BANNERET TRADING PRIVATE LIMITED

2019-20

BANNERET TRADING PRIVATE LIMITED
CIN: U51900MH2008PTC181284
BALANCE SHEET AS AT MARCH 31, 2020
(All amounts in thousand of Indian Rupees unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
NON-CURRENT ASSETS			
Financial Assets			
Investments	2	**3,824,323**	2,325,200
Other non-current assets	3	**10**	10
		3,824,558	2,325,210
CURRENT ASSETS			
Financial Assets			
Investments	4	**-**	1,205,980
Cash and cash equivalents	5	**230**	376
		230	1,206,356
TOTAL		**3,824,788**	3,531,566
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	6	**100**	100
Other equity		**(3,061,812)**	(3,149,144)
		(3,061,712)	(3,149,044)
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	7	**3,207,845**	2,599,945
Deferred tax liabilities (net)	8	**270,391**	398,891
		3,478,236	2,998,836
CURRENT LIABILITIES			
Financial Liabilities	9	**3,408,261**	3,681,774
Non-financial liabilities	10	**3**	
		3,408,264	3,681,774
TOTAL		**3,824,788**	3,531,566

Significant accounting policies 1(B)

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

For Hitesh H. Damania & Co.
Firm Regn No. 134747W
Chartered Accountants

For and on behalf of the Board of Directors

Hitesh H Damania– M.No. 147429
Proprietor

Shiva Subramanian
Director
DIN: 00116165

Shobhana Nagwekar
Director
DIN: 01156918

Place : Mumbai
Date : August 20, 2020

Jeevan Mondkar
Company Secretary
M.No. ACS: 22565

Satish Agrawal
Chief Financial Officer

BANNERET TRADING PRIVATE LIMITED

CIN: U51900MH2008PTC181284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in thousand of Indian Rupees unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE			
Other income	11	**639,290**	301,884
TOTAL		**639,290**	301,884
EXPENSES			
Finance costs	12	**673,546**	669,643
Employee benefits expenses	13	**29**	30
Other expenses	14	**88**	154
TOTAL		**673,663**	669,827
LOSS BEFORE TAX		**(34,373)**	(367,943)
Tax expense:	8		
Current tax		**6,795**	7,511
Deferred tax		**(128,501)**	(147,058)
LOSS AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		**87,332**	(228,396)
Other Comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME		**87,332**	(228,396)
Earnings per equity share			
Basic and diluted earnings per share	15	**8,733**	(22,840)

Significant accounting policies 1(B)

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

For Hitesh H. Damania & Co.
Firm Regn No. 134747W
Chartered Accountants

Hitesh H Damania– M.No. 147429
Proprietor

Place : Mumbai
Date : August 20, 2020

For and on behalf of the Board of Directors

Shiva Subramanian
Director
DIN: 00116165

Shobhana Nagwekar
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Company Secretary
M.No. ACS: 22565

Satish Agrawal
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BANNERET TRADING PRIVATE LIMITED
CIN: U51900MH2008PTC181284
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
(All amounts in thousand of Indian Rupees unless otherwise stated)

EQUITY SHARE CAPITAL

	As at April 01, 2018	Changes in equity share capital during the year	As at March 31, 2019	Changes in equity share capital during the year	As at March 31, 2020
	100	-	100	-	**100**

OTHER EQUITY

Particulars	Other Reserves			Total Equity
	Capital Reserve	Deemed distribution	Surplus (Profit and loss balance)	
Balance at April 01, 2018	**158,622**	**(5,068,670)**	**1,989,300**	**(2,920,748)**
Loss for the year			**(228,396)**	(228,396)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income	-	-	**(228,396)**	**(228,396)**
Balance at March 31, 2019	**158,622**	**(5,068,670)**	**1,760,904**	**(3,149,144)**
Loss for the year			**87,332**	87,332
Other Comprehensive Income for the year	-		-	-
Total Comprehensive Income	-	-	**87,332**	**87,332**
Balance at March 31, 2020	**158,622**	**(5,068,670)**	**1,848,236**	**(3,061,812)**

Notes: Nature and purpose of reserves:

Deemed distribution

Under Ind AS, investment in preference shares of related entities have been measured at fair value at inception with reference to market rates and the difference to the extent of the carrying amount and fair values have been recognised as capital contribution.

Capital reserve

Under Ind AS, preference shares have been measured at fair value at inception with reference to market rates and the difference to the extent pertaining to the promoter group have been recognised as capital reserve.

As per our attached report of even date

For Hitesh H. Damania & Co.
Firm Regn No. 134747W
Chartered Accountants

For and on behalf of the Board of Directors

Hitesh H Damania– M.No. 147429
Proprietor

Shiva Subramanian
Director
DIN: 00116165

Shobhana Nagwekar
Director
DIN: 01156918

Place : Mumbai
Date : August 20, 2020

Jeevan Mondkar
Company Secretary
M.No. ACS: 22565

Satish Agrawal
Chief Financial Officer

BANNERET TRADING PRIVATE LIMITED
CIN: U51900MH2008PTC181284
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020
(All amounts in thousand of Indian Rupees unless otherwise stated)

		For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:			
Loss before tax		**(34,373)**	(367,943)
Adjustments for:			
Interest income		**(329,932)**	(301,884)
Interest expense		**673,546**	669,643
Gain on modification of loan		**(309,358)**	-
Operating loss before Working Capital changes		**(117)**	(184)
Movement in working capital:			
(Increase)/Decrease in Loans and advances and other assets		**-**	(10)
Increase/(Decrease) in Liabilities and Provisions		**(32)**	12
Cash used in Operations		**(149)**	(182)
Income Tax paid		**(7,020)**	(7,511)
Net cash used in Operating Activities	**(A)**	**(7,168)**	(7,693)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:			
Interest received		**7,020**	7,511
Net cash from/(used in) Investing Activities	**(B)**	**7,020**	7,511
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:			
Proceeds from borrowings		**2.000**	500
Net cash from Financing Activities	**(C)**	**2**	500
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(146)**	318
CASH AND CASH EQUIVALENTS, at beginning of year		**376**	58
CASH AND CASH EQUIVALENTS, at end of year		**230**	376
Component Cash and Cash equivalents, as at March 31			
Balance with banks :			
On current account		**230**	376
		230	376

Note:
All figures in bracket are outflow

As per our attached report of even date

For Hitesh H. Damania & Co.
Firm Regn No. 134747W
Chartered Accountants

Hitesh H Damania– M.No. 147429
Proprietor

Place : Mumbai
Date : August 20, 2020

For and on behalf of the Board of Directors

Shiva Subramanian
Director
DIN: 00116165

Shobhana Nagwekar
Director
DIN: 01156918

Jeevan Mondkar
Company Secretary
M.No. ACS: 22565

Satish Agrawal
Chief Financial Officer

BANNERET TRADING PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. A. CORPORATE INFORMATION

Banneret Trading Private Limited (the 'Company') is a private limited Company incorporated in India and has its registered office at Wockhardt towers, Bandra Kurla Complex, Bandra(E), Mumbai, Maharashtra, India.
The Company is the wholly owned subsidiary of Carol Info Services Limited.

B. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time, and as applicable.

b. Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the company.

c. Use of estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

d. Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR.

Financing / Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date of capitalization of such assets. Capitalisation of borrowing cost is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

Other financing /borrowing costs are charged to the Statement of Profit and Loss. Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

e. Financial Instruments

I. Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

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

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

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

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

Debt instruments measured at fair value through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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 a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- 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:

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and 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, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of 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 recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

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 recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

III. Fair value:

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

(A) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities which are listed in a recognized stock exchange.

(B) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.

(C) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

IV. Accounting for day 1 differences:

If the fair value of the financial asset at initial recognition differs from the transaction price, this difference if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows:

- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable market, the entire day 1 gain/loss is recorded immediately in the Statement of Profit and Loss; or

- in all other cases, the difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the Statement of Profit and Loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

In case the difference represents:

(i) deemed capital contribution - it is recorded to recorded as an Investment in Subsidiary,

(ii) deemed distribution - It is recorded in equity

(iii) deemed consideration for goods and services - it is recorded as an asset or a liability. This amount is amortized/accredited to the Statement of Profit and Loss as per the substance of the arrangement (generally straight-line basis over the duration of the arrangement)

f. Revenue recognition

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.

Interest income is recognized with reference to the EIR method. Dividend from investments is recognized as revenue when right to receive is established.

g. Earnings per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

h. Income Tax

Tax expense comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or OCI. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

i. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realized.

j. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

k. Operating Cycle

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
(All amounts in thousand of Indian Rupees unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
2.	**NON-CURRENT INVESTMENTS**		
A.	**Other Investments - Investment in Non-Convertible Reedemable Bonds- Fair value through profit and loss**		
	9,000,000l (Previous year - Nil) Zero Coupon Non-Convertible Reedemable Bonds of Khorakiwala holding and Investment Private Limited of Rs. 100 each	**1,265,968**	-
B.	**Other Investments - Investment in Non-Convertible Cumulative Redeemable Preference Shares- Amortised Cost**		
	369,942,639 (Previous year - 369,942,639) 3% Non-Convertible Cumulative Redeemable Preference Shares of Dartmour Holding Private Limited of Rs. 10 each fully paid up	**1,423,157**	1,293,459
	29,508,863 (Previous year - 29,508,863) 3% Non-Convertible Cumulative Redeemable Preference Shares of Palanpur Holdings and Investment Private Limited of Rs. 100 each fully paid up	**1,135,198**	1,031,741
	TOTAL	**3,824,323**	2,325,200
	Aggregate book value of unquoted investments	**3,824,323**	2,325,200
3.	**OTHER NON-CURRENT ASSETS**		
	Security Deposit	**10**	10
		10	10
4.	**CURRENT INVESTMENTS**		
A.	**Other Investments - Investment in Non-Convertible Reedemable Bonds- Fair value through profit and loss**		
	Ni (Previous year - 9,000,000) Zero Coupon Non-Convertible Reedemable Bonds of Khorakiwala holding and Investment Private Limited of Rs. 100 each	-	1,205,980
		-	1,205,980
5.	**CASH AND CASH EQUIVALENTS**		
	Balance with banks :		
	On current account	**230**	376
	TOTAL	**230**	376

(All amounts in thousand of Indian Rupees unless otherwise stated)

	As at March 31, 2020		As at March 31, 2019	
6. EQUITY SHARE CAPITAL	**No. of shares**	**Amount**	No. of shares	Amount
Authorised				
Equity shares of Rs 10 each	**50,000**	**500**	50,000	500
		500		500
Issued, subscribed and paid up				
Equity shares of Rs 10 each				
Shares outstanding at the beginning of the year	**10,000**	**100**	10,000	100
Add: Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**10,000**	**100**	10,000	100

Notes:

a. Terms / Rights attached to Equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

b. Shares held by holding company

The above 10,000 (Previous year - 10,000) equity shares are held by Carol Info Services Limited, the Holding Company which includes 6 (Previous year - 6) fully paid up shares of par value held in the name of the nominee of the Company.

c. Shareholders holding more than 5% of total equity shares :

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	**% of holding**	No. of Shares	% of holding
Carol Info Services Limited	**10,000**	**100%**	10,000	100%

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
(All amounts in thousand of Indian Rupees unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
7. BORROWINGS		
Unsecured		
Loans from related parties (Refer note a. below)	**3,152,292**	2,550,344
Preference shares (Refer notes b. below)	**55,553**	49,601
TOTAL	**3,207,845**	2,599,945

Notes:

a. With mutual consent of both the parties, the installment due for repayment in March 2020 originally, shall be repayable in March 22 .The installment due for repayment in March 2021 remains unchanged and has been classified as 'Current maturities of Long term debt' under 'Current financial liabilities'. Of the above, loans amounting Rs. 541 thousand (Previous Year - Rs. 513 thousand) carry an interest rate of 6.306 % p.a (Previous Year -7.349% p.a) which approximates the rate of prevailing yield of Government securitties closest to the tenor of the loan. The aforesaid terms are subject to amendments with mutual consent.

b. Preference shares

	As at March 31, 2020		As at March 31, 2019	
i) Details of preference shares	**No. of Shares held**	**Amount**	No. of Shares held	Amount
Authorised				
Preference shares of Rs. 10 each	**19,950,000**	**199,500**	19,950,000	199,500
		199,500		199,500
Issued, subscribed and paid up				
3% Non Convertible Cumulative Redeemable Preference shares of Rs. 10 each fully paid up:				
Shares outstanding at the beginning of the year	**19,000,000**	**190,000**	19,000,000	190,000
Add: Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**19,000,000**	**190,000**	19,000,000	190,000

ii) Terms / Rights attached to Preference shares

19,000,000 3% Non Convertible Cumulative Redeemable Preference shares of Rs. 10 each are redeemable at par on March 16, 2035.

iii) Effective interest rate for the above preference shares is 12%

iv) Details of preference shares held by each shareholders holding more than 5% of total preference shares.

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Merind Limited	**19,000,000**	**100%**	19,000,000	100%

(All amounts in thousand of Indian Rupees unless otherwise stated)

8. INCOME TAXES

(a) Amounts recognised in profit or loss

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax (charge)/credit	**(6,795)**	(7,511)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**184,411**	123,320
Change in Indian corporate tax rate	**(55,910)**	23,738
Deferred tax credit/(charge)	**128,501**	147,058
Tax (expense)/credit for the year	**121,705**	139,547

(b) Amounts recognised in other comprehensive income

There are no amounts recognised in other comprehensive income, and hence there are no tax effects of the same.

(c) Reconciliation of effective tax rate

		For the year ended March 31, 2020	For the year ended March 31, 2019
Loss before tax	**(a)**	**(34,373)**	(367,943)
Tax using the Company's domestic tax rate 25.17 % (Previous year - 29.12%)		**(8,651)**	(102,362)
Tax effect of:			
Tax-exempt income		**(57,182)**	(61,554)
Expenses not deductible for tax purposes		**38**	631
Impact of re-measurement of tax due to rate change		**(55,910)**	23,738
	(b)	**(121,705)**	(139,547)
Effective tax rate for the year	**(b/a)**	**354.07%**	37.93%

The effective tax rate for the current year and previous year is lower mainly on account of exempt income on which no tax is levied and also on account of impact of remeasurement of tax due to change in the tax rate, resulting in substantial decrease in opening balance of deferred tax liability.

(All amounts in thousand of Indian Rupees unless otherwise stated)

(d) Movement in deferred tax balances

			As at March 31, 2020		
	Net balance April 01, 2019	**Recognised in profit or loss**	**Net deferred tax asset/(liability)**	**Deferred tax asset**	**Deferred tax liability**
Borrowings	(329,445)	127,378	**(202,066)**	**-**	**(202,066)**
Investment	(69,446)	1,122	**(68,324)**	**-**	**(68,324)**
Tax assets / (Liabilities)	**(398,891)**	**128,501**	**(270,391)**	**-**	**(270,391)**

Movement in deferred tax balances

			As at March 31, 2019		
	Net balance April 01, 2018	Recognised in profit or loss	Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
Borrowings	(495,668)	166,223	(329,445)	-	(329,445)
Investment	(50,281)	(19,165)	(69,446)	-	(69,446)
Tax assets / (Liabilities)	(545,948)	147,058	(398,891)	-	(398,891)

i) 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.

ii) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

	As at March 31, 2020	As at March 31, 2019
9. OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of long-term debt (Refer note 7)	**3,408,198**	3,681,682
Payable for expenses	**43**	62
Employee liabilities	**20**	30
TOTAL	**3,408,261**	3,681,774
10 OTHER CURRENT LIABILITIES		
Statutory liabilities	**3**	-
TOTAL	**3**	-

BANNERET TRADING PRIVATE LIMITED
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(All amounts in thousand of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
11. OTHER INCOME		
Interest income on bonds	**96,775**	90,502
Interest on investments	**233,157**	211,382
Gain on modification of financial instruments	**309,358**	-
TOTAL	**639,290**	301,884
12. FINANCE COSTS		
Interest on borrowings	**673,546**	669,612
Other interest	**-**	31
TOTAL	**673,546**	669,643
13. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**29**	30
TOTAL	**29**	30
14. OTHER EXPENSES		
Legal and professional charges	**40**	77
Bank charges*	**-**	20
*(current year : Rs. 295/-)		
Travelling and conveyance	**18**	23
Auditor's remuneration -Audit fees *	**30**	34
	88	154

Note:

* **Auditor's remuneration**

Audit fees for FY 2018-19 includes charges pertaining to FY 2017-18 Rs. 4.5 thousand

(All amounts in thousand of Indian Rupees unless otherwise stated)

15. EARNINGS PER SHARE (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference 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.

	For the year ended March 31, 2020	For the year ended March 31, 2019
i. Profit attributable to owners of the Company		
Loss for the year after tax	**87,332**	(228,396)

	As at March 31, 2020	As at March 31, 2019
ii. Weighted average number of ordinary shares		
Issued ordinary shares as at March 31	**10,000**	10,000
Weighted average number of shares for basic and diluted EPS	**10,000**	10,000

	For the year ended March 31, 2020	For the year ended March 31, 2019
iii. Basic and Diluted earnings per share		
Basic and diluted earnings per share Rs.	**8,733**	(22,840)

(All amounts in thousand of Indian Rupees unless otherwise stated)

16. FINANCIAL INSTRUMENTS

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below.

	Carrying amount				Total Fair value
March 31, 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Total**
Financial assets					
Investments	1,265,968	-	2,558,355	3,824,323	7,224,809
Cash and cash equivalents	-	-	230	230	230
	1,265,968	**-**	**2,558,585**	**3,824,553**	**7,225,039**
Financial liabilities					
Borrowings	-	-	6,560,490	6,560,490	6,573,842
Preference shares	-	-	55,553	55,553	113,898
Payable for expenses	-	-	43	43	43
Employee liabilities	-	-	20	20	20
	-	**-**	**6,616,106**	**6,616,106**	**6,687,803**

	Fair value			
March 31, 2020	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets				
Investments	-	7,224,809	-	7,224,809
Cash and cash equivalents	-	-	-	-
	-	**7,224,809**	**-**	**7,224,809**
Financial liabilities				
Borrowings	-	6,573,842	-	6,573,842
Preference shares	-	113,898	-	113,898
Payable for expenses	-	-	-	-
Employee liabilities	-	-	-	-
	-	**6,687,740**	**-**	**6,687,740**

	Carrying amount				Total Fair value
March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total	Total
Financial assets					
Investments	1,205,980	-	2,325,199	3,531,179	4,922,093
Cash and cash equivalents	-	-	376	376	376
	1,205,980	**-**	**2,325,575**	**3,531,555**	**4,922,468**
Financial liabilities					
Borrowings	-	-	6,232,026	6,232,026	6,502,802
Preference shares	-	-	49,601	49,601	89,375
Payable for expenses	-	-	62	62	62
Employee liabilities	-	-	30	30	30
	-	**-**	**6,281,719**	**6,281,719**	**6,592,269**

(All amounts in thousand of Indian Rupees unless otherwise stated)

	Fair value			
March 31, 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Investments	-	4,922,093	-	4,922,093
Cash and cash equivalents	-	-	-	-
	-	**4,922,093**	**-**	**4,922,093**
Financial liabilities				
Borrowings	-	6,502,802	-	6,502,802
Preference shares	-	89,375	-	89,375
Payable for expenses	-	-	-	-
Employee liabilities	-	-	-	-
	-	**6,592,177**	**-**	**6,592,177**

B. Measurement of fair values

The fair value of the financial assets and liabilties 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:

-The fair values of the loans taken are estimated by discounting cash flows using rates currenly available for debt/instruments on similar terms, credit risks and remaining maturities. These valuations requires management to use certain unobservable inputs to be disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Investments in Zero Coupon Non-Convertible Reedemable Bonds	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable
Investment in Unquoted Preference shares	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable
Borrowings	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

Risk management framework

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company’s Risk Management Framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks in achieving key business objectives.

The Company’s risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to policies and procedures.

(All amounts in thousand of Indian Rupees unless otherwise stated)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Cash and cash equivalents

The Company held cash and cash equivalents of Rs.230 thousand at March 31, 2019 (Previous year - Rs. 376 thousand). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities .The Company monitors the net liquidity position through forecasts on the basis of expected cash flows.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Exposure to liquidity risk

March 31, 2020	**Carrying amount**	**Contractual cash flows**				
		Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Loans from related parties	**6,560,490**	**7,363,364**	3,681,682	3,681,682	-	-
Preference shares	**55,553**	**304,000**	-	-	-	304,000
Payable for expenses	**43**	**43**	43	-	-	-
Employee liabilities	**20**	**20**	20	-	-	-

March 31, 2019	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Loans from related parties	6,232,026	7,363,364	3,681,682	3,681,682	-	-
Preference shares	49,601	304,000	-	-	-	304,000
Payable for expenses	62	62	62	-	-	-
Employee liabilities	30	30	30	-	-	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Company is exposed can be classifed as Currency risk and Interest rate risk . The Company does not have any currency risk.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.
The company has no borrowings from banks and financial institutions.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal amount as at March 31, 2020	Nominal amount as at March 31, 2019
Fixed-rate instruments		
Financial liabilities	**6,616,043**	6,281,627
	6,616,043	6,281,627

Cash flow sensitivity analysis for variable-rate instruments

The company does not have any variable-rate instruments.

(All amounts in thousand of Indian Rupees unless otherwise stated)

17. CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual and long-term strategic plans. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under finance lease, less cash and cash equivalents, Bank balance and current investments.

The following table summarizes the capital of the Company:

	As at March 31, 2020	As at March 31, 2019
Total liabilities	**6,616,043**	6,281,627
Less : Cash and cash equivalent and other bank balances	**230**	376
Adjusted net debt	**6,615,813**	6,281,252
Total equity	**(3,061,712)**	(3,149,044)
Adjusted equity	**(3,061,712)**	(3,149,044)
Adjusted net debt to adjusted equity ratio	**(2.16)**	(1.99)

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
(All amounts in thousand of Indian Rupees unless otherwise stated)

18. RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

As per Ind AS 24, the disclosure of transactions with related parties are given below:

a) Parties where control exists

Relationship of related parties	**Name of Related Parties**
Ultimate Holding Company	Khorakiwala Holdings and Investments Private Limited
Holding Company	Carol Info Services Limited
Individual exercising control over the Company	H.F. Khorakiwala
Entities having direct or indirect control over the Company	Habil Khorakiwala Trust* *Themisto Trustee Company Private Limited holds shares in the Ultimate Holding Company in its capacity as the trustee of Habil Khorakiwala Trust.
Key Management personnel	Shiva Subramanian - Independent Director
	Shobhana Nagwekar-Independent Director
	Vijaya Nair-Independent Director
Enterprises over which Individuals having direct or indirect control over the Company, have significant influence/control- related parties where transactions have taken place during the year/balances outstanding as on the balance sheet date.	Merind Limited

		For the year ended March 31, 2020	For the year ended March 31, 2019
b)	**Transactions with related parties during the year**		
	(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties)		
	Ultimate Holding Company		
	Interest income on Zero Coupon Non-Convertible Redeemable Bonds	**27,000**	27,000
	Holding Company		
	Interest cost	**34**	31
	Loan taken	**31**	528
	Key Management personnel		
	Reimbursement of Expenses to Key Managerial personnel		
	Shiva Subramanian	**6**	9
	Shobhana Nagwekar	**6**	9
	Vijaya Nair	**6**	6

		As at March 31, 2020	As at March 31, 2019
c)	**Outstanding Balances**		
	(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties. Where such amounts are different from carrying amount as per Ind AS Financial Statement, their carrying amounts have been disclosed additionally)		
	Holding Company		
	Loan Balance outstanding	**7,363,395**	7,363,364
	Ind AS adjustments	**(802,905)**	(1,799,525)
	Balance as per Balance sheet	**6,560,490**	5,563,839
	Ultimate Holding Company		
	Amount receivable	**67,866**	47,886
	Ind AS adjustments	**(67,866)**	(47,886)
	Balance as per Balance sheet	**-**	-
	Enterprises over which Individuals having direct or indirect control over the Company, have significant influence/control		
	Preference shares outstanding	**190,000**	190,000
	Ind AS adjustments	**(134,447)**	(140,399)
	Balance as per Balance sheet	**55,553**	49,601
	Payable to Key Managerial personnel		
	Shiva Subramanian	**1**	8
	Shobhana Nagwekar	**1**	8
	Vijaya Nair	**1**	6

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19. SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

20. CONTINGENT LIABILITIES AND COMMITMENTS

The Company did not have any Contingent Liabilities and Commitments as on March 31, 2020 and March 31, 2019.

21. SEGMENT REPORTING

The Company has investments in financial instruments, from which interest income is generated. However, the Company does not have any operational activities. Accordingly, the requirements of Ind AS 108 Operating Segments do not apply to the Company.

22. Principal amount including interest, if any payable to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2020 Rs. Nil (Previous Year - Rs Nil). The above information is given to the extent information available with the Company and relied upon by the auditors.

23. Reconciliation of the opening and closing balances of liabilities arising from Financing activities:

Particulars	**As at March 31, 2019**	**As at April 01, 2018**	**Non cash changes**		**Other items considered separately**	**Cash flows-inflow/ (Outflow)**
			Interest cost	**Fair value /Ind AS adjustments**		
Borrowings	**6,616,043**	2,599,945	(28)	(669,612)	-	3,346,458

Particulars	As at March 31, 2018	As at April 01, 2017	Non cash changes		Other items considered separately	Cash flows-inflow/ (Outflow)
			Interest cost	Fair value /Ind AS adjustments		
Borrowings	2,599,945	5,007,255	(1)	(604,231)	-	(3,011,542.00)

24. Previous year figures have been regrouped wherever necessary to conform to current year classification.

For Hitesh H. Damania & Co.
Firm Regn No. 134747W
Chartered Accountants

Hitesh H Damania– M.No. 147429
Proprietor

Place : Mumbai
Date : August 20, 2020

For and on behalf of the Board of Directors

Shiva Subramanian
Director
DIN: 00116165

Shobhana Nagwekar
Director
DIN: 01156918

Jeevan Mondkar
Company Secretary
M.No. ACS: 22565

Satish Agrawal
Chief Financial Officer