

BANNERET TRADING PRIVATE LIMITED
ANNUAL REPORT
FY 2018-19

BANNERET TRADING PRIVATE LIMITED
CIN: U51900MH2008PTC181284
BALANCE SHEET AS AT MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Financial Assets			
Investments	2	2,325,200	3,236,807
Other non-current assets	3	10	-
		<u>2,325,210</u>	<u>3,236,807</u>
CURRENT ASSETS			
Financial Assets			
Investments	4	1,205,980	-
Cash and cash equivalents	5	376	58
		<u>1,206,356</u>	<u>58</u>
TOTAL		<u><u>3,531,566</u></u>	<u><u>3,236,865</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	6	100	100
Other equity		<u>(3,149,144)</u>	<u>(2,920,748)</u>
		<u>(3,149,044)</u>	<u>(2,920,648)</u>
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	7	2,599,945	5,611,487
Deferred tax liabilities (net)	8	398,891	545,949
		<u>2,998,836</u>	<u>6,157,436</u>
CURRENT LIABILITIES			
Financial Liabilities			
Others	9	3,681,774	77
		<u>3,681,774</u>	<u>77</u>
TOTAL		<u><u>3,531,566</u></u>	<u><u>3,236,865</u></u>

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 12, 2019

For and on behalf of the Board of Directors

Shiva Subramanian
Director
DIN: 00116165

Shobhana Nagwekar
Director
DIN: 01156918

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

BANNERET TRADING PRIVATE LIMITED

CIN: U51900MH2008PTC181284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**(All amounts in thousand of Indian Rupees unless otherwise stated)**

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Other income	10	301,884	275,985
TOTAL		301,884	275,985
EXPENSES			
Finance costs	11	669,643	604,232
Employee benefits expenses	12	30	30
Other expenses	13	154	57
TOTAL		669,827	604,319
LOSS BEFORE TAX		(367,943)	(328,334)
Tax expense:			
Current tax		7,511	4,959
Deferred tax		(147,058)	(260,710)
LOSS AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		(228,396)	(72,583)
Other Comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(228,396)	(72,583)
Earnings per equity share			
Basic and diluted earnings per share	14	(22,840)	(7,258)

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 12, 2019

For and on behalf of the Board of Directors

Shiva Subramanian

Director

DIN: 00116165

Shobhana Nagwekar

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Company Secretary

M.No. A20869

Ravi Shekhar Mitra

Chief Financial Officer

BANNERET TRADING PRIVATE LIMITED
CIN: U51900MH2008PTC181284
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

EQUITY SHARE CAPITAL

	As at April 01, 2017	Changes in equity share capital during the year	As at March 31, 2018	Changes in equity share capital during the year	As at March 31, 2019
	100	-	100	-	100

OTHER EQUITY

Particulars	Other Reserves			Total Equity
	Capital Reserve	Deemed distribution	Surplus (Profit and loss balance)	
Balance at April 01, 2017	158,622	(5,068,670)	2,061,883	(2,848,165)
Loss for the year			(72,583)	(72,583)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income	-	-	(72,583)	(72,583)
Balance at March 31, 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)

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

Place : Mumbai

Date : August 12, 2019

Shiva Subramanian

Director

DIN: 00116165

Shobhana Nagwekar

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Company Secretary

M.No. A20869

Ravi Shekhar Mitra

Chief Financial Officer

BANNERET TRADING PRIVATE LIMITED
CIN: U51900MH2008PTC181284
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Loss before tax	(367,943)	(328,334)
Adjustments for:		
Interest income	(301,884)	(275,985)
Interest expense	669,643	604,232
Operating loss before Working Capital changes	(184)	(87)
Movement in working capital:		
(Increase)/Decrease in Loans and advances and other assets	(10)	-
Increase/(Decrease) in Liabilities and Provisions	12	18
Cash used in Operations	(182)	(69)
Income Tax paid	(7,511)	-
Net cash used in Operating Activities	(7,693)	(69)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:		
Interest received	7,511	-
Net cash from/(used in) Investing Activities	7,511	-
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Proceeds from borrowings	500	-
Net cash from Financing Activities	500	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	318	(69)
CASH AND CASH EQUIVALENTS, at beginning of year	58	127
CASH AND CASH EQUIVALENTS, at end of year	376	58
Component Cash and Cash equivalents, as at March 31		
Balance with banks :		
On current account	376	58
	376	58

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 12, 2019

For and on behalf of the Board of Directors

Shiva Subramanian

Director

DIN: 00116165

Shobhana Nagwekar

Director

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Company Secretary

M.No. A20869

Ravi Shekhar Mitra

Chief Financial Officer

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
2. NON-CURRENT INVESTMENTS		
A. Other Investments - Investment in Non-Convertible Redeemable Bonds- Fair value through profit and loss		
Nil (Previous year - 9,000,000) Zero Coupon Non-Convertible Redeemable Bonds of Khorakiwala holding and Investment Private Limited of Rs. 100 each	-	1,122,990
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	1,293,459	1,175,871
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	1,031,741	937,946
TOTAL	2,325,200	3,236,807
Aggregate book value of unquoted investments	2,325,200	3,236,807
3. OTHER NON-CURRENT ASSETS		
Security Deposit	10	-
	10	-
4. CURRENT INVESTMENTS		
A. Other Investments - Investment in Non-Convertible Redeemable Bonds- Fair value through profit and loss		
9,000,000 (Previous year - Nil) Zero Coupon Non-Convertible Redeemable 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	376	58
TOTAL	376	58

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
6. EQUITY SHARE CAPITAL				
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, 2019		As at March 31, 2018	
	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, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
7. BORROWINGS		
Unsecured		
Loans from related parties (Refer note a. below)	2,550,344	5,563,839
Preference shares (Refer notes b. below)	49,601	47,648
TOTAL	2,599,945	5,611,487

Notes:

- a. All the above loans are repayable from year 2020 in 2 equal installments. Of the above, loans amounting Rs. 513 thousand (Previous Year - Rs. 12 thousand) carry an interest rate of 7.349% p.a (Previous Year -6.849% p.a) which approximates the rate of prevailing yield of Government securities closest to the tenor of the loan. The aforesaid terms are subject to amendments with mutual consent.

b. Preference shares

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	Amount	No. of Shares held	Amount
i) Details of preference shares				
Authorised				
Preference shares of Rs. 10 each	19,950,000	199,500	19,950,000	199,500
		<u>199,500</u>		<u>199,500</u>
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	<u>19,000,000</u>	<u>190,000</u>	<u>19,000,000</u>	<u>190,000</u>

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, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Merind Limited	19,000,000	100%	19,000,000	100%

BANNERET TRADING PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(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, 2019	For the year ended March 31, 2018
Current income tax (charge)/credit	(7,511)	(4,959)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	123,320	375,308
Change in Indian corporate tax rate	23,738	(114,598)
Deferred tax credit/(charge)	147,058	260,710
Tax (expense)/credit for the year	139,547	255,751

(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, 2019	For the year ended March 31, 2018
Loss before tax	(a)	(367,943)	(328,334)
Tax using the Company's domestic tax rate 27.82% (Previous year - 27.553%)		(102,362)	(90,464)
Tax effect of:			
Tax-exempt income		(61,554)	(52,946)
Expenses not deductible for tax purposes		631	2,257
Impact of re-measurement of tax due to rate change		23,738	(114,598)
	(b)	(139,547)	(255,751)
Effective tax rate for the year	(b/a)	37.93%	77.89%

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.

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

(d) **Movement in deferred tax balances**

	Net balance April 01, 2018	Recognised in profit or loss	As at March 31, 2019		
			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)	(545,949)	147,058	(398,891)	-	(398,891)

Movement in deferred tax balances

	Net balance April 01, 2017	Recognised in profit or loss	As at March 31, 2018		
			Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
Borrowings	(765,502)	269,834	(495,668)	-	(495,668)
Investment	(41,157)	(9,124)	(50,281)	-	(50,281)
Tax assets / (Liabilities)	(806,659)	260,710	(545,949)	-	(545,949)

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.

9. OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt (Refer note 7)	3,681,682	-
Payable for expenses	62	47
Employee liabilities	30	30
TOTAL	3,681,774	77

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
10. OTHER INCOME		
Interest income on bonds	90,502	83,820
Interest on investments	211,382	192,165
TOTAL	301,884	275,985
11. FINANCE COSTS		
Interest on borrowings	669,612	604,231
Interest expense on others	31	1
TOTAL	669,643	604,232
12. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	30	30
TOTAL	30	30
13. OTHER EXPENSES		
Legal and professional charges	77	15
Bank charges	20	-
Travelling and conveyance	23	16
Auditor's remuneration -Audit fees *	34	26
	154	57

Note:

* **Auditor's remuneration**

- a) Audit fees for FY 2018-19 includes charges pertaining to FY 2017-18 Rs. 4.5 thousand
b) Audit fees for FY 2017-18 includes charges pertaining to FY 2016-17 Rs. 1 thousand

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

14. 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, 2019	For the year ended March 31, 2018
i. Profit attributable to owners of the Company		
Loss for the year after tax	(228,396)	(72,583)
	As at March 31, 2019	As at March 31, 2018
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, 2019	For the year ended March 31, 2018
iii. Basic and Diluted earnings per share		
Basic and diluted earnings per share Rs.	(22,840)	(7,258)

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

15. 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.

March 31, 2019	Carrying amount			Total Fair value	
	FVTPL	FVTOCI	Amortised Cost	Total	Total
Financial assets					
Investments	1,205,980	-	2,325,200	3,531,180	4,922,093
Cash and cash equivalents	-	-	376	376	376
	1,205,980	-	2,325,576	3,531,556	4,922,469
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
March 31, 2019	Fair value			Total	
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
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	
March 31, 2018	Carrying amount			Total Fair value	
	FVTPL	FVTOCI	Amortised Cost	Total	Total
Financial assets					
Investments	1,122,990	-	2,113,817	3,236,807	4,594,613
Cash and cash equivalents	-	-	58	58	58
	1,122,990	-	2,113,875	3,236,865	4,594,671
Financial liabilities					
Borrowings	-	-	5,563,839	5,563,839	5,979,588
Preference shares	-	-	47,648	47,648	79,800
Payable for expenses	-	-	47	47	47
Employee liabilities	-	-	30	30	30
	-	-	5,611,564	5,611,564	6,059,465

BANNERET TRADING PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****(All amounts in thousand of Indian Rupees unless otherwise stated)**

March 31, 2018	Fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets				
Investments	-	4,594,613	-	4,594,613
Cash and cash equivalents	-	-	-	-
	-	4,594,613	-	4,594,613
Financial liabilities				
Borrowings	-	5,979,588	-	5,979,588
Preference shares	-	79,800	-	79,800
Payable for expenses	-	-	-	-
Employee liabilities	-	-	-	-
	-	6,059,388	-	6,059,388

B. Measurement of fair values

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:

-The fair values of the loans taken are estimated by discounting cash flows using rates currently 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.

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

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 Redeemable 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.

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(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. 376 thousand at March 31, 2019 (Previous year - Rs. 58 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, 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	-	-	-
<hr/>						
March 31, 2018	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Loans from related parties	5,563,839	7,362,836	-	7,362,836	-	-
Preference shares	47,648	304,000	-	-	-	304,000
Payable for expenses	47	47	47	-	-	-
Employee liabilities	30	30	30	-	-	-

BANNERET TRADING PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

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 classified 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, 2019	Nominal amount as at March 31, 2018
Fixed-rate instruments		
Financial liabilities	6,281,627	5,611,487
	6,281,627	5,611,487

Cash flow sensitivity analysis for variable-rate instruments

The company does not have any variable-rate instruments.

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

16. 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, 2019	As at March 31, 2018
Total liabilities	6,281,627	5,611,487
Less : Cash and cash equivalent and other bank balances	376	58
Adjusted net debt	6,281,251	5,611,429
Total equity	(3,149,044)	(2,920,648)
Adjusted equity	(3,149,044)	(2,920,648)
Adjusted net debt to adjusted equity ratio	(1.99)	(1.92)

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
 (All amounts in thousand of Indian Rupees unless otherwise stated)

17. 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
	Shahnawaz Khan - Non-Executive Director (Resigned with effect from April 30, 2018)
	Vijaya Nair-Independent Director (w.e.f. April 25, 2018)
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, 2019	For the year ended March 31, 2018
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	18,000
Holding Company		
Interest cost	31	1
Loan taken	528	1
Key Management personnel		
Reimbursement of Expenses to Key Managerial personnel		
Shiva Subramanian	9	6
Shobhana Nagwekar	9	6
Vijaya Nair	6	-
Shahnawaz Khan	-	6

	As at March 31, 2019	As at March 31, 2018
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	7,363,364	7,362,836
Ind AS adjustments	(1,131,338)	(1,798,997)
Balance as per Balance sheet	6,232,026	5,563,839
Ultimate Holding Company		
Amount receivable	47,886	28,397
Ind AS adjustments	(47,886)	(28,397)
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	(140,399)	(142,352)
Balance as per Balance sheet	49,601	47,648
Payable to Key Managerial personnel		
Shiva Subramanian	8	5
Shobhana Nagwekar	8	5
Vijaya Nair	6	-
Shahnawaz Khan	-	5

BANNERET TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in thousand of Indian Rupees unless otherwise stated)

18. SUBSEQUENT EVENTS

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

19. CONTINGENT LIABILITIES AND COMMITMENTS

The Company did not have any Contingent Liabilities and Commitments as on March 31, 2019 and March 31, 2018.

20. 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.

21. 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, 2019 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.

22. 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	6,281,627	5,611,487	(28)	(669,612)	-	500

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	5,611,487	5,007,255	(1)	(604,231)	-	-

23. On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

The new Standard currently has no impact on the Company's financial statements.

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

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 12, 2019

Nikhil Malpani
 Company Secretary
 M.No. A20869

Ravi Shekhar Mitra
 Chief Financial Officer