

**NOTE. 1: STATEMENT ON ACCOUNTING POLICIES AND OTHER DISCLOSURES****1. Corporate Information:**

The Company is a Public Company domiciled in India and incorporated under the Provision of Companies Act, 1956. Its Equity Shares are Listed on BSE. The Company is engaged in Trading of Textile [mainly used as Furnishing Fabrics].

**2. Basis of preparation:****A. Statement of compliance:**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 28.05.2019

Details of the Company's accounting policies are included in Note 3.

**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

**C. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Amount
<b>Certain financial assets and liabilities</b>	Fair value
Net defined benefit (asset) / liability	Present value of defined benefit obligations

**D. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3. Significant accounting policies**

#### **a. Financial instruments**

##### **Non-derivative financial instruments**

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase 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 trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition

##### **Non- derivative financial assets**

Financial assets are initially measured at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The company's financial assets includes cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current assets.

##### **Non-derivative financial liabilities**

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

The company has the following financial liabilities: loans and borrowings, trade and other payables including deposits collected from various parties.

##### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **b. Property, plant and equipment**

##### **i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its

intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Office equipment	5 years	5 years
Computer	3	3
Furniture	10	10
Vehicles	8	8
Plant & Machinery	15	15

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

d. Investments:

Investments are valued at cost less provision for permanent diminution in value of such investments. Investments are carried at lower of cost and fair value.

- e. Revenue recognition
  - i. Revenue is recognized on sale of grey cloth and finished cloth on dispatch of goods from the factory. Sales are recorded net of rebate, trade discounts and returns
  - ii. Dividend is accounted on an accrual basis when the right to receive the dividend is established.
  - iii. Interest income on loans & advances is recognized in the profit & loss account as it accrues.

- f. Employee benefits

- i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

- ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

- g. Income tax

Income tax comprises of current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

- i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates

(and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by 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 if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

iii. Minimum Alternate Tax (MAT)

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

h. Segment reporting

The Board of Directors assess the financial performance of the Company and make strategic decisions. The Company has only one reportable segment i.e. Trading in Textile

i. Earnings per share

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

## 4. Property, plant and equipment

## Reconciliation of carrying amount

	Computer	Office Equipment	Furniture	Vehicles	Plant & Machinery
<b>Deemed cost (gross carrying amount)</b>					
<b>Balance at 1st April 2018</b>	<b>1.00</b>	<b>1.82</b>	<b>1.15</b>	<b>20.42</b>	<b>1.20</b>
Additions	-	0.40	-	1.79	-
Disposals	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>1.00</b>	<b>2.22</b>	<b>1.15</b>	<b>22.21</b>	<b>1.20</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance at 1st April 2018</b>	<b>0.56</b>	<b>0.53</b>	<b>0.68</b>	<b>10.65</b>	<b>0.40</b>
Additions	0.20	0.36	0.04	2.81	0.16
Disposals	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>0.76</b>	<b>0.89</b>	<b>0.72</b>	<b>13.46</b>	<b>0.56</b>
<b>Carrying amounts (net)</b>					
<b>At 1 April 2018</b>	<b>0.44</b>	<b>1.29</b>	<b>0.47</b>	<b>9.77</b>	<b>0.80</b>
<b>At 1 April 2019</b>	<b>0.24</b>	<b>1.33</b>	<b>0.43</b>	<b>8.75</b>	<b>0.64</b>

## 5. Investments

## Current Investments

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Equity Investments (FVOCI)</b>		
Unquoted	-	0.17
Less: Provision for diminution in value of shares	-	0.17
Other investments	0.10	0.10
<b>Total (Equity Instruments)</b>	<b>0.10</b>	<b>0.10</b>

## Non- Current Investments

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
Investments in equity Instruments (Fully Paid-up)		
Quoted	49.45	50.24
Equity Investments (FVOCI)		
Un-Quoted	6.97	7.82
<b>Total (Equity Instruments)</b>	<b>56.42</b>	<b>58.06</b>

**6. Loans**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Secured, considered good</b>		
Power Deposit	0.21	0.21
Rent Deposit	6.00	6.00
Telephone Deposits	0.02	0.02
	<b>6.23</b>	<b>6.23</b>

**7. Deferred tax assets/Liabilities, net****Movement in temporary differences**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Deferred tax assets</b>		
Opening	7.08	2.20
During the year	1.14	4.88
	<b>8.21</b>	<b>7.08</b>

**8. Inventories**

(Valued at lower or cost or net realisable value)

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Inventories :</b>		
a) stock - in - trade	355.79	256.68
	<b>355.79</b>	<b>256.68</b>

**9. Trade Receivables**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Unsecured and Considered Good</b>		
a) Outstanding more than 6 months	4.90	11.20
b) Outstanding less than 6 months	187.52	202.41
	<b>192.42</b>	<b>213.61</b>

**10. Cash and cash equivalents**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>a) Balances with banks :</b>		
In Deposit Account	75.00	65.00
In Current Account	58.24	63.29
<b>b) Cash on hand</b>	<b>12.75</b>	<b>4.25</b>
	<b>145.99</b>	<b>132.53</b>

**11. Loans****(Rs in Lakhs)**

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Unsecured and Considered Good</b>		
a) Loans and advances(Hans Capital & Leasing Pvt Ltd)	31.18	28.14
b) Staff Advances	2.28	3.46
	<b>33.46</b>	<b>31.60</b>

**12. Other current assets****(Rs in Lakhs)**

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
a) Prepaid Insurance	0.61	0.48
b) TDS / Advance Tax	20.79	0.80
c) Other Current Assets	0.24	0.26
d) Input credit - GST	1.86	0.89
	<b>23.49</b>	<b>2.42</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**13. Share Capital**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Authorised</b>		
Equity shares of ` 10 each	450.00	450.00
<b>Issued, subscribed and paid-up</b>		
Equity shares of ` 10 each	375.04	375.04
	<b>375.04</b>	<b>375.04</b>

**A. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

(Rs in Lakhs)

	31 March 2019		31 March 2018	
	Number	Amount (INR)	Number	Amount (INR)
At the commencement of the period	37.50	375.04	37.50	375.04
Shares issued for cash	-	-	-	-
<b>At the end of the period</b>	<b>37.50</b>	<b>375.04</b>	<b>37.50</b>	<b>375.04</b>

**B. Rights, preferences and restrictions attached to equity shares**

"The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

**C. Shareholders holding more than 5% of equity share capital****(Rs in Lakhs)**

	31 March 2019		31 March 2018	
	Number	% Holding	Number	% Holding
Sandeep Peeti	5.87	15.64%	5.18	13.80%
Rajesh Pitty	2.68	7.14%	2.30	6.13%
Arihants Securities Limited	2.69	7.18%	2.69	7.18%
	<b>11.24</b>	<b>29.97</b>	<b>10.17</b>	<b>27.12%</b>

**14. Other Equity****(Rs in Lakhs)**

Particulars	31 March 2019	31 March 2018
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	228.2	143.4
Add: Profit for the year	79.2	84.8
<b>Balance at the end of the year</b>	<b>307.4</b>	<b>228.2</b>
<b>Other comprehensive income</b>		
Balance at the beginning of the year	14.3	44.4
Changes during the year	(0.26)	(30.1)
<b>Balance at the end of the year</b>	<b>14.0</b>	<b>14.3</b>
	<b>321.4</b>	<b>242.5</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. Provisions**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Provisions for employee benefits</b>		
- Gratuity	30.41	26.76
Other provisions		
	<b>30.41</b>	<b>26.76</b>

**16. Other financial liabilities**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
Other Payables	24.11	30.66
Advance from customers	-	1.32
	<b>24.11</b>	<b>31.99</b>

Refer note 30 for disclosure of transactions with related parties.

**17. Provisions**

(Rs in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>Provision for Income Tax</b>	<b>31.62</b>	<b>4.66</b>
<b>Provision for Gratuity</b>	<b>3.02</b>	<b>2.81</b>
<b>Other Provisions</b>	<b>0.11</b>	<b>3.65</b>
	<b>34.74</b>	<b>11.12</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**18. Revenue from operations**

(Rs in Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products	2,267.04	2,039.38
	<b>2,267.04</b>	<b>2,039.38</b>

**19. Other income**

(Rs in Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest Income	6.78	7.97
Dividend Income	0.42	0.42
Discounts/Writtenoffs	-	(0.01)
Profit on sale of shares	2.58	28.33
Profit on sale of Asset	-	2.05
	<b>9.79</b>	<b>38.76</b>

**20. Changes in inventories of Finished goods, WIP and stock-in-Trade**

(Rs in Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock	256.68	203.74
Closing stock	355.79	256.68
	<b>(99.10)</b>	<b>(52.95)</b>

**21. Employee benefits expense**

(Rs in Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages, Others	47.63	42.67
Contribution to ESI & Other Funds	3.81	1.20
Staff welfare expenses	1.05	0.58
Managerial Remuneration	36.00	36.00
Provision for gratuity	3.78	16.48
	<b>92.27</b>	<b>96.95</b>

**22. Other expenses****(Rs in Lakhs)**

	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
(a) Power & Fuel	3.73	1.11
(b) Rent	14.40	14.40
(c) Repairs to Building	0.34	1.26
(d) Repairs to Machinery & Vehicles	0.89	1.02
(e) Insurance	0.71	0.76
(f) Rates & Taxes	1.03	0.52
(g) Other Expenses		
1. Job work charges	540.72	457.87
2. Misc Expenditue	6.37	6.37
3. Packing Material	10.04	9.21
4. Postage, Telegrams & Telephone	0.39	0.57
5. Sales Commission	23.73	20.79
6. Traveling & Conveyance	0.21	3.01
7. Professional Fees	2.28	0.42
8. Bad debts	3.24	1.32
9. Other Misc Expenses	10.09	8.58
(h) Audit Fee	2.00	1.48
(i) Prior period items (Income Tax)	-	-
(j) Assets Written off	-	-
	<b>620.15</b>	<b>528.69</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**23. Capital management**

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

**The Company's adjusted net debt to equity ratio at 31 March 2019 was as follows:**

(Rs in Lakhs)

	31 March 2019	31 March 2018
Total liabilities	137.03	103.51
Less: cash and cash equivalents	(145.99)	(132.53)
<b>Adjusted net debt</b>	<b>(8.96)</b>	<b>(29.02)</b>
Total equity	696.46	617.58
Adjustments	-	-
<b>Adjusted equity</b>	<b>696.46</b>	<b>617.58</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.01)</b>	<b>(0.05)</b>

**24. Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(Rs in Lakhs)

	31 March 2019	31 March 2018
i. Profit (loss) attributable to equity shareholders(basic)	79.16	84.80
ii. Weighted average number of equity shares (basic)	37.50	37.50
<b>Basic EPS</b>	<b>2.11</b>	<b>2.26</b>

The Company does not have any potentially dilutive equity shares outstanding during the year.

**25. Assets and liabilities relating to employee benefits**

For details about the related employee benefit expenses, see Note 21

The Company operates the following post-employment defined benefit plan:

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972 (Plan A). Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

**A. Funding**

The Company expects to pay INR 3.02 Lakhs in contributions to its defined benefit plans in 2019-20.

**B. Reconciliation of the net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

**Plan A**

Reconciliation of present value of defined benefit obligation for Gratuity

(Rs in Lakhs)

	31 March 2019	31 March 2018
Balance at the beginning of the year	29.57	13.09
Benefits paid	-	-
Current service cost	1.67	16.48
Interest cost	2.11	-
Past service cost	-	-
Actuarial (gains) losses recognised in other comprehensive income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(0.28)	-
- experience adjustments	0.35	-
<b>Balance at the end of the year</b>	<b>33.43</b>	<b>29.57</b>

**C. Expense recognised in profit or loss****Plan A**

(Rs in Lakhs)

	31 March 2019	31 March 2018
Current service cost	1.67	16.48
Interest cost	2.11	-
Past service gain	-	-
	<b>3.78</b>	<b>16.48</b>

**Remeasurements recognised in other comprehensive income**

(Rs in Lakhs)

	31 March 2019	31 March 2018
Actuarial (gain) loss on defined benefit obligation	0.07	-
	<b>0.07</b>	-

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**26. Financial instruments - Fair values and risk management**

## A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2019

(Rs in Lakhs)

	Note	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
<b>Financial assets measured at fair value</b>		-	-	-
		-	-	-
<b>Financial assets not measured at fair value</b>				
Loans to related party		-	-	-
Cash and cash equivalents		145.99	-	145.99
Other financial assets		-	-	-
		<b>145.99</b>	-	<b>145.99</b>
<b>Financial liabilities not measured at fair value</b>				
Secured bank loans		-	-	-
Loans from related parties		-	-	-
Trade payables		-	47.76	47.76
Security deposits received		-	-	-
		-	<b>47.76</b>	<b>47.76</b>

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements are given.

31 March 2018

(Rs in Lakhs)

	Note	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
<b>Financial assets measured at fair value</b>		-	-	-
		-	-	-
<b>Financial assets not measured at fair value</b>				
Loans to related party		-	-	-
Cash and cash equivalents		132.53	-	132.53
Other financial assets		-	-	-
		<b>132.53</b>	-	<b>132.53</b>
<b>Financial liabilities not measured at fair value</b>				
Secured bank loans		-	-	-
Loans from related parties		-	-	-
Trade payables		-	33.65	33.65
Security deposits received		-	-	-
		-	<b>33.65</b>	<b>33.65</b>

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements are given.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**27. Financial instruments - Fair values and risk management**

**B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) liquidity risk
- c) 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 policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**a) 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; loans and investments in debt securities

The carrying amounts of financial assets represent the maximum credit risk exposure.

**Trade receivables and loans**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

**Cash and cash equivalents**

The Company holds cash and cash equivalents of INR 145.99 Lakhs at 31 March 2019 (31 March 2018: INR 132.53 Lakhs). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**b) 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, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

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

**31 March 2019**

**(Rs in Lakhs)**

	Note	Other financial assets amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets measured at fair value		-	-	-
		-	-	-
<b>Financial assets not measured at fair value</b>				
Loans to related party		-	-	-
Cash and cash equivalents		145.99	-	145.99
Other financial assets		-	-	-
		<b>145.99</b>	-	<b>145.99</b>
<b>Financial liabilities not measured at fair value</b>				
Secured bank loans		-	-	-
Loans from related parties		-	-	-
Trade payables		-	47.76	47.76
Security deposits received		-	-	-
		-	<b>47.76</b>	<b>47.76</b>

**31 March 2018**

**(Rs in Lakhs)**

	Carrying Amount	Contractual Cashflows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities							
Secured bank loans	-	-	-	-	-	-	-
Unsecured loan from related party	-	-	-	-	-	-	-
Trade payables	33.65	33.65	33.65	-	-	-	-
Other financial liabilities	31.99	31.99	31.99	-	-	-	-
	<b>65.63</b>	<b>65.63</b>	<b>65.63</b>	-	-	-	-

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**c) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Interest rate risk**

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate instruments.

**Exposure to interest rate risk**

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

	(Rs in Lakhs)	
	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	33.46	31.60
Financial liabilities	-	-
	33.46	31.60

*Fair value sensitivity analysis for fixed-rate instruments*

A reasonably possible increase/decrease of 100 basis points in interest rates at the reporting date would not have any significant impact. This analysis assumes that all other variables remains constant.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

## 28 Related parties

## A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	Sandeep Peeti	Managing Director
2	Rajesh Pitty	Executive Director
3	Nisha Peeti	Relative of Director
4	Sonika Peeti	Relative of Director

## B. Transactions with related parties during the year ended

(Rs in Lakhs)

S.No.	Name of the related party	Nature of transactions	31 March 2019	31 March 2018
1	Sandeep Peeti	Salary - Managing Director	18.00	18.00
2	Rajesh Pitty	Salary - Managing Director	18.00	18.00
3	Nisha Peeti	Rent	7.20	7.20
4	Sonika Peeti	Rent	7.20	7.20

## C. Balances outstanding

(Rs in Lakhs)

S. No.	Name of the related party	Nature of transactions	31 March 2019	31 March 2018
1	Sandeep Peeti	Salary - Managing Director	-	3.83
2	Rajesh Pitty	Salary - Managing Director	-	0.41
3	Nisha Peeti	Rent	-	1.54
4	Sonika Peeti	Rent	-	0.22

The notes 1 to 28 are an integral part of the financial statements.

For **MKPS & Associates**  
Chartered Accountants  
Firm Registration No. 302014E

For and on behalf of the Board  
PEETI SECURITIES LIMITED

Sd/-  
**S.Modi**  
Partner  
M. No. : 051361

Sd/-  
**Sandeep Peeti**  
Managing Director  
DIN : 00751377

Sd/-  
**Rajesh Pitty**  
Executive Director & CFO  
DIN : 00488722

Sd/-  
**Venkatesh Achanta**  
Company secretary

Place: Hyderabad  
Date: 28.05.2019

**E-VOTING****Process and manner for members opting for e-voting are as under:**

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on Friday 27th September, 2019 at 09.00 Hrs and ends on , Sunday 29th September, 2019 at 17.00 Hrs. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab. Now, select the "PEETI SECURITIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.

The Company has appointed Mr. Anand Kumar C Kasat, Practicing Company secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting