u>0.04</u>

**17 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, 2020		(Amount in ₹ lakhs) Year ended March 31, 2019	
		Investment made	Outstanding Balance	Investment made	Outstanding Balance
1	B.G.K. Infrastructure Developers Private Limited	Nil	988.57	Nil	988.57
2	Fratelli Wines Private Limited* *At fair value	Nil	409.50	Nil	409.50

**(ii) Particulars of Loan given:**

Sl. No	Name of the Entity	Year ended March 31, 2020		Year ended March 31, 2019	
		Loan Given	Outstanding Balance (including interest)	Loan Given	Outstanding Balance (including interest)
1	Kriti Estates Private Limited	265.00	108.26	255.00	95.31

The above loans have been proposed to be utilized for General Corporate Purpose by the recipient of the loan.

**18 Figures relating to previous year has been regrouped/ reclassified wherever necessary to make them comparable with current year figures.**

**19 The figures have been rounded off to nearest rupees in lakhs with upto two decimals.**

**20 Note No. 1 to 30 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

**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: 29<sup>th</sup> June 2020

**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** (“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, 2020, 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, 2020, the consolidated loss and total comprehensive loss, 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 on the consolidated financial statements.

#### **Emphasis of Matter**

1. We draw attention to Note No. 32(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 five years in accordance with the accounting method and accounting treatment prevailing as on the appointed date i.e. 31<sup>st</sup> 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.
2. We draw attention to Note no. 32(3) of the accompanying Consolidated Ind AS Financial Statements which describes the basis of fair value of the Holding Company's investment of Rs. 338.34 lakhs in M/s Fratelli Wines Private Limited which is to be valued at fair value through other comprehensive income in accordance with IND AS 109 “Financial Instruments” as 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. The Valuation involves significant management judgments and estimates on the valuation methodology and various assumptions used in determination of value in use/fair value by independent valuation experts as is more fully described in the aforesaid note. Based on the management policy, no change in fair value of the investee company is considered necessary for the current financial year.

Our opinion is not modified in respect of above matters.

#### **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
<p><b>1. Evaluation of tax positions</b></p> <p>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. 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.</p> <p>Refer Note 31(A) (c) to the Consolidated Ind AS financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <p>Obtained an understanding of key tax litigations and potential tax exposures</p> <p>We along with our internal tax experts –</p> <ul style="list-style-type: none"> <li>• Read and analyzed select key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;</li> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and</li> <li>• 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.</li> </ul>
<p><b>2. Taxation</b> Significant judgments are required in determining provision of income taxes, both current and deferred, as well as the assessment of provision for uncertain tax position including estimates where appropriate.</p>	<p>We evaluated the design and implement of controls in respect of provision for current tax and the recognition and recoverability of deferred tax assets.</p> <p>We discussed with management the adequate implementation of policies and control regarding current and deferred tax.</p> <p>We examined the procedure in place for the current and deferred tax calculation for completeness and valuation and audited the related tax computation and estimates in light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist.</p> <p>We performed the assessment of the material components impacting the tax expenses, balance and exposures. We reviewed and challenged the information reported by components with the support of our tax specialist, where appropriate.</p>

<p>In respect of deferred tax assets and liabilities, we assess the appropriateness of management's assumption and</p> <p>Estimates to support deferred tax assets for tax losses carried forward and related disclosures in financial statements. Based on the procedure performed above, we obtain sufficient audit evidence to corroborate management's estimates regarding current and deferred tax balances.</p>
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**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.

That 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 group 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, 2020 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, 2020 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, 2020 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, 2020 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  
UDIN: 20093591AAAAJY9333**

**Place: Delhi  
Dated: 29<sup>th</sup> July, 2020**

## 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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March 2020, 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  
UDIN: 20093591AAAAJY9333**

**Place: Delhi  
Dated: 29<sup>th</sup> July, 2020**

## Consolidated Balance Sheet As At March 31, 2020

(Amount in ₹ lakhs)

	Notes	As at March 31,2020	As at March 31,2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,250.57	2,448.65
Capital Work in Progress	3	63.12	83.78
Goodwill	4	219.24	347.68
Other intangible assets	5	35.91	13.49
<b>Financial assets</b>			
(i) Investments	6.1	409.50	409.50
(ii) Trade receivables	6.2	76.93	76.93
(iii) Other financial assets	6.3	315.51	322.28
Deferred tax assets (Net)	7	166.97	65.64
Other non-current assets	8	15.66	15.74
		<b>3,553.41</b>	<b>3,783.70</b>
<b>Current assets</b>			
Inventories	9	2,177.23	809.54
<b>Financial assets</b>			
(i) Investments	10.1	4.70	3.97
(ii) Trade receivables	10.2	1,690.99	1,923.29
(iii) Cash and cash equivalents	10.3	175.90	447.94
(iv) Other bank balances	10.4	126.90	372.92
(v) Loans and advances	10.5	108.26	95.31
(vi) Other financial assets	10.6	122.96	31.01
Current tax assets (Net)	11	47.61	24.26
Other current assets	12	539.88	434.02
		<b>4,994.43</b>	<b>4,142.24</b>
<b>Asset classified as held for sale</b>	13	<b>119.07</b>	<b>-</b>
<b>Total Assets</b>		<b>8,666.91</b>	<b>7,925.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	856.48	856.48
Other equity	15	1,951.65	2,268.68
Equity attributable to equity holders of the parent company		2,808.12	3,125.16
Non- controlling Interests		701.27	647.58
		<b>3,509.39</b>	<b>3,772.74</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	16.1	905.07	988.44
(ii) Other financial liabilities	16.2	5.66	-
Provisions	17	55.90	64.50
Other Non-Current Liabilities	18	240.69	251.61
		<b>1,207.31</b>	<b>1,304.55</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	19.1	2,600.91	1,270.11
(ii) Trade payables	19.2		
(A) Total outstanding dues of micro enterprises and small enterprises		3.43	0.60
(B) Total outstanding dues of creditors other than micro enterprises small enterprises		510.87	1,074.79
(iii) Other financial liabilities	19.3	478.42	372.67
Other current liabilities	20	336.70	81.79
Provisions	21	19.89	3.27
Current tax liabilities (Net)	22	-	45.43
		<b>3,950.21</b>	<b>2,848.65</b>
<b>Total Equity and Liabilities</b>		<b>8,666.91</b>	<b>7,925.94</b>
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	31		
Other notes on accounts	32		

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: 29<sup>th</sup> July 2020

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

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

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

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

**Sachin Bhargava**  
(Chief Financial Officer)

## Consolidated Statement Of Profit And Loss For The Year Ended March 31, 2020

(Amount in ₹ lakhs)

	Notes	Year ended March 31,2020	Year ended March 31,2019
<b>I INCOME</b>			
Revenue from operations	23	30,309.29	48,759.36
Other income	24	174.49	233.87
<b>Total Income</b>		<u>30,483.78</u>	<u>48,993.23</u>
<b>II EXPENSES</b>			
Purchase of traded goods	25	29,173.05	43,334.49
Change in inventories of traded goods	26	(1,374.43)	317.15
Employee benefits expense	27	538.72	555.35
Finance costs	28	447.74	659.54
Depreciation and amortization expenses	29	298.81	287.94
Other expenses	30	1,753.25	3,613.27
<b>Total Expenses</b>		<u>30,837.15</u>	<u>48,767.74</u>
<b>III Profit/(loss) before exceptional items and tax</b>		<u>(353.36)</u>	<u>225.49</u>
Add : Exceptional items		-	-
<b>IV Profit/(loss) before tax</b>		<u>(353.36)</u>	<u>225.49</u>
<b>V Tax expenses</b>			
Current tax		-	50.60
Adjustment of tax relating to earlier years		3.59	0.03
Deferred tax		(99.86)	(8.55)
<b>Income tax expense</b>		<u>(96.27)</u>	<u>42.08</u>
<b>VI Profit/ (loss) for the year</b>		<u>(257.09)</u>	<u>183.42</u>
<b>VII Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
i) Re-measurement gains /(losses) on defined benefit plans		(7.72)	12.80
ii) Re-measurement gains on investments FVTOCI		-	-
iii) Income tax effect [(expense)/income]		1.46	(4.04)
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<u>(6.26)</u>	<u>8.76</u>
<b>VIII Total comprehensive income/ (loss) for the year, net of tax</b>		<u>(263.35)</u>	<u>192.18</u>
<b>Profit for the year attributable to</b>			
Equity Shareholders of parent company		(311.70)	173.97
Non controlling Interest		54.61	9.45
<b>Other Comprehensive income for the year attributable to</b>		<u>(257.09)</u>	<u>183.42</u>
Equity Shareholders of parent company		(5.33)	8.42
Non controlling Interest		(0.93)	0.34
<b>Total Comprehensive income for the year attributable to</b>		<u>(6.26)</u>	<u>8.76</u>
Equity Shareholders of parent company		(317.04)	182.39
Non controlling Interest		53.69	9.79
		<u>(263.35)</u>	<u>192.18</u>
<b>IX Earnings per equity share attributable to equity holder of parent (nominal value of share Rs.10/-)</b>	32(15)		
Basic (Rs.)		(3.64)	2.03
Diluted (Rs.)		(3.64)	2.03
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	31		
Other notes on accounts	32		

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: 29<sup>th</sup> July 2020

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

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

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

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

**Sachin Bhargava**  
(Chief Financial Officer)



## Consolidated Statement Of Changes In Equity For The Year Ended March 31, 2020

### A) Equity Share Capital

Particulars	Nos.	(Amount in ₹ lakhs)
As at March 31, 2018	<u>85,64,750</u>	<u>856.48</u>
As at March 31, 2019	85,64,750	856.48
As at March 31, 2020	<u>85,64,750</u>	<u>856.48</u>

### B) Other Equity

(Amount in ₹ lakhs)

Particulars	Reserves and surplus		Transaction with owner equity	Non Controlling Interest	Total
	Securities Premium	Retained Earnings			
<b>As at March 31, 2018</b>	<b>431.63</b>	<b>1,694.56</b>	<b>(39.90)</b>	<b>637.79</b>	<b>2,724.08</b>
Profit/ (Loss) for the year	-	173.97	-	9.45	183.42
<b>Other comprehensive income for the year</b>					
Re-measurement gains on defined benefit plans (net of tax)	-	8.42	-	0.34	8.76
Re-measurement gains on Investments [FVTOCI]	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>431.63</b>	<b>1,876.95</b>	<b>(39.90)</b>	<b>647.58</b>	<b>2,916.26</b>
Profit/ (Loss) for the year	-	(311.70)	-	54.62	(257.08)
<b>Other comprehensive income for the year</b>					
Re-measurement gains on defined benefit plans (net of tax)	-	(5.33)	-	(0.93)	(6.26)
Re-measurement gains on Investments [FVTOCI]	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>431.63</b>	<b>1,559.92</b>	<b>(39.90)</b>	<b>701.27</b>	<b>2,652.92</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	31
Other notes on accounts	32

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: 29<sup>th</sup> July 2020

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

**Sachin Bhargava**  
(Chief Financial Officer)

## Consolidated Cash Flow Statement For The Year Ended March 31, 2020

(Amount in ₹ lakhs)

	Year ended March 31,2020	Year ended March 31,2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before Income tax	(353.36)	225.49
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	298.81	287.94
Profit/Loss on disposal of Property, plant and equipment	-	(0.54)
Interest income	(61.36)	(83.16)
Dividend Income	(0.08)	(0.04)
Diminution in value of Investments	4.61	0.84
Interest on Income Tax and TDS	6.57	2.99
Interest and Financial Charges	433.86	615.85
Profit on sale of Investments	(0.32)	-
Excess provisions no longer required written back	-	(64.65)
<b>Operating Profit before working capital changes</b>	<b>328.73</b>	<b>984.71</b>
Movement in working capital		
(Increase)/ Decrease in other non-current financial assets	2.31	15.06
(Increase)/ Decrease in other non current assets	0.08	5.34
(Increase)/ Decrease in inventories	(1,367.69)	339.23
(Increase)/ Decrease in trade receivables	168.14	3,505.54
(Increase)/ Decrease in other current financial assets	(91.95)	138.57
(Increase)/ Decrease in other current assets	(205.72)	270.24
Increase/ (Decrease) in other non current financial liabilities	-	-
Increase/ (Decrease) in long-term provisions	(10.51)	(5.64)
Increase/ (Decrease) in trade payables	(561.09)	290.62
Increase/ (Decrease) in other current financial liabilities	191.40	(247.71)
Increase/ (Decrease) in non current liabilities	(10.92)	(17.26)
Increase/ (Decrease) in other current liabilities	179.91	(80.01)
Increase/ (Decrease) in short-term provisions	16.62	(20.56)
<b>Cash generated from operations</b>	<b>(1,360.70)</b>	<b>5,178.13</b>
Income tax paid (net of refunds)	69.94	(32.62)
<b>Net Cash flow from Operating Activities (A)</b>	<b>(1,290.77)</b>	<b>5,145.61</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(58.05)	(4.22)
Purchase of other intangible assets	(3.87)	(4.68)
Proceeds from sale of property, plant and equipment	-	1.95
Purchase of current investments (Net)	(8.14)	0.71
Proceeds from fixed deposits with banks (Net)	253.94	262.88
Loans and advances given (Net)	(12.96)	334.71
Dividend Income	0.08	0.04
Advances against sale of Land	75.00	-
<b>Net Cash flow from/(used) in Investing Activities (B)</b>	<b>246.00</b>	<b>591.75</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of long term borrowings (net of interest expense)	(143.34)	(134.53)
Proceeds of short term borrowings (net of interest expense)	1,025.13	(5,179.01)
Finance Cost	(109.07)	(118.57)
<b>Net Cash Flow from/(used) in Financing Activities (C)</b>	<b>772.72</b>	<b>(5,432.11)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(272.04)</b>	<b>305.27</b>
Cash and cash equivalents at the beginning of the year	447.94	142.68
<b>Cash and Cash Equivalents at the end of the year</b>	<b>175.90</b>	<b>447.95</b>

**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 :-****Cash and cash equivalents**

Balances with banks:

Current accounts

Cash on hand

175.05

446.95

0.84

0.99

175.90447.95**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: 29<sup>th</sup> July 2020**Monika Gupta**

(Company Secretary)

M No.: FCS-8015

**Sachin Bhargava**

(Chief Financial Officer)

## Notes to Consolidated financial statements for the period ended March 31, 2020

### 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, kaspas 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, 2020	Percentage of holding as at 31 March, 2019
BGK Infrastructure Developers Private Limited	India	51.53%	51.53%

### 2 SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statement. These policies have been consistently applied to all the years presented unless otherwise 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 29th June 2020.

#### 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, 2020 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 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 Infrastructure Developers Private Limited, the financial statements are drawn and audited upto 31st March 2020.

### **2.03 Consolidation Procedures :**

#### **(A) Subsidiaries:**

- 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 noncontrolling 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 noncontrolling 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 period in 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 during the 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

### New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the consolidated financial statements of the group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

#### a) Ind AS 116 Leases

##### The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.



1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases.

**b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix 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.

The Group has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, 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 Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

**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. 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:

- (a) 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.

- (b) 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 had no impact on the consolidated financial statements of the group as it did not have any plan amendments, curtailments, or settlements during the period.

**e) Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures. These amendments had no impact on the consolidated financial statements as the group is in compliance with the said amendment.

**f) Annual Improvements to Ind AS 2018**

**i) Ind AS 103 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the consolidated financial statements of the group as there is no transaction where joint control is obtained.

**ii) Ind AS 111 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments had no impact on the consolidated financial statements as there is no transaction where a joint control is obtained.

**iii) Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements.

**iv) 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. The entities applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entities first applies those amendments. The entities applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements.

**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 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 equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred.

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

<b>Assets</b>	<b>Useful life (in years)</b>
Leasehold Land	95
Buildings	30-60
Roads	5
Plant and Machinery	15
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipment	5
Computers	3
Electrical 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 straight 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:

<b>Type of assets</b>	<b>Basis</b>
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 equity 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 Characteristics 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 Characteristics Test:** The asset's contractual 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 derecognition 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 addition, 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 neither transferred nor 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 initially 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 INDAS 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 :

<b>Original classification</b>	<b>Revised classification</b>	<b>Accounting treatment</b>
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 INDAS 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 derivatives 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 accumulated 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 instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until 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 occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated 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 INDAS in the separate balance sheet of the acquiree;
- c) The group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under INDAS;
- 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 operation constitutes a business, as defined in INDAS 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 used, 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 Service Tax has been accounted for in respect of the goods cleared. The group is providing Goods and Service 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 subsumed 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 subsumed 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 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 certainty 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 Contracts**

Profit/ Loss on contracts for future settled during the year are recognised in the statement of profit and loss. Future contracts outstanding at year-end are marked to market at fair value. Any losses arising 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 scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme 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 - payment will lead to, for example, a reduction in future payment 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 obligation 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 reference 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 Company 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**

Accumulated 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 accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial 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 deferred. 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 publically 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 Approach" 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 exchange 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 covered 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 approved by the shareholders . A corresponding amount is recognized directly in equity.

#### **2.24 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **(a) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

##### **(b) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(c) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Group as a lessor**

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**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 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 acgrouping 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.

#### **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 INDAS 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 mortality 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 asset's 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 suitable discount rate in order 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 into 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.

**(h) COVID-19 Impact on Estimates, Judgements, Revenue & Financial Instruments**

**i) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):-**

The Group assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources of information. As on current date, the Group has concluded that the Impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties in future periods, if any. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

**ii) Loss allowance for receivables and unbilled revenues:-**The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the group deals with and the countries where it operates. In calculating expected credit loss, the group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

**iii) Revenue from Operations:** The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

**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 group's cash management.

**2.29 Standards issued but not effective**

There are no standards that are issued but not yet effective on March 31, 2020

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**
**3 Property, plant and equipments**
**(Amount in ₹ lakhs)**

Particulars	Land leasehold	Land freehold	Warehouse buildings	Roads	Plant & machinery	Computers & Fixtures	Furniture & Fixtures	Vehicles	Vehicle under lease	Office Equipments	Electric Installations	Fire fighting system	Capital Work in progress			
													Building under construction	Preoperative expenses	Total	
<b>At Cost</b>																
At April 01, 2018	290.82	98.40	2095.27	159.93	113.75	21.82	9.11	198.36		25.70	33.16	94.19	3140.52	67.52	16.26	83.78
Additions during the year	-	-	0.52	-	-	1.33	0.35	0.40	-	1.61	-	-	4.22	-	-	-
Disposals	-	-	-	-	-	-	-	28.13	-	-	-	-	28.12	-	-	-
At March 31, 2019	290.82	98.40	2095.79	159.93	113.75	23.16	9.46	170.63	-	27.32	33.16	94.19	3116.62	67.52	16.26	83.78
Additions during the year	-	-	-	-	-	4.26	1.24	-	32.19	2.86	-	-	40.55	-	-	-
Disposals	-	98.40	-	-	-	-	-	-	-	-	-	-	98.40	13.45	7.21	20.66
At March 31, 2020	290.82	-	2095.79	159.93	113.75	27.42	10.71	170.63	32.19	30.17	33.17	94.19	3058.77	54.07	9.05	63.12
<b>Depreciation</b>																
At April 01, 2018	24.23	-	221.11	99.93	24.27	18.15	4.53	101.96	-	17.94	11.07	19.90	543.09	-	-	-
Charge for the year	3.06	-	64.84	30.39	7.20	2.19	1.11	30.07	-	3.63	3.15	5.96	151.60	-	-	-
Disposals	-	-	-	-	-	-	-	26.72	-	-	-	-	26.72	-	-	-
At March 31, 2019	27.29	-	285.95	130.32	31.47	20.34	5.64	105.31	-	21.57	14.22	25.86	667.97	-	-	-
Charge for the year	3.06	-	65.03	21.62	7.22	2.38	1.02	20.16	7.57	3.02	3.16	5.98	140.23	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2020	30.36	-	350.98	151.94	38.70	22.71	6.66	125.47	7.57	24.59	17.38	31.84	808.19	-	-	-
<b>Net carrying amount</b>																
At March 31, 2019	263.53	98.40	1,809.84	29.61	82.28	2.82	3.82	65.32	-	5.75	18.94	68.33	2,448.65	67.52	16.26	83.78
At March 31, 2020	260.46	-	1,744.81	7.99	75.05	4.71	4.04	45.17	24.61	5.58	15.79	62.35	2,250.57	54.07	9.05	63.12

**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 provided on Straight 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.41.09 lakhs (March 31, 2019: Rs.59.75 lakhs) are yet to be registered in the name of the Company
- (iii) Leasehold land with renewal rights has been classified as property, plant and equipment and amortized over the period of lease on straight line basis.
- (iv) "Freehold land in Bihar is lying unused. A sum of Rs. Nil (Previous year Rs. 20.66 lakhs) has been incurred towards development and restoration of land which has been debited under CWIP. The company has retired the said land from intended use and classified as held for sale (refer note no. 13)". According to a sum of Rs. 119.07 lakhs has been transferred to assets held for sale. The details are as under:-

	(Rs in Lakhs)
Land Freehold	98.40
<b>Capital work in progress</b>	
Building under construction	13.45
Preoperative Expense	7.21
<b>Total</b>	<b>119.06</b>

- (v) Impairment losses recognised in profit or loss in accordance with the Ind AS 36 are Rs. Nil (March 31, 2019: Nil)
- (vi) (a) Net Block of Property, Plant and equipment pledged as security towards liabilities are Rs. 24.61 lakhs. (Previous Year 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, 2019: Nil)  
(c) The amount of contractual commitments for the acquisition of Property, plant and equipment are Rs. Nil (March 31, 2019: Nil)  
(vii) In case of Subsidiary Company, Capital work in progress includes building under construction with material cost of Rs. 54.07 lakhs (Previous year Rs. 67.52 lakhs).  
(viii) 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.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, 2020      As at  
March 31, 2019

**4 GOODWILL**

On acquisition through business combination (refer point 1))	128.44	256.88
On acquisition of Subsidiary Company (refer point 2))	90.80	90.80
	<b>219.24</b>	<b>347.68</b>

**Impairment Charges**

- (i) The goodwill is tested for impairment as at the end of each year (refer note no. 32(1)(d)).
- (ii) Refer accounting policy 2.08 and note no. 32(1)(d)) for impairment and amortization of Goodwill.

**Movement of Goodwill is as follows:**

<b>1 Balance at the beginning of the year</b>	256.89	385.33
Add: Addition on account of acquisition through business combination	-	-
Less: Amortization during the year (refer note no. 32(2)(ii))	128.44	128.44
Balance at the end of the year	<b>128.44</b>	<b>256.89</b>
<b>2 Balance at the beginning of the year</b>	90.80	90.80
Less: Impairment during the year	-	-
Balance at the end of the year	<b>90.80</b>	<b>90.80</b>

**5 Other intangible assets**

(Amount in ₹ lakhs)

Particulars	Right to use assets	Other intangible assets
	Building	Software
<b>Gross Block (At cost)</b>		
At April 01, 2018	-	31.37
Additions	-	4.68
Disposals	-	-
<b>At March 31, 2019</b>	-	<b>36.05</b>
Additions	48.69	3.87
Disposals	-	-
<b>At March 31, 2020</b>	<b>48.69</b>	<b>39.92</b>
<b>Impairment and Amortization</b>		
At April 01, 2018	-	-
Charge for the year	-	7.88
Disposals	-	-
<b>At March 31, 2019</b>	-	<b>22.55</b>
Charge for the year	23.99	6.15
Disposals	-	-
<b>At March 31, 2020</b>	<b>23.99</b>	<b>28.71</b>

**Net carrying amount**

At March 31, 2019	-	13.49
At March 31, 2020	24.70	11.21

**Notes:**

- (i) Refer accounting policy 2.08 for impairment and amortization of intangible assets.
- (ii) Right to use assets represent properties taken on lease for warehouses offices and accounted for in accordance with principles of IND AS 116 "Leases" (refer Note No. 32(4))

(Amount in ₹ lakhs)  
**As at**                      **As at**  
**March 31, 2020**    **March 31, 2019**

**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 (refer note no 32 (3))	409.50	409.50
2,25,000 (March 31, 2018: 2,25,000)		
equity shares of Rs. 10/- each fully paid up		
<b>Aggregate amount of unquoted investments (at fair value)</b>	<b><u>409.50</u></b>	<b><u>409.50</u></b>

<b>Aggregate amount of unquoted investments (at cost)</b>	<b><u>338.34</u></b>	<b><u>338.34</u></b>
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**6.2 TRADE RECEIVABLES**

Trade Receivables considered good - Secured	-	-
Trade Receivable considered good - Unsecured	76.93	76.93
Trade receivables which have significant increase in Credit risk	-	-
Trade receivables- credit impaired	<u>76.93</u>	<u>76.93</u>
	153.86	153.86
Less: Claim payable	<u>76.93</u>	<u>76.93</u>
	<b><u>76.93</u></b>	<b><u>76.93</u></b>

**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.
- (ii) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. No trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member.

**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	16.24	20.69
Subsidy deposit (Refer Note no. 32(5)(c))	297.39	297.39
Security deposits	<u>1.89</u>	<u>4.20</u>
	<b><u>315.51</u></b>	<b><u>322.28</u></b>

**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	As at
		March 31, 2020	March 31, 2019
<b>7</b>	<b>DEFERRED TAX ASSETS (NET)</b>		
	<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
	Current income tax charge	-	50.60
	Adjustment of tax relating to earlier years	3.59	0.03
	<b>Deferred Tax</b>		
	Relating to origination and reversal of temporary differences	(99.86)	(8.55)
	<b>Income tax expense reported in the statement of profit or loss</b>	<b>(96.27)</b>	<b>42.08</b>
	<b>(b) Other Comprehensive Income</b>		
	Re-measurement (gains)/losses on defined benefit plans	1.46	4.04
	<b>Tax expense related to items recognized in OCI during the year</b>	<b>1.46</b>	<b>4.04</b>
	<b>(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
	Accounting Profit before tax (Parent company)	(353.36)	225.49
	Applicable tax rate	25.17%	33.40%
	<b>Computed Tax Expense</b>	<b>(88.93)</b>	<b>75.31</b>
	Difference in tax rate	17.99	(4.91)
	Income not considered for tax purpose	(28.46)	(27.28)
	Expense not allowed for tax purpose	-	(2.22)
	Ind AS effect not allowed for tax purpose (net)	3.13	1.28
	Tax relating to earlier years	-	(0.10)
	Income tax charged to Statement of Profit and Loss at effective rate of (20.66%) (March 31, 2019: 18.66%)	<b>(96.27)</b>	<b>42.08</b>
		<b>Balance Sheet</b>	<b>Statement of profit &amp; loss</b>
		As at	As at
		March 31, 2020	March 31, 2019
			Year ended
			Year ended
			March 31, 2020
			March 31, 2019
	<b>(d) Deferred tax assets comprises:</b>		
	Accelerated Depreciation for Tax purposes	36.78	25.84
	Provision for employee benefits	16.33	17.21
	Expenses allowable on payment basis	19.67	22.59
	Losses Carried Forward under		
	Income Tax Act	94.19	-
		<u>166.97</u>	<u>65.64</u>
	MAT Credit entitlement	-	-
		<b>166.97</b>	<b>65.64</b>
	<b>(e) Reconciliation of deferred tax assets (net)</b>		
	Opening balance	65.64	61.13
	Tax expense recognised in statement of profit and loss during the year	99.86	8.55
	Tax expense recognised in other comprehensive income during the year	1.46	(4.04)
	<b>Closing balance</b>	<b>166.97</b>	<b>65.64</b>

**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 current tax assets and current tax liabilities and the deferred tax assets and deferred 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.82.13 lakhs( March31, 2019: Rs. 120.77 ) 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.
- (iv) In case of parent company there are unabsorbed carried forward losses of Rs 374.21 lakhs as on 31st March 2020, out of which Rs 274.97 lakhs expire in financial year 2026-27. Further there is unabsorbed business depreciation of Rs 99.24 lakhs with infinite expiry. Deferred tax asset on the same has been recognized in view of probability that taxable profits will be available against which the carried forward unused tax losses can be utilized.

	(Amount in ₹ lakhs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>8 OTHER NON-CURRENT ASSETS</b>		
<b>(Unsecured, considered good)</b>		
Deposits with Statutory/ Government authorities	15.66	15.71
Deferred Rent (unamortised)	-	0.03
	<u>15.66</u>	<u>15.74</u>

**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.

**9 INVENTORIES**

**(Valued at lower of cost and net realisable value unless otherwise stated)**  
**(refer accounting policy 2.11)**

Stock in trade (traded goods)	2,174.72	800.29
Packing materials	2.51	9.25
	<u>2,177.23</u>	<u>809.54</u>

**Notes:**

- (i) The above includes goods in transit as under:
- |              |   |       |
|--------------|---|-------|
| Traded goods | - | 58.71 |
|--------------|---|-------|
- (ii) Inventories are hypothecated with the bankers and others against working capital limits. (refer note no. 19.1)
- (iii) During the year ended March 31, 2020: Nil (March 31, 2019: 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)**

**Quoted Equity Instruments**

Transport Corporation of India Limited	0.36	0.16
190 (March 31, 2019: 50) equity shares of Rs.2/- each		

	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
Agro Tech Foods Limited Nil (March 31, 2019: 35) equity shares of Rs.10/- each	-	0.21
Ruchi Soya Industries Limited 22 (March 31, 2019: 2,200) equity shares of Rs.2/- each	0.04	0.15
Ashok Leyland Limited Nil (March 31, 2019: 500) equity shares of Rs. /- each	-	0.46
GMR Infrastructure Limited 11700 (March 31, 2019: 700) equity shares of Rs 1/- each	1.91	0.14
HSIL Limited Nil (March 31, 2019: 190) equity shares of Rs 2/- each	-	0.48
Nelcast Limited 1970 (March 31, 2019: 1350) equity shares of Rs 2/- each	0.59	0.96
Somany Ceramics Limited 1900 (March 31, 2019: 40) equity shares of Rs 2/- each	1.73	0.17
Indian Overseas Bank 500 (March 31, 2019: 500) equity shares of Rs 10/- each	0.04	0.07
Tata Motors Limited Nil (March 31, 2019: 675) equity shares of Rs 2/- each	-	1.18
Somani Home Innovation Ltd 50 (March 31, 2019: Nil) equity shares of Rs. 2/- each	0.03	-
<b>Aggregate amount of quoted investments (Fair Value)</b>	<b><u>4.70</u></b>	<b><u>3.97</u></b>
<b>Aggregate amount of quoted investments (Cost)</b>	<b><u>8.62</u></b>	<b><u>4.81</u></b>

## 10.2 TRADE RECEIVABLES

Unsecured, considered good		
Trade receivables considered good - secured	-	-
Trade receivables considered good - Unsecured	1,690.99	1,923.29
Trade receivables which have significant increase in credit risk	-	
Trade receivables - credit impairment	<u>51.81</u>	<u>51.81</u>
Trade receivables (gross)	1,742.80	1,975.10
Less: Impairment allowance for trade receivables considered doubtful	<u>51.81</u>	<u>51.81</u>
	<b><u>1,690.99</u></b>	<b><u>1,923.29</u></b>

### 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:

	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
TP Buildtech Private Limited (Company where director is director)	251.41	-
Fratelli Wines Private Limited (Company where director is a director)	195.09	338.44
Tinna Rubber and Infrastructure Limited	32.63	8.38
Shree Shubam Logistics Ltd.	6.90	9.65
	<u><u>486.03</u></u>	<u><u>356.47</u></u>

(iii) The movement in impairment allowance as per ECL model is as under:		
Balance as at beginning of the year	51.81	55.68
Impairment allowance during the year	-	(3.86)
<b>Balance as at end of the year</b>	<u><u>51.81</u></u>	<u><u>51.81</u></u>

### 10.3 CASH AND CASH EQUIVALENTS

Balances with banks:		
Current accounts	175.05	446.95
Cash on hand	0.85	0.99
	<u><u>175.90</u></u>	<u><u>447.94</u></u>

**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	12.76	19.35
Fixed deposits held as margin money against borrowings having a original maturity period of more than three months but less than twelve months	33.32	15.00
Fixed deposits pledged with bank against borrowings having original maturity period of more than twelve months	80.81	338.56
	<u><u>126.90</u></u>	<u><u>372.92</u></u>

**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	108.26	95.31
Loans receivables which have significant increase in Credit Risk	-	-
Loans receivables - credit impaired	-	-
	<u><u>108.26</u></u>	<u><u>95.31</u></u>

**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:

Kriti Estates Private Limited (a company in which director is a director or member.)	108.26	95.31
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	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>10.6 OTHER CURRENT FINANCIAL ASSETS</b>		
<b>Unsecured, considered good, unless otherwise stated (at amortised cost)</b>		
Security deposits	6.58	1.13
Deposit towards forward contracts and future trading option	99.76	-
Other Receivables	16.62	29.88
	<u>122.96</u>	<u>31.01</u>
Less: Provision for Impairment allowance	-	-
	<u><b>122.96</b></u>	<u><b>31.01</b></u>
<b>Notes:</b>		
(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.		
<b>11 CURRENT TAX ASSETS (NET)</b>		
Tax Deducted at Source (TDS)	47.61	24.26
	<u><b>47.61</b></u>	<u><b>24.26</b></u>
<b>12 OTHER CURRENT ASSETS</b>		
Unsecured, considered good		
Refund Due from Government departments	122.81	222.67
Advances for materials and services	228.93	5.42
Security deposits with Government Authorities	6.05	10.85
Others		
Prepaid expenses	14.75	35.06
Balance with Statutory/ Government authorities:		
GST	150.42	142.21
VAT	6.43	6.67
License in hand	1.33	1.33
Other receivables	9.17	9.81
	<u><b>539.88</b></u>	<u><b>434.02</b></u>
<b>Notes:</b>		
(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 advance with CHD and Custom Departments.		
<b>13 ASSET CLASSIFIED AS HELD FOR SALE</b>		
<b>(Property plant and equipment)</b>		
Asset retired from intended use (refer note below)	119.07	-
	<u><b>119.07</b></u>	<u><b>-</b></u>
<b>Note :</b>		
The subsidiary company classified certain assets retired from intended use and held for sale recognised and measured in accordance with Indian Accounting Standard 105 on "Non Current Asset Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value . The Company expects to complete the sale by 31st January, 2021 by selling it.		

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>14 EQUITY SHARE CAPITAL</b>			
<b>a) Authorized</b>			
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, 2020		March 31, 2019	
	No. of shares	Amount in Rs lakhs	No. of shares	Amount in Rs.lakhs
At the beginning of the year	85,64,750	856.48	85,64,750	856.48
Add: Shares issued during the year	-	-	-	-
At the end of the year	85,64,750	856	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 31,2019 : 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, 2020		As at March 31, 2019	
	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.

**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:**

	As at March 31, 2020 No. of shares	As at March 31, 2019 No. of shares
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash (refer note no. 32(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
<b>15 OTHER EQUITY</b>		
Security Premium	431.63	431.63
Retained Earnings	1,559.91	1,876.95
Transaction with owners in their capacity as owners	(39.90)	(39.90)
	<u><u>1,951.65</u></u>	<u><u>2,268.67</u></u>

**Notes:**

<b>a) Security Premium Reserve</b>		
Opening Balance during the year	431.63	431.63
Add: Received during the year	-	-
	<u><u>431.63</u></u>	<u><u>431.63</u></u>
<b>b) Retained Earnings</b>		
Opening balance	1,876.95	1,694.56
Net profit/ (loss) for the year	(311.70)	173.97
<b>Items of other comprehensive income recognised directly in retained earnings</b>	-	-
Re-measurement gains /(losses) on defined benefit plans (net of tax)	(5.33)	8.42
Re-mesurement gains on Investments [FVTOCI]	-	-
Income Tax effect	-	-
	<u><u>1,559.91</u></u>	<u><u>1,876.95</u></u>
<b>c) Transactions with owners in their capacity as owners</b>		
Opening Balance	(39.90)	(39.90)
	<u><u>(39.90)</u></u>	<u><u>(39.90)</u></u>

- c) Nature and purpose of reserves**

**Security Premium**

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

**Retained Earnings**

Retained Earnings are profit the company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>16</b>	<b>NON CURRENT FINANCIAL LIABILITIES</b>		
	<b>16.1 LONG TERM BORROWINGS</b>		
	<b>SECURED (at amortised cost)</b>		
	<b>a) Term loan from Bank</b>		
	ICICI Bank Limited	885.94	988.44
	<b>b) Financial lease obligations from Bank</b>		
	HDFC Bank Ltd (Car Loan)	19.12	-
		<u>905.07</u>	<u>988.44</u>

**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 installments 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

The Company has applied for availment of moratorium for repayment of Term Loan installment for 6 months from Mar 31,2020 till August 31,2020. Therefore, current maturities of long term debt have been classified w.e.f. September 30,2020 onwards.

- 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.).
  - (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 The effective rate of interest on short term borrowings ranges between 9.95% p.a. to 10.15% 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.
- 5 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.
- 6 (i) Finance lease obligation are secured against hypothecation of respective vehicles under lease.  
(ii) Terms of repayment are as under:  
60 monthly equal installments of Rs. 0.55 lakh (including interest) commencing from 05.08.2019
- 7 Current maturities of term loan are as under:

	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current maturities on term loan.	126.38	167.22
Current maturities on finance lease obligation	4.84	-
<b>16.2 OTHER NON CURRENT FINANCIAL LIABILITIES</b>		
Lease liability (refer note no 32(4))	5.66	-
	<u>5.66</u>	<u>-</u>
<b>17 NON CURRENT PROVISIONS</b>		
Provision for employee benefits		
Gratuity (refer note no.32(7))	30.98	37.80
Leave encashment	24.92	26.70
	<u>55.90</u>	<u>64.50</u>
<b>18 OTHER NON-CURRENT LIABILITIES</b>		
Deferred Government Grant (Refer note no. 32(5)(c))	240.69	251.61
	<u>240.69</u>	<u>251.61</u>
<b>19 CURRENT FINANCIAL LIABILITIES</b>		
<b>19.1 BORROWINGS</b>		
<b>SECURED (at amortised cost)</b>		
<b>From Banks</b>		
<b>Repayable on Demand</b>		
Cash Credit facility	2,559.88	1,077.73
<b>UNSECURED (at amortised cost)</b>		
<b>a) Loan from Related Parties</b>		
Loans and Advances from related parties	14.80	129.19
<b>b) Others</b>	26.22	63.18
	<u>2,600.91</u>	<u>1,270.10</u>

**Notes:**

- (i) Working capital limits have been obtained by the holding Company and are from Canara Bank and State Bank of India and are secured as under:-
- (a) Working capital limits from Canara Bank 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 Gausshala 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 guarantee of Bee Gee Ess Farms & Properties Private Limited.
- (c) The Parent Company has furnished corporate guarantee of Tinna Rubber and Infrastructure Limited in favour of State Bank of India for limits sanctioned to it.
- (d) Fixed Deposit (Cash Margin) pledged against non fund based limit are Rs.32.75 lakhs (March 31, 2019: Rs.15.00 lakhs).
- (e) Aggregate amount of working capital limits secured by way of personal guarantees of Directors.

	2559.88	1077.73
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- (ii) The holding company has also availed warehouse finance facility from banks which remained undrawn on the date of balance sheet (Refer note no: 31(d))
- (iii) The working capital limits of holding company with ICICI Bank Limited were closed in October, 2019 but the charge on securities created was satisfied on 12th June, 2020.
- (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 9% 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.

- (v) Amounts due to related parties are as under:
- |  |       |        |
|--|-------|--------|
| Kriti Estates Private Limited            | 14.80 | 88.64  |
| Insurexcellence Advisors Private Limited | -     | 40.55  |
|  | 14.80 | 129.19 |

**(Amount in ₹ lakhs)**

	As at March 31, 2020	As at March 31, 2019
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**19.2 TRADE PAYABLES**

Total outstanding dues of micro and small enterprises	3.43	0.60
Total outstanding dues of creditors other than micro and small enterprises	510.87	1,074.79
	<b>514.30</b>	<b>1,075.38</b>

**Notes:**

- \* Trade payables includes due to related parties Nil (March 31, 2019: 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. 32(9).

- (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, 2020 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: -Principal -Interest	3.43 lakhs Nil	.60 lakhs Nil
(b)	The amount of interest paid by the buyer in terms of section 16, 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, 2019 : Rs. Nil/-)

	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>19.3 OTHER CURRENT FINANCIAL LIABILITIES</b>		
<b>At amortised cost</b>		
Current maturities of long-term debt.	126.38	167.22
Current maturities of Finance Lease obligation	4.84	-
Security deposits from customers	29.41	16.44
Others		
Creditors for capital goods	-	0.46
Employee Benefit Expenses payable	32.74	12.39
Derivative financial contracts	9.42	-
Other payables	255.34	176.16
Lease Liability	20.29	-
	<b><u>478.42</u></b>	<b><u>372.67</u></b>

**Notes:**

Employee benefit expenses payable includes Rs 12.08 lakh payable to Mr. Gaurav Sekhri (Managing Director). (Previous year Rs.Nil)

(Amount in ₹ lakhs)

	As at March 31, 2020	As at March 31, 2019
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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	4.42	-
Insurexcellence Advisors Private Limited	3.72	-
Fratelli Wines Private Limited	3.29	-
Gaurav Sekhri, Director	3.52	-
Maneesh Mansingka, Director	3.52	-

## 20 OTHER CURRENT LIABILITIES

Revenue received in advance		
Advance payments from customers	31.46	10.29
Other payables		
Statutory Dues	210.09	36.44
Corporate Social Responsibility	9.23	9.23
Deferred Income (Refer note no.32(5)(c))	10.92	17.26
Other Payables	75.00	8.57
	<b>336.70</b>	<b>81.79</b>

### Notes:

- (i) Advance from customers includes Rs. Nil (previous year Rs 3.43 lakhs) from TP Buildtech Private Limited in which directors are interested.
- (ii) Statutory dues payable are in respect of PF, ESI, TDS, Custom duty, Professional Tax and Goods and Service Tax payable.
- (iii) Other Payables are in respect of advance payment received from proposed sale of Land at Bihar (refer note no.13)

## 21 CURRENT PROVISIONS

Provision for employee benefits		
Gratuity (refer note no. 32(7))	10.02	2.09
Leave encashment	6.85	1.18
Performance Bonus	3.02	-
	<b>19.89</b>	<b>3.27</b>

### Notes:

- (i) 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.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

#### Arising during the year

Gratuity	14.94	(0.18)
Leave encashment	4.12	0.76
Performance Bonus	6.03	0.37

#### Utilised during the year

Gratuity	13.82	11.31
Leave encashment	0.24	4.60
Performance Bonus	3.02	29.22



	(Amount in ₹ lakhs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>Unused amount reversed</b>		
Gratuity	-	-
Leave encashment	-	2.07
Performance Bonus	-	-
<b>At the end of the year</b>		
Gratuity (Non Current Rs.30.98 lakhs)	41.00	39.89
Leave encashment (Non Current Rs.24.92 lakhs)	31.76	27.88
Performance Bonus (Non Current Rs. Nil)	3.02	-
<b>22 CURRENT TAX LIABILITIES (NET)</b>		
Income Tax (Net of advance tax and TDS)	-	45.43
	<u>-</u>	<u>45.43</u>

	(Amount in ₹ lakhs)	
	Year ended	Year ended
	March 31, 2020	March 31, 2019
<b>23 REVENUE FROM OPERATIONS</b>		
Sale of products		
Traded Goods	29,056.87	47,789.53
Sale of Services	1,252.42	969.83
	<u>30,309.29</u>	<u>48,759.36</u>

**Note:****(a) Sale of traded goods comprises**

Yellow Peas	2,850.94	14,768.84
Chana	2,452.92	5,418.37
Lentils	2,195.30	684.24
Toor	541.23	1,487.07
Mung	-	87.47
Urad	361.09	593.39
Maize	1,718.80	10,306.45
Wheat	5,955.10	6,039.47
Paddy	-	45.28
Crude Degummed Soyabean Oil	5,041.31	3,320.32
Palmolien Oil	-	327.96
Sunflower Meal	4,271.71	604.61
Palm Kernel	-	3.68
Soya DOC	-	451.49
De Oiled Rice Bran	50.51	93.81
Rapeseed Doc	28.28	299.24
Mustard Seeds	209.39	74.49
Sale Soya Extraction Meal	226.45	
Cotton Seed Oil Cake	-	935.81
Bajra	299.07	-
Grapes	289.58	497.09
Steel Shots	860.83	608.53
Cut Wire Shot	536.42	323.28
Crumb Rubber Mesh	-	46.70
Rubber Ultrafine	-	191.45
Steel Wire Scrap	-	7.84
Chemical	572.64	572.63
Bitumen	149.45	
Broken Rice	132.19	-
Poha Konda(Cattle Feed)	5.64	-
Tyres	308.02	-
	<u>29,056.87</u>	<u>47,789.53</u>

		(Amount in ₹ lakhs)	
		Year ended March 31, 2020	Year ended March 31, 2019
<b>(b) Sale of services</b>			
	Consultancy Income	44.68	-
	Clearing and Forwarding services income	842.06	535.55
	Warehouse rental and storage income	363.14	431.88
	Other receipts from warehousing operations	2.55	2.40
		<b>1,252.42</b>	<b>969.83</b>
<b>24 OTHER INCOME</b>			
	Interest received on financial assets carried at amortised cost:		
	From banks	20.91	31.30
	From others	50.18	51.86
	On security deposits	0.16	0.16
	Other non-operating income		
	Subsidy income	16.52	19.34
	Foreign currency exchange fluctuations (Net)	42.16	-
	Profit on sale of tangible fixed assets	-	0.54
	Profit on sale of current investments	0.32	1.25
	Rental Income	4.68	9.54
	Dividend received on trade, current investments	0.08	0.04
	Unclaimed balances written back	8.69	34.60
	Provision on debts no longer required	-	64.65
	Miscellaneous income	30.79	20.58
		<b>174.49</b>	<b>233.87</b>
<b>25 PURCHASE OF TRADED GOODS</b>			
	Yellow Peas	2,794.69	12,738.90
	Chana	2,486.73	4,998.36
	Lentils	2,049.99	619.05
	Toor	560.15	1,586.87
	Bajra	294.57	
	Mung	-	86.62
	Urad	353.10	579.96
	Maize	1,813.27	8,357.76
	Wheat	5,789.63	5,901.75
	Paddy	-	39.56
	Crude Degummed Soyabean Oil	5,027.19	3,320.17
	Palmolien Oil	-	320.32
	Sunflower Meal	5,282.34	493.12
	Palm Kernel Expeller	-	6.07
	Soya DOC	218.21	467.44
	De Oiled Rice Bran	46.16	66.83
	Rapeseed Doc	26.48	291.85
	Mustard Seed	197.40	81.18
	Soya Seed	94.61	-
	Cottonseed Oil Cake	-	761.01
	Grapes	254.30	460.75
	Steel Shots	372.40	937.98
	Cut Wire Shots	387.82	360.84
	Crumb Rubber Mash	-	45.14
	Broken Rice	130.86	-
	Ultrafine Rubber	-	185.23
	Steel Wire Scrap	-	7.68
	Chemicals	560.19	561.34
	Bitumen	132.75	-
	Poha Konda(Cattle Feed)	5.57	-
	Old Tyre	294.63	-
	Traded goods in transit		
	Steel Shots	-	58.71
		<b>29,173.05</b>	<b>43,334.49</b>



	(Amount in ₹ lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Sunflower Meal	(1,450.22)	127.93
Cottonseed Oil Cake	-	157.28
Steel Shots	284.02	(421.05)
Cut Wire Shot	58.00	(93.45)
Lentils	(0.56)	
Trade goods in transit		
Yellow Peas	-	163.13
Sunflower Meal	-	-
Palm Kernel Expeller	-	5.14
Steel Shots	58.71	(58.71)
	<u>(1,374.43)</u>	<u>317.15</u>
<b>27 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	492.88	503.95
Contribution towards PF, Family Pension and ESI	18.65	20.30
Gratuity and leave encashment expense	10.44	12.62
Performance Bonus	6.03	
Staff Recruitment Expenses	2.53	1.06
Staff welfare expenses	8.18	17.42
	<u>538.72</u>	<u>555.36</u>
Employee benefits expenses includes managerial remuneration as detailed below:		
Salary	118.75	118.75
Contribution towards PF	4.46	6.46
Diwali Bonus	0.50	0.50
Insurance Premium	0.10	0.12
<b>28 FINANCE COSTS</b>		
<b>Interest expense on financial liabilities measured at amortised costs</b>		
Interest expense	354.79	529.71
Exchange difference to the extent considered as an adjustment to borrowing cost	-	39.38
Interest on performance Bonus Payable	-	0.37
Interest on Security Deposit/ IND AS adjustment	7.31	0.94
<b>Others</b>		
Interest on Income Tax, TDS and Goods & Service Tax	6.57	2.99
Bank charges and Other financial charges	79.08	86.14
	<u>447.74</u>	<u>659.54</u>
<b>29 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of tangible assets	140.23	151.60
Amortization of goodwill	128.44	128.44
Amortization of other intangible assets	30.14	7.89
	<u>298.81</u>	<u>287.94</u>

(Amount in ₹ lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
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**30 OTHER EXPENSES**

Electricity and water	9.01	8.02
Cargo Handling expenses at port	414.18	190.72
Port Services and stevedoring charges	217.12	184.50
Storage and commodity handling charges at warehouse	31.26	105.80
Equipment hire charges	120.04	60.85
Rent and warehousing charges	121.64	183.70
Repairs and maintenance- others	16.52	31.50
Insurance	30.29	49.65
Communication expenses	22.27	24.68
Transportation Charges	32.93	17.62
Travelling and conveyance	74.40	86.83
Freight and forwarding	191.35	2,005.43
Brokerage and commission	90.40	144.65
Business promotion expenses	20.49	43.31
Legal and professional charges	49.47	47.66
Payment to auditors *	10.87	10.33
Watch and ward expenses	13.76	12.68
Loss on forward contracts/foreign exchange (net)	1.19	3.68
Loss on future trading and options	28.73	25.01
Clearing and forwarding expenses	39.68	26.14
Stock handling and supervision charges	99.45	57.72
Demurrage charges	1.60	40.42
Statutory charges	13.36	17.53
Packing material consumed	52.80	23.94
Bad debts and short recoveries	-	154.31
Contract Settlement Expense(net)	9.70	4.70
Loss Fair valuation of Current Investment	4.61	0.84
Miscellaneous expenses	36.12	51.04
	<b><u>1,753.25</u></b>	<b><u>3,613.27</u></b>

**\*Payment to auditors**

Statutory Audit Fees	8.40	9.40
Tax audit fee	0.25	0.25
Other matters	2.00	0.58
Reimbursement of out of pocket expenses	0.22	0.09
	<b><u>10.87</u></b>	<b><u>10.33</u></b>

(Amount in ₹ lakhs)

	As at March 31, 2020	As at March 31, 2019
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**31 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, 2019: Rs.Nil)	0.01	0.01
b) Letter of credit from banks (netof imports)	293.09	-
c) Disputed tax liabilities on account of Income Tax (Refer Point (i) to (ii) below)	194.76	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 lacs 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. The same is pending before the authority, Based on the opinion of the legal advisors, the company does not expect any liability on the above account.
- ii) The Parent Company has outstanding TDS demands of Rs.0.16 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.

**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		
<b>Buy contracts</b>	473.66	Nil
<b>Sell contracts</b>	385.71	Nil

- C** The Parent Company has given bonds amounting to Rs. 150.00 lakhs (March 31,2019: Rs. Nil) to central tax department against import of goods without payment of basic custom duty.

**D Unused Warehousing Finance Limits**

The Parent Company has availed fund based Warehousing Finance facility from Indusind Bank Limited of Rs.10 crores (March 31, 2019: Rs.10 crores) secured by pledge of agricultural commodities deposited by the pledger at the designated warehouse/ godowns as approved by Indusind Bank Limited, in favour of bank. 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.

**E Details of Leasing Arrangements (Subsidiary Company as lessor)**

- a) The Company has entered into a cancellable sub-lease arrangement to sublet a property situated at New Port Area, Kakinada, East Godavari-533007. The lease agreement was executed on 4th March,2020. The said lease is for a term of one year w.e.f. 04.03.2020 to 03.03.2021 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 Company has entered into operating lease agreement for warehouse buildings at Akola vide agreement dated 9th January,2020 w.e.f. 15th Jan,2020 for 11 months and vide agreement dated 10th February,2020 for 1 year; at Yavatmal vide agreement dated 14th November,2019 w.e.f. 15th November,2019 for 11 months and vide agreement dated 8th October,2019 w.e.f. 1st November,2019 for 11 months ; and at Washim vide agreement dated 7th December,2019 w.e.f. 16th December,2019 for period upto July 31,2020.

- c) The total rent recognized as income during the year is Rs. 284.67 lakhs (March 31,2019: Rs. 272.00 lakhs)
- d) The present value of minimum lease rentals receivable under cancellable and non-cancellable operating lease are as follows:

	(Amount in ₹ lakhs)	
	As at March 31,2020	As at March 31,2019
(i) not later than one year	159.09	169.73
(ii) later than one year and not later than five years	-	-
(iii) later than five years	-	-
Present value of minimum lease payments	159.09	169.73
e) Unearned finance income	Nil	Nil

## 32 OTHER NOTES ON ACCOUNTS

### 1 a) Group Information

The Consolidated financial statements of the group includes subsidiary 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 Rs. Lakhs)
<b>Parent Company</b>						
Tinna Trade Limited	India	Parent Company		March 31,2020	60.77%	2,132.66
				March 31, 2019	64.74%	2,442.63
<b>Subsidiary Company</b>						
BGK Infrastructure Developers Private Limited	India	Subsidiary Company	51.53%	March 31,2020	39.23%	1,376.73
			51.53%	March 31, 2019	35.26%	1,330.11

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 Rs. Lakhs)
<b>Parent Company</b>					
-143.83%	(369.76)	69.49%	(4.35)	-142.06%	(374.11)
89.37%	163.93	91.95%	8.05	89.49%	171.98
<b>Subsidiary Company</b>					
43.83%	112.67	30.51%	(1.91)	42.06%	110.76
10.63%	19.49	8.05%	0.71	10.51%	20.19

**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:

Name of Subsidiary	Country of Incorporation and operation	(Amount in ₹ Lakhs)	
		Year ended March 31,2020	Year ended March 31, 2019
BGK Infrastructure Developers Private Limited	INDIA		

**Information regarding non- controlling interest:**

Accumulated balances of material non-controlling interest	701.27	647.58
Profit / (Loss) allocated to material non-controlling interest	53.69	9.79

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company elimination.

**(a) Summarised Balance Sheet**
**Particulars**
**ASSETS**
**Non-current assets**

Property, plant and equipment	2,170.72	2,375.16
Capital work in progress	63.12	83.78
Intangible assets	25.24	2.26
Financial assets		

	(Amount in ₹ Lakhs)	
	Year ended March 31,2020	Year ended March 31, 2019
Other financial assets	298.32	300.56
Other non-current assets	15.00	10.05
	<b>2,572.40</b>	<b>2,771.81</b>

**Current assets**

Financial assets		
(i) Trade receivables	222.65	72.00
(ii) Cash and cash equivalents	26.74	6.90
(iii) Other balances with banks	83.14	75.88
(iv) Other financial assets	9.05	0.75
Current tax assets (Net)	40.97	24.26
Other current assets	46.97	144.33
	<b>429.52</b>	<b>324.12</b>

Asset classified as held for sale	119.07	-
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<b>Total Assets</b>	<b>3,120.99</b>	<b>3,095.93</b>
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	(Amount in ₹ Lakhs)	
	Year ended March 31,2020	Year ended March 31, 2019
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	885.94	988.44
(ii) Other financial liabilities	5.66	-
Provisions	10.77	15.36
Other non-current liabilities	240.69	251.61
	<u>1,143.06</u>	<u>1,255.41</u>
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	41.02	192.38
(ii) Trade Payables	134.77	54.29
(iii) Other financial liabilities	250.20	221.14
Other current liabilities	107.14	37.98
Provisions	0.16	0.85
	<u>533.29</u>	<u>506.64</u>
<b>Total Liabilities</b>	<u>1,676.35</u>	<u>1,762.05</u>
<b>Total Equity</b>	1444.64	1333.88
<b>Attributable to:</b>		
Equity shareholders of parent company	744.42	687.35
Non controlling interest	700.22	646.53
<b>(b) Summarised Statement of Profit and loss</b>		
<b>I INCOME</b>		
Revenue from operations	1319.89	997.67
Other income	38.35	26.54
<b>Total Income</b>	<u>1,358.24</u>	<u>1,024.21</u>
<b>II EXPENSES</b>		
Employee benefits expense	110.04	107.36
Finance costs	116.38	119.51
Depreciation and amortization expenses	127.20	117.35
Other expenses	891.95	660.48
<b>Total Expenses</b>	<u>1,245.57</u>	<u>1,004.70</u>
<b>III Profit/ (loss) before exceptional items and tax</b>	<u>112.67</u>	<u>19.51</u>
Add : Exceptional items	-	-
<b>IV Profit/ (loss) before tax</b>	<u>112.67</u>	<u>19.51</u>
<b>V Tax expenses</b>		
Income tax earlier years	-	0.02
<b>Income tax expense</b>	<u>-</u>	<u>0.02</u>
<b>VI Profit/ (loss) for the year</b>	<u>112.67</u>	<u>19.49</u>

	(Amount in ₹ Lakhs)	
	Year ended March 31,2020	Year ended March 31, 2019
<b>VII Other comprehensive income</b>		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
i) Re-measurement gains/ (losses) on defined benefit plans	(1.91)	0.70
ii) Income tax effect [(expense)/ income]	-	-
<b>Other comprehensive income for the year, net of tax</b>	<u>(1.91)</u>	<u>0.70</u>
<b>VIII Total comprehensive income/ (loss) for the year, net of tax</b>	<u><u>110.76</u></u>	<u><u>20.19</u></u>
<b>Profit/(Loss) attributable to:</b>		
Equity holders of parent Company	57.07	10.41
Non controlling interest	53.69	9.79
<b>(c) Summarised Statement of Cash flow</b>		
Cash Flow from operating activities	367.09	220.60
Cash Flow from investing activities	56.52	1.76
Cash Flow from Financing activities	(403.77)	(231.11)
	<u><u>19.84</u></u>	<u><u>(8.75)</u></u>
<b>(c) Goodwill/ Capital Reserve arising from acquisition of stake in Subsidiary Companies is as under:-</b>		
<b>(I) BGK Infrastructure Developers Private Limited</b>		
Cost of Investments	877.63	877.63
Less:		
Net Assets acquired as on date of control	786.83	786.83
<b>Goodwill</b>	<u><u>90.80</u></u>	<u><u>90.80</u></u>

**(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, 2020 and as on March 31, 2019.

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 2020 (March 31, 2019: 1%) and discount rate of 7.5% on 31st March 2020 (March 31, 2019: 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 liabilities 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'. Also pursuant to the scheme of arrangement, 50,00,000 equity shares of TTL held by Tinna Rubber & Infrastructure 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.

### 3 Fair Value of Investment in Fratelli Wines Private Limited

The Parent Company has invested a sum of Rs 338.34 lakhs in M/s Fratelli Wines private limited which is to be valued at fair value through other comprehensive income in accordance with IND AS 109 "Financial Instruments" as 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. The Fair value of the said investee company last available with the company is dated 20th March, 2019. Since the parent company is dependent upon external sources arranged by the Investee company, the management has continued to use the fair value as at 20th March, 2019 for the current financial year also. In view of the circumstances and complexities involved in fair valuation of the investee company, the management has adopted the policy of obtaining the fair value once in 3 years and has relied upon the certificate given by the management of the investee company that there are no material changes since the valuation last available of the investee company.

### 4 Leases

#### (i) Ind As 116 Transition

Ministry of Corporate Affairs ("MCA") has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 requires lessee to recognise assets and liabilities for all the leases which conveys the right to use an asset for a period of time in exchange for consideration. Under Ind AS 17, lease arrangements where risk and rewards incidental to ownership of assets substantially vest to lessors were identified as operating leases. Ind AS 116 requires to recognise depreciation and interest cost instead of rent expenses as hitherto done under Ind AS 17.

(ii) The Company's lease asset primarily consist of leases for building for branch offices having various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

(iii) The following is the summary of practical expedients elected on initial application:

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- (b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- (e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

- (iv) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

Particulars	(Amount in ₹ Lakhs)	
	Right of use Asset (Building)	Total
<b>Balance as at April 1,2019</b>	-	-
Transition impact on account of adoption of Ind AS 116"Leases"	48.69	48.69
Reclassification from property,plant and equipment on account of adoption of Ind AS 116"Leases"	-	-
Reclassified from Earnest money and Security Deposit	-	-
<b>Total Right of Use on the date of Transition</b>	<b>48.69</b>	<b>48.69</b>
Additions during the year	-	-
Deletion during the year	-	-
Depreciation of Right of use assets	23.99	23.99
<b>Balance as at March 31, 2020</b>	<b>24.70</b>	<b>24.70</b>

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Lease Liability	Total
Transition impact on account of adoption of Ind AS 116"Leases"	48.69	48.69
Additions during the year	-	-
Finance cost accrued during the year	3.92	3.92
Deletions	-	-
Payment of lease liabilities	26.67	26.67
<b>Balance as at March 31,2020</b>	<b>25.94</b>	<b>25.94</b>
Current maturities of Lease Liability	20.28	20.28
Non-Current Lease Liability	5.66	5.66

- (v) The adoption of the new standard has also resulted in increase in loss before tax by Rs 1.24 lakhs (Increase in Depreciation expense and finance cost by Rs 23.99 lakhs and Rs 3.92 lakhs respectively with corresponding decrease in other expense by Rs 26.67 lakhs). The effect of this adoption is insignificant on earnings per share.
- (vi) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11% and in respect of subsidiary company it is 10.15%
- (vii) Rental expense recorded for short-term leases was Rs 125.19 lakhs for the year ended March 31,2020.
- (viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ix) Lease Liabilities	As at
Particulars	March 31,2020
Maturity analysis-Undiscounted cash flows	
Less than one year	21.96
More than one year	5.81
<b>Total undiscounted lease liabilities</b>	<b>27.77</b>
Lease liabilities included in financial position	
Current	20.28
Non-Current	5.66

- 5 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
<b>Total</b>	<b>297.39</b>

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.19.34 lakhs and Rs.16.52 lakhs has been recognised as grant income for the period ending 31st March, 2019 and 31st March, 2020 respectively and deferred grant carried forward is Rs.268.13 lakhs (current portion: Rs.16.52 lakhs) as on 31st March, 2019 and Rs.251.61 lakhs (current portion: Rs.10.92 lakhs) as on 31st March, 2020.

- 6 **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 31,2020	As At March 31, 2019
Opening Balance	16.26	16.26
Less:- Classified to asset held for sale	(7.21)	-
<b>Total Preoperative Expenses</b>	<u>9.05</u>	<u>16.26</u>

7 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, 2020	Year ended March 31, 2019
<b>A. Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognised as expense for the year is as under:		
Employer's Contribution towards Provident Fund (PF) (includes administrative charges)	11.23	12.45
Employer's Contribution towards Family Pension Scheme (FPS)	5.55	5.47
Employer's Contribution towards Employee State Insurance (ESI)	1.86	2.38
	<u>18.64</u>	<u>20.30</u>
<b>B. Defined Benefit Plan</b>		
<b>Gratuity (Unfunded)</b>		
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.		
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of obligation at the beginning of the year	39.88	51.37
Current Service Cost	4.58	8.63
Past Service Cost	0.00	0.00
Interest Cost	2.64	3.98
Benefits Paid	(13.82)	(10.95)
Actuarial (Gain)/ Loss	7.72	(13.15)
Present value of obligation at the end of the year	<u>41.00</u>	<u>39.89</u>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
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	<u>-</u>	<u>-</u>
<b>c) Net Asset/ (Liability) recognised in the balance sheet</b>		
Fair value of plan assets	-	-
Present value of defined benefit obligation	(41.00)	(39.89)
Amount recognised in Balance Sheet- Asset / (Liability)	<u>(41.00)</u>	<u>(39.89)</u>
<b>d) Expense recognised in the Statement of profit and loss during the year</b>		
Current Service Cost	4.58	8.63
Past Service Cost	-	-
Interest Cost	2.64	3.98
Total expense recognised in employee benefit expenses	<u>7.22</u>	<u>12.62</u>
Current Liability (Short Term)	10.03	2.09
Non-current Liability (Long Term)	30.98	37.80

	(Amount in ₹ Lakhs)	
	Year ended March 31,2020	Year ended March 31, 2019
<b>e) (Gain)/ Loss recognised in other comprehensive income during the year</b>		
Actuarial changes arising from changes in financial assumptions	27.30	(1.23)
Actuarial changes arising from changes in demographic assumptions	5.12	
Actuarial changes arising from changes in experience adjustments	(24.70)	(11.57)
Recognised in other comprehensive income	7.72	(12.80)
<b>f) Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	Nil	Nil
<b>g) Actuarial Assumptions</b>		
Mortality Table (LIC)	100% of IALM 2012-14	100% of IALM 2006-08
Discount rate (per annum)	5.04% to 6.76%	7.75% to 7.78%
Salary Escalation	7.5% to 10%	7.5% to 10%
Withdrawal Rate (18 to 30 years)	5% to 33%	5%
Withdrawal Rate (30 to 44 years)	2% to 33%	2% to 5%
Withdrawal Rate (44 to 60 years)	1% to 33%	1% to 5%
<b>h) Quantitative sensitivity analysis for significant assumptions is as below:</b>		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Impact of change in discount rate</b>		
Impact due to increase by 1%	(1.33)	(25.44)
Impact due to decrease by 1%	1.39	31.19
<b>Impact of change in salary</b>		
Impact due to increase by 1%	0.99	31.21
Impact due to decrease by 1%	(0.93)	(26.81)
<b>Impact of change in withdrawal rate</b>		
Impact due to increase by 1%	(0.16)	(26.66)
Impact due to decrease by 1%	0.16	28.12
<b>i) Maturity profile of defined benefit obligation</b>		
Within the next 12 months (next annual reporting period)	10.77	2.12
Between 01 April 2020 to 31 March 2021	8.00	2.09
Between 01 April 2021 to 31 March 2022	5.43	2.21
Between 01 April 2022 to 31 March 2023	3.73	2.27
Between 01 April 2023 to 31 March 2024	2.54	2.33
Between 01 April 2024 to 31 March 2025	1.63	-
01 April 2025 onwards	8.90	61.25
Total expected payments	41.00	72.27
<b>j)</b> The average duration of the defined benefit plan obligation at the end of the reporting period is 2.48-13 years (March 31, 2019: 13-20 years).		
<b>k)</b> 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.

## 8 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	As At
	March 31,2020	March 31, 2019
a) <b>Revenue</b>		
<b>Segment Revenue</b>		
Trading in Agro Commodities	29,101.55	47,789.53
Cargo handling agent services	842.06	535.55
Storage and warehousing services	<u>365.68</u>	<u>434.28</u>
	30,309.29	48,759.36
Inter segment sale	-	-
<b>Total revenue</b>	<u><u>30,309.29</u></u>	<u><u>48,759.36</u></u>

	(Amount in ₹ lakhs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>b) Results</b>		
<b>Segment Profit</b>		
Trading in Agro Commodities	(270.82)	538.68
Cargo handling agent services	73.63	4.54
Storage and warehousing services	176.99	173.21
<b>Segment operating profit</b>	<b>(20.20)</b>	<b>716.43</b>
<b>Reconciliation of segment operating profit to operating profit</b>		
<b>Unallocated:</b>		
Employee benefits expense	(31.69)	38.55
Depreciation and amortisation expenses	(1.46)	1.59
Other expenses (net of other income)	147.72	(208.75)
<b>Operating Profit</b>	<b>94.38</b>	<b>885.04</b>
Finance costs	447.74	659.54
<b>Profit / (Loss) before tax</b>	<b>(353.36)</b>	<b>225.50</b>
Income tax expense	(96.27)	42.08
<b>Profit / (Loss) after tax</b>	<b>(257.09)</b>	<b>183.42</b>
<b>c) Reconciliations to amounts reflected in the financial statements</b>		
<b>Segment Assets</b>		
Trading in Agro Commodities	5,464.69	4,392.73
Cargo handling agent services	169.48	93.82
Storage and warehousing services	2,821.78	2,867.43
<b>Segment operating assets</b>	<b>8,455.95</b>	<b>7,353.98</b>
<b>Reconciliation of segment operating assets to total assets</b>		
Cash and bank balance	168.16	442.14
Others assets		
Tangible assets	2.93	2.02
Intangible assets	1.43	2.26
Income tax refunds	23.73	123.59
Others	14.71	1.94
<b>Total Assets</b>	<b>8,666.91</b>	<b>7,925.93</b>
<b>Segment Liabilities</b>		
Trading in Agro Commodities	3,481.17	2,391.15
Cargo handling agent services	172.74	87.65
Storage and warehousing services	424.17	307.02
<b>Segment operating liabilities</b>	<b>4,078.08</b>	<b>2,785.82</b>
<b>Reconciliation of segment operating liabilities to total liabilities</b>		
Borrowings	1,053.34	1,348.04
Others	26.10	19.35
<b>Total liabilities</b>	<b>5,157.52</b>	<b>4,153.21</b>
<b>Non-current assets other than financial assets</b>		
Trading in Agro Commodities	0.66	5.69
Cargo handling agent services	15.00	10.05
Storage and warehousing services	-	-
Others	15.66	15.74
	<b>15.66</b>	<b>15.74</b>

	(Amount in ₹ lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Capital Expenditure</b>		
Trading in Agro Commodities	42.78	7.70
Cargo handling agent services	0.00	0.40
Storage and warehousing services	0.10	0.56
	<u>42.88</u>	<u>8.66</u>
Others	1.54	0.24
	<u><b>44.42</b></u>	<u><b>8.90</b></u>
<b>Depreciation and Amortisation Expenses</b>		
Trading in Agro Commodities	171.61	170.59
Cargo handling agent services	0.15	0.16
Storage and warehousing services	125.58	115.59
	<u>297.34</u>	<u>286.35</u>
Others	1.46	1.59
	<u><b>298.80</b></u>	<u><b>287.94</b></u>
<b>Non-cash expenses other than depreciation</b>		
Trading in Agro Commodities	-	-
Cargo handling agent services	-	-
Storage and warehousing services	-	-
	<u>-</u>	<u>-</u>
Others	-	-
	<u>-</u>	<u>-</u>
<b>Segment Revenue by location of customers</b>		
The following is the distribution of group's revenue by geographical market, regardless of where the Services are rendered:		
Revenue - domestic market	30,148.09	48,691.46
Revenue - overseas market	161.20	67.90
	<u><b>30,309.29</b></u>	<u><b>48,759.36</b></u>
<b>Geographical Segment assets</b>		
Within India	8,666.91	7,925.93
Outside India	-	-
	<u><b>8,666.91</b></u>	<u><b>7,925.93</b></u>
<b>Geographical Non-current operating assets</b>		
Within India	2,584.50	2,909.34
Outside India	-	-
	<u><b>2,584.50</b></u>	<u><b>2,909.34</b></u>
<b>Note:</b> Non current assets for this purpose consist of Property, plant & equipment, intangible assets and other non current assets.		
<b>Geographical Capital Expenditure</b>		
Within India	44.42	8.90
Outside India	-	-
	<u><b>44.42</b></u>	<u><b>8.90</b></u>

**9 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 Rubber and Infrastructure Limited  
 Bee Gee Ess Farms & Properties Private Limited  
 Prasad Estates Private Limited  
 Illingworth Marketing LLP  
 Shree Shubham Logistic Limited  
 Punarvasu Financial Services Private Limited  
 Insurexcellence Advisor Private Limited  
 BGK Shipping LLP

**(ii) Key Management Personnel**

Gaurav Sekhri (Managing Director)  
 Kapil Sekhri  
 Maneesh Mansingka  
 Nishita Shah  
 Monika Gupta- (Company Secretary)  
 Sachin Bhargava (CFO) (w.e.f 09-04-2019)  
 Gaurav Jain (w.e.f. 07-11-2019)

**(iii) Relatives of key management personnel**

Bhupinder Sekhri  
 Sobha Sekhri  
 Pooja Sekhri  
 Aarti Sekhri

**(iv) Non Executive Directors**

Ashish Madan  
 Kapil Sekhri  
 Adhiraj Amar Sarin  
 Sanvali Kaushik

**B Transactions during the year**
**(i) Loans taken:**
**Enterprises in which directors and relative of such directors are interested**

	(Amount in ₹ lakhs)	
	Year ended	Year ended
	March 31,2020	March 31, 2019
Insurexcellence Advisors Private Limited	-	24.00
	<u>-</u>	<u>24.00</u>

**(ii) Loans repaid:**
**Enterprises in which directors and relative of such directors are interested**

Kriti Estates Private Limited	70.00	-
Insurexcellence Advisors Private Limited	37.00	19.00
	<u>107.00</u>	<u>19.00</u>

	(Amount in ₹ lakhs)	
	Year ended March 31,2020	Year ended March 31, 2019
<b>(iii) Loans given:</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Kriti Estates Private Limited	265.00	255.00
	<u>265.00</u>	<u>255.00</u>
<b>(iv) Loan Repayment Received (Including Interest, Net of TDS):</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Kriti Estates Private Limited	265.00	520.47
Prasidh Estates Private Limited	-	106.33
	<u>265.00</u>	<u>626.80</u>
<b>(v) Interest received</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Kriti Estates Private Limited	14.00	34.18
Prasidh Estates Private Limited	-	7.03
TP Buildtech Private Limited	23.89	0.73
Tinna Rubber and Infrastructure Limited	-	1.37
	<u>37.89</u>	<u>43.31</u>
<b>(vi) Interest Paid / Other financial expenses paid:</b>		
<b>Enterprises over which KMP is able to exercise significant influence</b>		
Insurexcellence Advisors Private Limited	1.58	3.95
Kriti Estates Private Limited	5.34	9.60
Bee Gee Ess Farms & Properties Private Limited	18.00	18.00
Tinna Rubber and Infrastructure Limited	3.91	-
Insurexcellence Advisors Private Limited	3.91	-
<b>Key Management Personnel</b>		
Maneesh Mansingka	3.91	-
Gaurav Sekhri	3.91	-
	<u>40.56</u>	<u>31.55</u>
<b>Enterprises in which directors and relative of such directors are interested</b>		
Fratelli Wines Private Limited	0.41	-
Tinna Rubber and Infrastructure Limited	59.05	48.64
Tinna Rubber and Infrastructure Limited		
Cargo Handling Charges	-	0.23
	<u>59.46</u>	<u>48.87</u>
<b>(viii) Rent paid</b>		
<b>Enterprises in which directors and relative of such directors are interested:</b>		
Tinna Rubber and Infrastructure Limited	2.40	0.42
	<u>2.40</u>	<u>0.42</u>

	(Amount in ₹ lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>(ix) Reimbursement against services received:</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
TP Buildtech Private Limited	9.19	21.66
Tinna Rubber and Infrastructure Limited	3.96	-
TP Buildtech Private Limited		
Cargo Handling Charges	80.88	24.60
Fratelli Wines Private Limited		
Cargo Handling Charges	0.01	-
Tinna Rubber and Infrastructure Limited		
Cargo Handling Charges	7.50	2.43
	<b>101.54</b>	<b>48.69</b>
<b>(x) Sales of Goods:</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Fratelli Wines Private Limited	289.58	497.09
Tinna Rubber and Infrastructure Limited	449.45	256.10
TP Buildtech Private Limited	572.64	572.63
	<b>1,311.67</b>	<b>1,325.82</b>
<b>(xi) Purchase of Goods (Included Freight on purchases):</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Rubber and Infrastructure Limited	437.44	705.62
Fratelli Wines Private Limited	1.00	-
	<b>438.44</b>	<b>705.62</b>
<b>(xii) Services Income Received:</b>		
<b>Enterprises over which KMP is able to exercise significant influence</b>		
Shree Shubham Logistics Limited		
Warehouse rental and storage income	93.78	137.14
Tinna Rubber and Infrastructure Limited		
Clearing and forwarding services income	94.55	14.27
Punarvasu Financial Services Private Limited		
Warehouse rental and storage income	0.25	0.25
Fratelli Wines Private Limited		
Clearing and forwarding services income	0.50	-
Other receipts from warehousing operations	2.55	2.40
TP Buildtech Private Limited		
Clearing and forwarding services income	50.60	16.92
	<b>242.23</b>	<b>170.98</b>
<b>(xiii) Remuneration:</b>		
Key Management Personnel		
Gaurav Sekhri (Managing Director)*	119.25	119.25
Monika Gupta (Company Secretary)	10.39	8.69
Anish Mahajan (CFO) (upto 06.04.2019)	0.45	11.68
Sachin Bhargava (CFO) (w.e.f. 09.04.2019)	12.85	-
Gaurav Jain (CFO) (w.e.f 07.11.2019)	6.41	-
	<b>149.35</b>	<b>139.63</b>

\*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 22nd Day of February, 2017.

		(Amount in ₹ Lakhs)	
		As at	As at
		March 31, 2020	March 31, 2019
<b>(xiv) Directors Sitting Fees:</b>			
<b>Non Executive Directors</b>			
Ashish Madan		1.20	2.00
Adhiraj Amar Sarin		1.20	1.20
Sanvali Kaushik		2.00	2.40
		<u>4.40</u>	<u>5.60</u>
<b>C Balances at the year end</b>			
<b>(i) Amount Receivables</b>			
<b>Enterprises in which directors and relative of such directors are interested</b>			
T P Buildtech Private Limited		251.41	-
Kriti Estates Private Limited		108.26	95.31
Fratelli Wines Private Limited		194.30	337.78
Tinna Rubber and Infrastructure Limited		32.63	8.38
Fratelli Wines Private Limited		0.79	0.66
Shree Shubham Logistics Limited		6.90	9.65
		<u>594.29</u>	<u>451.78</u>
<b>(ii) Amount Payables</b>			
<b>Related parties where control exists</b>			
T P Buildtech Private Limited		-	3.43
Tinna Rubber and Infrastructure Limited		4.42	-
Kriti Estates Private Limited		14.81	88.64
Insurexcellence Advisors Private Limited		3.72	40.55
Fratelli Wines Private Limited		3.29	-
Key Management Personnel			
Gaurav Sekhri (Managing Director)		15.60	-
Maneesh Mansingka		3.52	-
Monika Gupta (Company Secretary)		0.67	-
Sachin Bhargava (CFO) (w.e.f. 09.04.2019)		0.78	-
Gaurav jain (CFO) (w.e.f. 07.11.2019)		0.90	-
		<u>47.71</u>	<u>132.62</u>

- 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. 1960.00 lakhs (March 31, 2019: 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, 2019: Rs. 1565 lakhs) from Tinna Rubber and Infrastructure Limited and Insurexcellence Advisors Private Limited (related parties). For the period ended March 31, 2020, 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.

**10 The following table summarises movement in indebtedness as on the reporting date:**
**Changes in liabilities arising from financing activities**

(Amount in ₹ lakhs)

Particulars	As on April 1, 2019	Net Cash flow	Foreign Exchange Management	Classified as current	Change in fair values	As on March 31, 2020
<b>Non current borrowings</b>						
Term loan from bank	988.45	(152.50)	-	47.00	3.01	885.96
Financial lease obligations	-	19.12	-	-	-	19.12
<b>Current borrowings</b>						
Repayable on demand						
Cash credit facility	1,077.73	1,482.15	-	-	-	2,559.88
Buyer's credit facility	-	-	-	-	-	-
From related parties	129.19	(107.00)	-	-	(7.39)	14.80
From Others	63.19	-35.00	-	-	(1.97)	26.23
Others	-	-	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>2,258.56</b>	<b>1,206.77</b>	<b>-</b>	<b>47.00</b>	<b>(6.35)</b>	<b>3,505.99</b>

(Amount in ₹ lakhs)

Particulars	As on April 1, 2018	Net Cash flow	Foreign Exchange Management	Classified as current	Change in fair values	As on March 31, 2019
<b>Non current borrowings</b>						
Term loan from bank	1,155.43	(137.50)	-	(32.50)	3.02	988.45
<b>Current borrowings</b>						
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	-
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)	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>7,106.82</b>	<b>(4,890.62)</b>	<b>64.42</b>	<b>(32.50)</b>	<b>10.42</b>	<b>2,258.54</b>

**11 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 the company does not satisfy the conditions as specified under section 135(1) of the Companies Act, 2013, the company has not provided for any CSR expenditure.

(Amount in ₹ Lakhs)

Details of CSR Expenditure:	Year ended March 31, 2020	Year ended March 31, 2019
	a) Gross amount required to be spent by the group during the year	Nil
b) Amount unspent on CSR objectives	9.23	9.23



## 12 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:

Financial instruments by category	(Amount in ₹ lakhs)			
	Carrying Value		Fair Value	
	As at March 31,2020	As at March 31, 2019	As at March 31,2020	As at March 31, 2019
<b>Financial assets at amortized cost</b>				
Investments(current)	4.70	3.97	4.70	3.97
Investments(non-current)	409.50	409.50	409.50	409.50
Cash and bank balances	302.80	820.85	302.80	820.85
Loans and advances	108.26	95.31	108.26	95.31
Other Financial assets(current)	122.96	31.01	122.96	31.01
Other Financial assets(non-current)	315.51	322.28	315.51	322.28
Trade Receivables(current)	1,690.99	1,923.29	1,690.99	1,923.29
Trade Receivables(non-current)	76.93	76.93	76.93	76.93
	<b>3,031.65</b>	<b>3,683.13</b>	<b>3,031.65</b>	<b>3,683.13</b>
<b>Financial Liabilities at amortized cost</b>				
Trade Payables	514.30	1,075.38	514.30	1,075.38
Borrowings (non current)	905.06	988.44	905.06	988.44
Borrowings (current)	2,600.90	1,270.11	2,600.90	1,270.11
Other financial liabilities (non current)	5.66	-	5.66	-
Other financial liabilities (current)	478.42	372.67	478.42	372.67
	<b>4,504.34</b>	<b>3,706.60</b>	<b>4,504.34</b>	<b>3,706.60</b>

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, 2020 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 2020, 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, 2020**

	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investments(current)	4.70	4.70	-	-
Investments(non-current)	409.50	-	-	409.50
Cash and bank balances	302.80	-	-	302.80
Loans and advances	108.26	-	-	108.26
Other Financial assets (current)	122.96	-	-	122.96
Other Financial assets (non-current)	315.51	-	-	315.51
Trade Receivables (current)	1,690.99	-	-	1,690.99
Trade Receivables (non-current)	76.93	-	-	76.93
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Trade Payables	514.30	-	-	514.30
Borrowings (non current)	905.06	-	-	905.06
Borrowings (current)	2,600.90	-	-	2,600.90
Other financial liabilities (non current)	5.66	-	-	5.66
Other financial liabilities (current)	478.42	-	-	478.42

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019**

	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
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
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
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

**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.

### 13 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, 2020. 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, 2020.

#### (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:

Currency	Currency Symbol	March 31, 2020		(Amount in ₹ lakhs)	
		Foreign Currency	Indian Rupees	Gain/ (loss) Impact on profit before tax and equity (Amount in Rs.)	
				1% increase	1% decrease
Change in United States Dollar Rate	\$				
Trade Payables		1.55	116.72	(1.17)	1.17
Other receivables		0.03	2.28	(0.02)	0.02
Other liabilities		0.21	16.02	0.16	(0.16)

Currency	Currency Symbol	March 31, 2019		(Amount in ₹ lakhs)	
		Foreign	Indian	Gain/ (loss) Impact on profit before tax and equity (Amount in Rs.)	
		Currency	Rupees	1% increase	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)

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. (33.31) lakhs for the year ended March 31, 2020.

## (ii) Commodity Price Risk

The group is exposed to fluctuations in price of Yellow Peas, Chick 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, 2020	As at March 31, 2019
Commodity Derivatives	9.42	-
<b>Total</b>	<u>9.42</u>	<u>-</u>

The gain/(loss) due to fluctuation in commodity prices on NCDEX, recognized in the statement of profit and loss was Rs.4.57 lakhs (gain) for the year ended March 31, 2020 (March 31, 2019: Rs.31.86 lakhs (loss))

## (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. 1275.09 lakhs which is 70.42% 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	As at
	March 31, 2020	March 31, 2019
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Cash and cash equivalents	175.90	447.94
Other bank balances	126.90	372.92
Loans and advances	108.26	95.31
Others non current financial assets	315.51	322.28
Others current financial assets	122.96	22.81
	849.53	1,261.26
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade receivables (current receivables) (Gross)	1,742.80	1,975.10
Other receivables (Gross)	11.14	8.19
Insurance claim receivables (Gross)	-	-
	1,753.94	1,983.29

**(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	(Amount in ₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Within credit period	985.43	1,679.26
Less than 1 year	678.62	237.98
1 to 2 years	23.97	6.05
2 to 3 years	2.97	-
Over 3 years	51.81	51.81
<b>Total Trade Receivables</b>	<b>1,742.80</b>	<b>1,975.10</b>
<b>Expected Credit Loss</b>		
Within credit period	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	100%	100%
<b>Provision for receivables</b>		
Within credit period	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	51.81	51.81
	<u>51.81</u>	<u>51.81</u>

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-

As the beginning of year	51.81	55.68
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(3.86)
As the end of year	<u>51.81</u>	<u>51.81</u>

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

Less than 1 year	11.14	8.19
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	-	-
<b>Total Trade Receivables</b>	<b>11.14</b>	<b>8.19</b>
<b>Expected Credit Loss</b>		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	100%	100%

**Provision for impairment allowance**

Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
Over 3 years	-	-
	<u>-</u>	<u>-</u>

**(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 be 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.

<b>As at March 31, 2020</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
Borrowings (non current)	-	905.06	905.06
Borrowings (current)	2,600.90	-	2,600.90
Trade payables	514.30	-	514.30
Other current financial liabilities (non current)	-	5.66	5.66
Other current financial liabilities	478.42	-	478.42
<b>As at March 31, 2019</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
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

**(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:

	<b>(Amount in ₹ Lakhs)</b>	
	<b>As At March 31, 2020</b>	<b>As At March 31, 2019</b>
Floating rate borrowings	3572.20	2233.39
Fixed rate borrowings	64.98	192.38
<b>Total borrowings</b>	<b><u>3637.18</u></b>	<b><u>2425.77</u></b>

**(e) Equity Price Risk**

The Group'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, 2020 (Rs. 1,398.07 lakhs as on March 31, 2019).

#### 14 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, 2020 and as at March 31, 2019.

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:

<b>Particulars</b>		
Loans and borrowing (net of cash and cash equivalents)	3,461.30	1,977.83
Net Debt	<b>3,461.30</b>	<b>1,977.83</b>
Equity Share Capital	856.48	856.48
Other Equity	1,951.65	2,268.68
Total Capital	<u><b>2,808.13</b></u>	<u><b>3,125.16</b></u>
<b>Capital and Net Debt</b>	<b>6,269.43</b>	<b>5,102.99</b>
Gearing Ratio (Net Debt / Capital and Net Debt)	55.21%	38.76%

#### 15 Earnings per share

(attributable to equity shareholders of parent company)

		(Amount in ₹ Lakhs)	
		Year ended March 31,2020	Year ended March 31,2019
<b>a) Basic Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	(311.70)	173.97
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.)	(3.64)	2.03
<b>b) Diluted Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	(311.70)	173.97
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.)	(3.64)	2.03

**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.

#### 16 Disclosure required under Section 186 (4) of the Companies Act, 2013.

##### (i) Particulars of Investments made:

Sl. No	Name of the Investee	(Amount in ₹ Lakhs)			
		Year ended March 31, 2020		Year ended March 31, 2019	
		Investment made	Outstanding Balance	Investment made	Outstanding Balance
1	Fratelli Wines Private Limited* * at fair value	Nil	409.50	Nil	409.50

##### (ii) Particulars of Loan given:

Sl. No	Name of the Entity	(Amount in ₹ Lakhs)			
		Year ended March 31, 2020		Year ended March 31, 2019	
		Loan Given	Outstanding Balance (including interest)	Loan Given	Outstanding Balance (including interest)
1	Kriti Estates Private Limited	265.00	108.26	255.00	95.31
2	Bee Gee Ess Farms & Properties Private Limited	-	-	-	-
3	Prasidh Estates Private Limited	-	-	-	-

The above loans have been proposed to be utilized for General Corporate Purpose by the recipient of the loan.

#### 17 Impact of COVID 19

World Health Organization (WHO) declared outbreak Coronavirus Disease (COVID-19) a global pandemic on March 11,2020. Consequent to this, Government of India declared lockdown on March 24,2020 which has impacted the business activities of the Group. On account of this, the Group has prepared cash flow projections, and also assessed the recoverability of receivables, contract assets, factored assumptions used in annual impairment testing of intangible assets having indefinite useful life, using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluations and current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The Group will continue to closely monitor any material changes to future economic conditions.

#### 18 Dividend Received

	(Amount in ₹ Lakhs)	
	Year ended March 31,2020	Year ended March 31,2019
Dividend received on equity shares held as non trade, non current investments	-	-
Dividend received on equity shares held as non trade, non current investments	<u>0.08</u>	<u>0.04</u>

- 19 The figures have been rounded off to nearest rupees in lakhs with upto two decimals.
- 20 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

**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: 29<sup>th</sup> July 2020

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

**Sachin Bhargava**  
(Chief Financial Officer)





## **TINNA TRADE LIMITED**

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