

# TINNA RUBBER AND INFRASTRUCTURE LIMITED



**32**<sup>ND</sup>  
ANNUAL REPORT  
**2018-19**



## **Shri Nitin Gadkari**

(Hon'ble Minister of Road Transport and Highways)

*“Efforts should be made to convert waste into wealth”. Waste in India is a huge problem but this can be solved through a holistic policy taking into confidence various related ministries like Highways, Urban Development and Agriculture.*

*“The department of Roads has made the use of 10 per cent plastic or rubber in bitumen roads mandatory.”*



## **Ms. Nirmala Sitharaman**

(Hon'ble Finance Minister)

*“Building physical and social infrastructure and pollution free India with green mother earth and blue skies.”*

*“Committed to the agenda of sustainable development, 30,000 kms of PMGSY roads have been built using Green Technology, Waste Plastic and Cold Mix Technology, thereby reducing carbon footprint. With the changing economic scenario, it is important to upgrade roads connecting villages to rural markets.”*



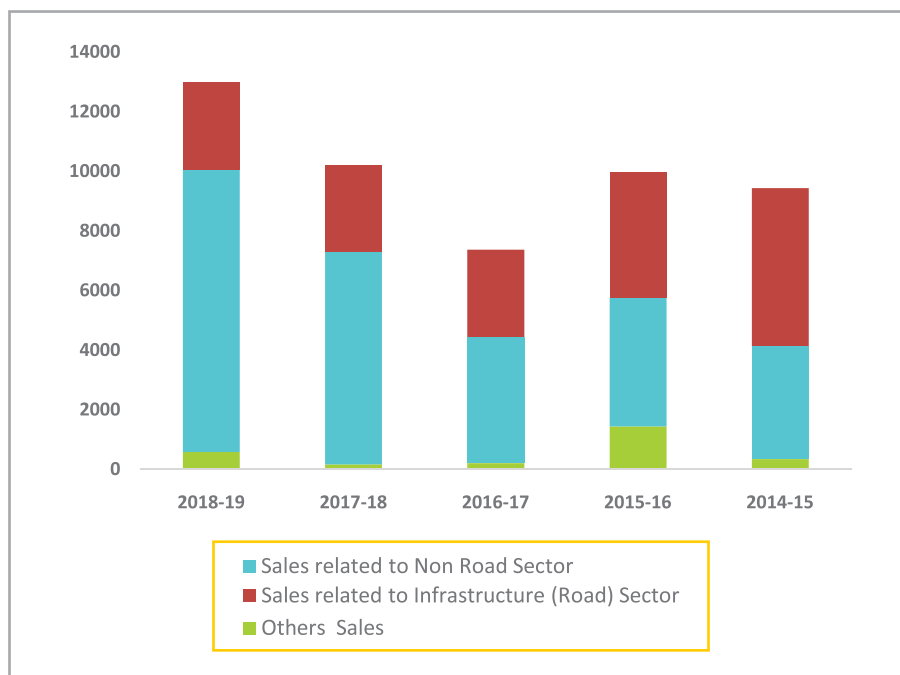
**GLIMPSE OF TYRE  
TECHNOLOGY  
EXPO**  
IRE RUBBER EXPO  
HANNOVER GERMANY



## PRODUCT WISE SALES AT A GLANCE

(₹ in lakhs)

Sales related to Infrastructure (Road) Sector	2018-19	2017-18	2016-17	2015-16	2014-15
Crumb Rubber Modifier	1,583.19	2099.86	1,864.43	3,173.48	3,364.23
Modified Bitumen	0.32	-	405.32	251.29	828.45
Emulsion	1,070.40	382.94	423.52	607.09	907.87
Job work Charges / Service Income	268.66	424.52	251.57	174.23	219.81
	<b>2,922.58</b>	<b>2,907.32</b>	<b>2,944.84</b>	<b>4,206.09</b>	<b>5,320.36</b>
	<b>22.53%</b>	<b>28.46%</b>	<b>39.97%</b>	<b>42.26%</b>	<b>56.41%</b>
<b>Sales related to non Road Sector</b>					
Crumb Rubber	2,961.01	2,565.88	1,845.17	2,585.60	2,498.37
Steel Scrap	1,547.25	845.06	499.59	1,351.80	1,163.78
Steel Abrasives	1,426.19	1,205.49	1,009.92	282.58	98.75
Reclaim Rubber	3,533.52	2,534.63	862.13	89.18	7.32
	<b>9,467.97</b>	<b>7,151.06</b>	<b>4,216.81</b>	<b>4,309.16</b>	<b>3,768.22</b>
	<b>72.99%</b>	<b>69.99%</b>	<b>57.23%</b>	<b>43.29%</b>	<b>39.95%</b>
<b>Others Sales</b>	580.43	158.60	206.00	1,438.36	343.77
	<b>4.47%</b>	<b>1.55%</b>	<b>2.80%</b>	<b>14.45%</b>	<b>3.64%</b>
<b>Total</b>	<b>12,970.99</b>	<b>10,216.98</b>	<b>7,367.65</b>	<b>9,953.61</b>	<b>9,432.35</b>



30% Growth in Sales compared to last year

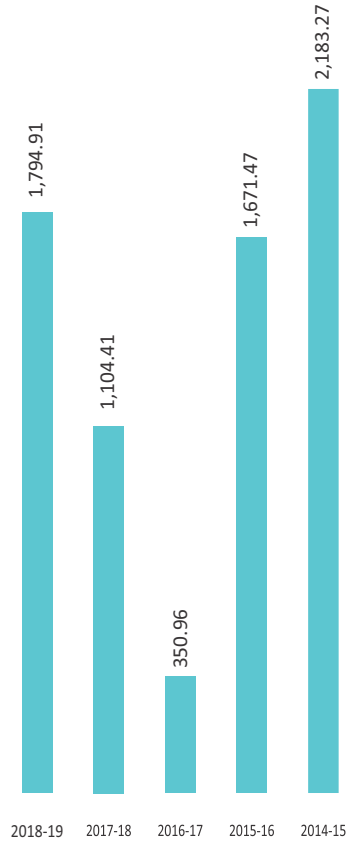


**Net Sales - Road Sector**

**Net Sales - Non Road Sector**

(₹ in lakhs)

Growth of 32% in Sales from Non Road Sector compared to F.Y. 2017-18

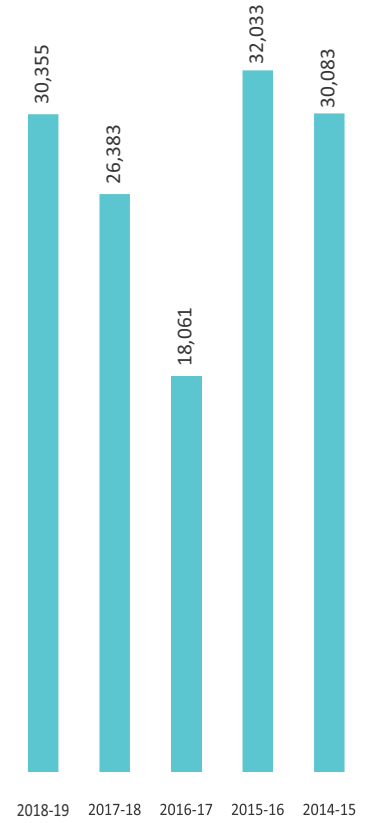


**EBITDA**

(₹ in lakhs)

Growth in EBITDA by 60.52% as Compared to F.Y. 2017-18

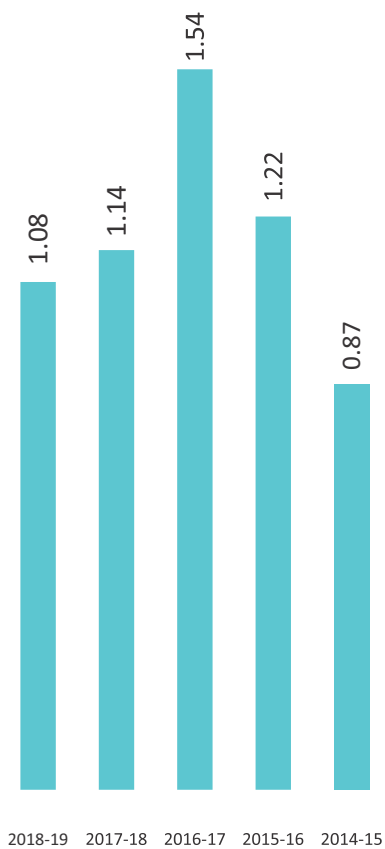
Highest EBITDA achieved in Compared to last 3 Years



**Waste Tyres Crushed**

(Qty. in MT)

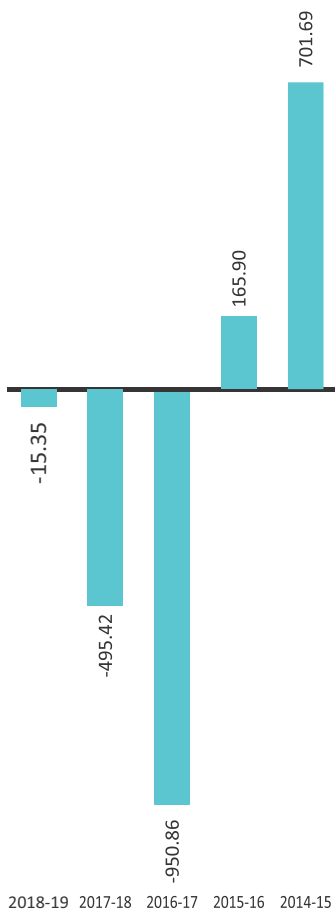
Registered Growth of 15% in Tyres Crushed between F.Y. 2017-18 & 2018-19, improving capacity utilization



**Total Debt/Equity Ratio**

( - )

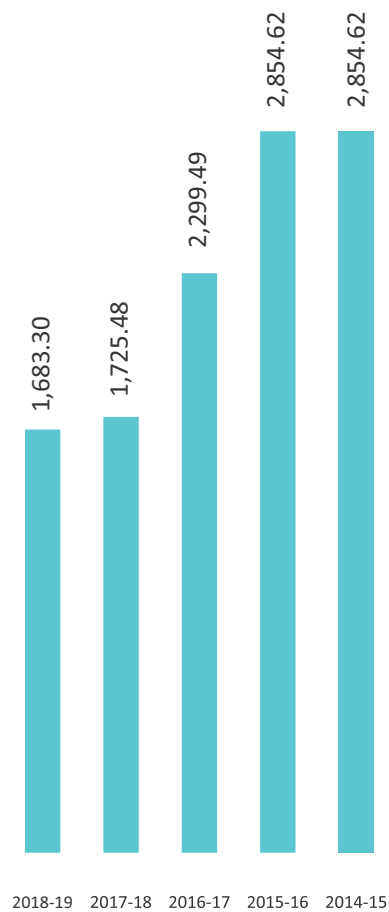
Steady Improvement in Debt Equity Ratio since F.Y. 2016-17



**PAT**

(₹ in lakhs)

Improvement in Profitability compared to F.Y. 2017-18



**Non Core Assets**

(₹ in lakhs)

Increased focus on Core Business Activities, Steady Reduction in Non - Core Assets since 2015-16

# Chairman's Message



Dear Stakeholders,

It is my privilege to write to you and present the annual report for the financial year 2018-19. The year 2018 has been a very exciting year with some significant milestones for our Business. We wish to inform you that during the year your company has achieved a 29% growth in revenue and a 61% growth EBITDA.

## **The Period under review**

The FY 2018-19, Your Company focused on reducing debt burden and this is reflected in favorable Debt/ equity ratio of Company. During the year your company made a significant improvement in the marketing of its products to the Non Road sector as well as in Road Sector and achieved higher growth in sales. Encouraged by positive response from its customers your company has set up new reclaim rubber plant at our Chennai location. A new Finance Budget has been presented with a vision for India to become a \$5 trillion economy by 2025. During the budget speech of the Honorable Finance Minister for 2019-20, The FM made a specific mention about building physical and social infrastructure and pollution free India “with green mother earth and blue skies.” There have been substantial allocations made, especially in Infrastructure, which should help the Road Construction Industry which should augur well for us as we expect higher sales of our products to the Road sector

Tinna has been a part of the societal, economic and other changes, the Country has witnessed. Your Company is the only company in India which is fully integrated in sourcing of waste/ELT tyres processing & manufacturing value added products from Rubber and Steel and the only manufacturer in India, possibly in the world to make Micronised Rubber Powder as fine as 120 mesh in ambient conditions. Your Company has also commenced production of Coated Rubber Crumb at Panipat Plant. This is a highly specialised product using a proprietary chemical compound that can be used in making rubber compounds economically without compromising on the properties.

The Company has stabilized its steel wire processing plant to make value added Hi Carbon Steel Abrasives from the scrap wire segregated from end of life (waste) tyres. These are extensively used for shot blasting, shot peening and other surface treatment applications. The most notable accomplishment, is our ability to successfully diversify the Company's revenue verticals and as a result, reducing the Company's dependency on the road and infrastructure sector. In earlier years Crumb Rubber Modifier (CRM) and other road related products having application in the infrastructure sector has been the mainstay of the Company's sales mix. The management consciously decided to reduce its dependence on this sector. During the financial year 2018-19, the contribution of non-road sector rose to approximately 77% compared to 23% in the financial year 2013-14 This was



achieved by management vision, extensive research & development and qualitative improvements to Crumb Rubber and commencement of manufacturing of Hi carbon steel abrasives & Hi Tensile Reclaim Rubber.

During the year, your Company participated in the largest Rubber Fair in India as co-sponsor to the event and also exhibited in World's biggest tyre Technology show in Hannover in Germany. Your Company's efforts have resulted in successful execution of export contract for supply of products to Thailand, Turkey and Sri Lanka. We expect to see rise in Company's Export during the year 2019-20 and your Company is exploring opportunity for export in USA, Brazil, and Russia and European market. Further, globally demand for REACH (Registration, Evaluation, Authorisation and Restrictions of Chemicals) compliant products is increasing, we are well placed to benefit from it. Further efforts are being made to improve the exports business and increase our market share.

### Indian and Global Economy

The Global Trade growth has been sluggish from the past couple of years, mainly due to slow and uneven economic recovery in major developed economies and moderate growth in developing economies. The GDP growth for the fiscal year 2018-19 is at a 6.9% in the current fiscal, ,mainly due to the poor performance of agriculture and manufacturing sector, as against 7.1% in the last fiscal.

However according to World bank's Report, India's GDP growth is expected to grow moderately to 7.50 % during Financial Year 2019-2020 and your Company strongly believes that the continued investment in infrastructure development , improved export performance and strong domestic demand will fuel the growth of the India economy further and surpass the projected GDP growth.

During last year, Natural rubber consumption increased to 1,211,940 tonnes in 2018-19 from 1,112,210 tonnes in 2017-18.Import of Natural Rubber touched an all-time high of 582,381 tonnes in 2018-19, an increase of 24 percent as compared to 2017-18. Rubber Board projects a 10 per cent rise in natural rubber production in the country at 750,000 tonnes in 2019-20 as against 648,000 tonnes in the previous fiscal. Tinna is a leading manufacturer of Crumb Rubber Powder and Reclaim Rubber which to an extent acts as a substitute to Natural Rubber. Higher consumption of natural rubber shows the favourable potential of demand for recycled rubber materials which is a very positive sign for our business.

### Value added Stakeholders

I am delighted to inform you that our esteemed list of customers include leaders in tyre industry, where there is two to three years process to commence commercial supplies. This creates a time based entry barrier for others. **Our fine grade high quality crumb rubber as well as High Tensile Reclaim Rubber is being supplied to prestigious customers like SEMPERTRANS, MRF, APOLLO, TVS Srichakra, CEAT, JK TYRES amongst others.** The auto components industry is also bound to grow as India consolidates its position as a manufacturing hub. This will result in higher demand for steel abrasives.

### Looking Forward:

We look forward to having an improved performance from the later part of year 2019-20. During the year 2019-2020 Your Company will focus on Branding including on creating brand presence in the B2B space. I wish to highlight that Exports and branding will be a key focus of Management in the Current Year. This will be the year to exploit benefits from economics of scale and establish a formidable presence in the market for recycled rubber products in the non-road sector. Over the last couple of years, we have made substantive investments to mitigate risks associated with our business and have laid the foundation for solid growth.

The year 2018-19 brings some favorable outcome as expected in road sector due to implementation of some government policies and this has been reflected in our revenues from Road Sector and we hope that during the year 2019-20, Various initiative and new reforms of government is going to be implemented as envisaged in budget speech by Hon'ble Finance Minister . Your company also introduced new technologies and two specialized grades of Emulsion such as Micro Surfacing, Recycling grades Emulsion and Eco-Friendly cold mix emulsion for rural road and we hope that Your Company will witness accelerate growth from road sector. We believe a new policy is in the works which will mandate use of Modified Bitumen in making new roads. This will create accelerated demand for our product Modified Bitumen.

The Company has articulated its ambition in its Vision and Mission statements, which I would look to share with you:

- **Our Vision is 'To continuously innovate and apply environment friendly technologies for conversion of waste into value added products with the aim to maximize stakeholder value.'**
- **Our Mission is 'To become the largest fully integrated waste tyre recycling company in India and amongst the top 10 in the World by 2020'.**

I am aware that it has not been an easy journey and I would like to thank our employees, management team, customers, suppliers and all other stakeholders for their hard work and commitment at this important time of the company's journey.

I would also like to thank you for your continued trust, confidence and support as we turn this business around and deliver the results that we all look forward to.

**CHAIRMAN**

Place: New Delhi  
Date: 10<sup>th</sup> August, 2019

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS:</b>	<b>Mr. Bhupinder Kumar Sekhri</b> <b>Mr. Gaurav Sekhri#</b> <b>Mr. Nirmal Jyoti Chatterjee*</b> <b>Mr. Vivek Kohli</b> <b>Mr. Ashish Madan</b> <b>Mr. Ashok Kumar Sood</b> <b>Mr. Rajender Parshad Indoria</b> <b>Mrs. Promila Kumar</b>	Managing Director Director Whole Time Director Independent Director Independent Director Independent Director Independent Director Women Director (Non-Independent)
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#Mr. Gaurav Sekhri appointed w.e.f. 3rd October, 2018, \*Mr. Nirmal Jyoti Chatterjee appointed w.e.f. 11th January, 2019.

<b>CORPORATE IDENTITY NUMBER:</b>	L51909DL1987PLC027186
<b>REGISTERED OFFICE:</b>	Tinna House, No. 6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030.
<b>STATUTORY AUDITORS:</b>	M/S V.R. Bansal & Associates, Chartered Accountants, New Delhi.
<b>BANKERS:</b>	Syndicate Bank, Vasant Vihar, New Delhi.
<b>CHIEF FINANCIAL OFFICER: COMPANY SECRETARY &amp; COMPLIANCE OFFICER: REGISTRAR &amp; SHARE TRANSFER AGENT:</b>	Mr. Ravindra Chabbra Mr. Vaibhav Pandey M/S Alankit Assignments Limited 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055.
<b>E-MAIL &amp; WEBSITE:</b>	investor@tinna.in, www.tinna.in

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**NOTICE**

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Tinna Rubber and Infrastructure Limited (CIN: L51909DL1987PLC027186) will be held on **Friday, the 6<sup>th</sup> September, 2019 at 12.00 p.m. at A-35 Chattarpur Central Village Satbari, Chattarpur New Delhi –110074** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the Financial Year ended 31<sup>st</sup> March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Promila Kumar (DIN 07998889), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
3. To consider Ratification of Appointment of the Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and the resolution passed by the shareholders in the 29<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016, appointing the Statutory Auditors named herein, from the conclusion of that meeting till the conclusion of the 34<sup>th</sup> Annual General Meeting, the appointment of M/s. V. R. Bansal & Associates, Chartered Accountants, New Delhi (ICAI Registration No. 016534N), as Statutory Auditors of the Company, who being eligible have offered themselves for ratification of their appointment, be and is hereby ratified to hold office from the conclusion of this annual general meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and

Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Pant S. & Associates (Firm Registration Number No. 101402), Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year 2019-20, be paid a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, as approved by the Board of Directors of the Company, be and is hereby ratified/confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Gaurav Sekhri (DIN00090676) who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Director of the Company and will be liable to retire by rotation .”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Vivek Kohli (DIN: 00418014), who was appointed as an Independent Director and who holds office as an Independent Director up to 31<sup>st</sup> March, 2019 and

in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e., up to 31<sup>st</sup> March, 2024;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7 To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Ashish Madan (DIN: 00108676), who was appointed as an Independent Director and who holds office as an Independent Director up to 31<sup>st</sup> March, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e., up to 31<sup>st</sup> March, 2024;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 152,161(1) , section 196 and applicable rules of the Companies (Appointment and Qualification of Directors) Rules , 2014 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), & as approved/ recommended by the Nomination and Remuneration Committee, Consent of Members be and is hereby accorded to Re-appoint Mr. Bhupinder Kumar Sekhri (DIN-00087088), who has given

consent to be appointed as Managing Director of the company with effect from 1<sup>st</sup> April , 2019 for a period of 3 years from the date of his Appointment and shall be liable to retire by rotation.

“**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Bhupinder Kumar Sekhri shall be given/ entitled to remuneration with of Rs. **84,00,000/-** (Rupees Eighty Four Lakhs ) Per Annum or such other amount as permissible in terms of Part-II of Section II of Schedule- V of the Companies Act, 2013 in case of inadequate profit or no profit during his tenure.

“**RESOLVED FURTHER THAT** Mr. Bhupinder Kumar Sekhri, Managing Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as may be available to any other Senior Executives of the Company.”

“**RESOLVED FURTHER THAT** the terms and conditions of the appointment/ remuneration may be altered and varied so as not to exceed the limits specified herein above or in terms of Schedule V of the Companies Act, 2013 or any amendments hereto and as may be agreed to between the Board of Directors and Mr. Bhupinder Kumar Sekhri.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof for the time being in force), , approval of members of the Company be and is hereby accorded for giving guarantee(s)/providing Securit (ies) to Syndicate Bank, in connection with loan facility/Bank Guarantee being availed by Fratelli Wines Private Limited ,being entity covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to sub section 2 of the said Section, of an aggregate amount not exceeding 4.90 Crores (Rupees Four Crores and Ninety lakhs only)”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee thereof) be and is hereby authorized and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152,161(1) , section 196 and applicable rules of the Companies (Appointment and Qualification of Directors) Rules , 2014 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), & as approved/ recommended by the Nomination and Remuneration Committee, Consent of Members be and is hereby accorded to confirm the appointment of Mr. NirmalJyoti Chatterjee (DIN-08321513), who was appointed as an Additional Director & designated as Whole Time Director with effect from 11th January , 2019 & who has further given his consent to be appointed as Director of the company and be Designated as Whole time Director and shall hold office for a period of 3 years from the date of his Appointment and shall be liable to retire by rotation.

**“RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nirmal Jyoti Chatterjee shall be given/ entitled to

remuneration with of Rs. 1,03,500/- (Rupees One Lakh Three Thousands and Five Hundred ) per month or such other amount as permissible in terms of Part-II of Section II of Schedule- V of the Companies Act, 2013 in case of inadequate profit or no profit during his tenure

**“RESOLVED FURTHER THAT** Mr. NirmalJyoti Chatterjee, Whole-time Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as may be available to any other Senior Executives of the Company.”

**“RESOLVED FURTHER THAT** the terms and conditions of the appointment/ remuneration may be altered and varied so as not to exceed the limits specified herein above or in terms of Schedule V of the Companies Act, 2013 or any amendments hereto and as may be agreed to between the Board of Directors and Mr. NirmalJyoti Chatterjee .”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors  
For Tinna Rubber and Infrastructure Limited**

**Place: New Delhi  
Date: 10<sup>th</sup>August, 2019**

**Vaibhav Pandey  
Company Secretary  
Membership No. A-53653  
Regd. Office Address:  
Tinna House, No. 6,Sultanpur,  
Mandi Road, Mehrauli,  
New Delhi-110030**

## NOTES

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 4 to 10, set out above and also the details in respect of Director proposed to be Appointed/re-appointed at the Annual General Meeting, are annexed hereto.

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

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

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

3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 29<sup>th</sup> August, 2019 to Friday, 6<sup>th</sup> September, 2019 (both days inclusive), in connection with the 32<sup>nd</sup> Annual General Meeting of the Company.

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

5. Electronic copy of the full version of the Annual Report for the year 2018-19 and the Notice of the 32<sup>nd</sup> AGM are being sent to all the members, whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report, are being sent through permitted mode. These members are requested to register their e-mail ids with DP/Registrar and receive the Annual Report and other communications in electronic form, to contribute their mite to green initiative.

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

7. Brief resume of the Director proposed to be Appointed / Re-Appointed name and nature of their expertise in specific functional areas and other required information is provided in the Statement attached hereto and forming part of this Notice of the Annual General Meeting. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company recommend their re-Appointment/Re-Appointment.

Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.

Mrs Promila Kumar is interested in the Ordinary Resolution, set out at Item Nos. 2, of the Notice with regard to her re-appointment and Mr. Gaurav Sekhri and Mr. Bhupinder Kumar Sekhri is interested in the Ordinary Resolution set out at Item No 5 and Item No. 8, of the Notice with regard to their re-appointment and being a relative a Mr. Gaurav Sekhri. Mr. Nirmal Jyoti Chatterjee interested in Item No. 10 of the Notice with regard to his Appointment as Whole Time Director.

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

9. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Shareholders holding shares in physical form may file nomination in the prescribed SH-13 form with the Company's Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant.
10. The Company is providing facility for voting by electronic means. The business set out in the Notice can be transacted through such voting. The facility for voting through polling paper would also be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-voting shall be able to vote at the Meeting.
11. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
12. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Registrar and Share Transfer Agent of the Company - M/s Alankit Assignments Ltd. a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
13. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at Tinna House, No. 6 Sultanpur, Mandi Road, Mehrauli, New Delhi – 110030 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
14. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.
15. **Securities and Exchange Board of India (“SEBI”) has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company/RTA has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.**
16. Members holding shares in physical mode are:
  - a) required to submit their Permanent Account Number (PAN) and bank account details to the Company / Alankit ,if not registered with the Company, as mandated by SEBI.
  - b) advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link [www.tinna.in](http://www.tinna.in)
  - c) **requested to register / update their e-mail address with the Company / RTA for receiving all communications from the Company electronically.**
17. Members holding shares in electronic mode are:
  - a) requested to submit their PAN and bank account details to their respective Depository Participants (“DPs”) with whom they are maintaining their demat accounts.
  - b) advised to contact their respective DPs for registering nomination.
  - c) **requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.**
18. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 2<sup>nd</sup> September, 2019 (10:00 am) and ends on 5<sup>th</sup> September, 2019 (5:00 pm). During this period

members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30<sup>th</sup> August, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder –Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select “EVEN” of “Tinna Rubber And Infrastructure Ltd. (formerly known as Tinna Overseas Ltd.)”.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

(x) Upon confirmation, the message “Vote cast successfully” will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals,

HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [baroota@rediffmail.com](mailto:baroota@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

(i) Initial password [**EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN**] is provided with the Annual Report.

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

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

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

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

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30<sup>th</sup> August, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rta@alankit.com](mailto:rta@alankit.com)

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

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



- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Ajay Baroota, (Membership no. 3495 CP no. 3945), Prop. Ajay Baroota & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the

conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.tinna.in](http://www.tinna.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**By Order of the Board of Directors  
For Tinna Rubber and Infrastructure Limited**

**Place: New Delhi  
Date: 10<sup>th</sup> August, 2019**

**Vaibhav Pandey  
Company Secretary  
Membership No. A-53653  
Regd. Office Address:  
Tinna House, No. 6, Sultanpur,  
Mandi Road, Mehrauli,  
New Delhi-110030**

**ANNEXURE TO NOTICE  
STATEMENT PURSUANT TO SECTION 102(1) OF  
THE COMPANIES ACT, 2013:**

The statement pursuant to Section 102(1) of the Companies Act, 2013 for Item Nos. 4 to 10 of the accompanying notice is as under:

**Item No. 4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has considered and approved the appointment of M/s Pant S. & Associates (Firm Registration Number No. 101402), Cost Auditors of the Company for the financial year 2019-20 at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company.

The Resolution as at Item No. 4 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in this resolution.

Your Directors recommend the resolution as at Item No. 4 for your approval.

**Item No. 5**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the company, **Mr. Gaurav Sekhri** as an Additional Director of the Company with effect from 3<sup>rd</sup> October, 2018. In terms of the provisions of Section 161(1) of the Act, **Mr. Gaurav Sekhri** would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of **Mr. Gaurav Sekhri** for the office of Director of the Company. **Mr. Gaurav Sekhri** is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

In the opinion of the Board, **Mr. Gaurav Sekhri** fulfills the conditions for his appointment as Non-Executive Director as specified in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Shri Gaurav Sekhri are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Gaurav Sekhri is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director.

Shri Gaurav Sekhri, Director is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. Relatives of Shri Gaurav Sekhri may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board also commends the Ordinary Resolution set out at item no. 5 of the Notice for approval by the shareholders.

**ITEM NO. 6**

Mr. Vivek Kohli (DIN: **00418014**) was appointed as a Director on the Board of the Company. Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 27<sup>th</sup> Annual General Meeting held on September 29, 2014 approved the appointment of Mr. Vivek Kohli as an Independent Director of the Company for a period of 5 years up to March 31, 2019.

In terms of the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of up to five years, on passing of a special resolution by shareholders. Shri Vivek Kohli is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director.

The Company has also received declaration from Shri Vivek Kohli that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

In the opinion of the Board, Mr. Vivek Kohli fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Vivek Kohli, the Board of Directors at its meeting held on April 1, 2019 approved the continuance of office of Mr. Vivek Kohli as mentioned in the resolution.

The Nomination & Remuneration Committee and the Board evaluated the performance of Mr. Vivek Kohli, rated him satisfactory on all parameters and recommended his re-appointment.

Details of Shri Vivek Kohli are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

The resolution seeks the approval of members for the re-appointment of Mr. Vivek Kohli as an Independent Director of the Company commencing from April 1, 2019 up to March 31, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. Vivek Kohli is appointed as an Independent Director.

Copy of the draft letter for re-appointment of Mr. Vivek Kohli as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Shri Vivek Kohli is interested in the resolution set out at Item No 6 of the Notice with regard to his re-appointment. Relatives of Shri Vivek Kohli may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

## ITEM NO. 7

Mr. Ashish Madan (DIN: 00108676) was appointed as a Director on the Board of the Company. Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 27th Annual General Meeting held on September 29, 2014 approved the appointment of Mr. Ashish Madan as an Independent Director of the Company for a period of 5 years up to March 31, 2019.

In terms of the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of up to five years, on passing of a special resolution by shareholders.

Shri Ashish Madan is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 (“the Act”), and has given his consent to act as a director.

The Company has also received declaration from Shri Ashish Madan that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

In the opinion of the Board, Mr. Ashish Madan fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Ashish Madan, the Board of Directors at its meeting held on April 1, 2019 approved the continuance of office of Ashish Madan as mentioned in the resolution.

The Nomination & Remuneration Committee and the Board evaluated the performance of Shri Ashish Madan, rated him satisfactory on all parameters and recommended his re-appointment.

Details of Shri Ashish Madan are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

The resolution seeks the approval of members for the re-appointment of Shri Ashish Madan as an Independent Director of the Company commencing from April 1, 2019 up to March 31, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. Ashish Madan is appointed as an Independent Director.

Copy of the draft letter for re-appointment of Shri Ashish Madan as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Shri Ashish Madan is interested in the resolution set out at Item No 7 of the Notice with regard to his re-appointment. Relatives of Shri Ashish Madan may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

#### ITEM NO.8:

Shri Bhupinder Kumar Sekhri is the principal promoter of your company. He is a graduate. He is also Director / Chairman of other group companies. He is visionary leader. Under his leadership, the company has achieved enviable growth. He has been the driving force in successful implementation of various initiatives and strategies, which positioned the company to this level. The Nomination & Remuneration Committee has considered and approved the re-appointment / remuneration of Shri Bhupinder Kumar Sekhri and recommended to the Board for approval. Your Directors also consider that his re-appointment as Managing Director shall be of immense help to the company and accordingly proposed for re-appointment/ remuneration as provided in the resolution.

The principal terms of re-appointment/ remuneration of Shri Bhupinder Kumar Sekhri are as under:

1. **Period of Re-appointment:** Three years w.e.f. 01<sup>st</sup> April, 2019.
2. **Remuneration:** Rs. 84,00,000/- per annum (Rs.7,00,000/- per month)
3. **Telephone:** Provision of mobile phone/ telephone at the residence will not be considered as requisite, subject to

the provisions of the Income Tax Rules, but personal long distance calls shall be billed by the company.

4. **Conveyance:** Provision of conveyance for official purpose and the same shall not be considered as requisite as permissible under the Income Tax Act.
5. Shri Bhupinder Kumar Sekhri shall be entitled to other benefits/ perquisites like gas, electricity, water, reimbursement of medical benefits for self & family, LTA for self & family, club fee, personal accident insurance & medi-claim insurance & other benefits in terms of the rules of the Company and these benefits / perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. However, the overall remuneration shall not exceed the limits as stated above.
6. In case there are no profits or profits are inadequate in the company during the currency of the tenure of Shri Bhupinder Kumar Sekhri, then his remuneration shall be governed by Schedule V of the Act as amended from time to time.
7. Shri Bhupinder Kumar Sekhri shall be liable to retire by rotation.
8. Shri Bhupinder Kumar Sekhri shall not be paid sitting fees for attending the meetings of the Board/ Committees thereof.
9. General:
  - (i) The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Managing Director will be under the overall authority of the Board of Directors.
  - (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
  - (iii) The Managing Director shall adhere to the Company's Code of Conduct.
  - (iv) The office of the Managing Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

Save and except as provided in the foregoing paragraph, Shri Bhupinder Kumar Sekhri satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. Shri Bhupinder Kumar Sekhri is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Bhupinder Kumar Sekhri under Section 190 of the Act.

Details of Shri Bhupinder Kumar Sekhri are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and

- (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Shri Bhupinder Kumar Sekhri & Shri Gaurav Sekhri are interested in the resolution set out at Item No. 8 of the Notice.

The relatives of Shri Bhupinder Kumar Sekhri may be deemed to be interested in the resolution set out at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

## ITEM 9

Fratelli Wines Private Limited (the “FWPL”) is a Group Company of Tinna Rubber and Infrastructure Limited wherein Mr. Gaurav Sekhri is Common Director and Shareholder between “FWPL” and Tinna Rubber and Infrastructure Limited.

“FWPL” principal business activities inter alia consists of manufacturing and of Wines in Domestic and International market.

FWPL has requested to the Company to provide guarantee/security to its banker Syndicate Bank Limited in connection with its Bank Guarantee to the tune of Rs, 4.90 Crores (enhancement from Rs,3.60 Crores to Rs, 4.90 Crores) to be utilized for its principal business activities. FWPL is a

Company covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to sub-section 2 of the Section 185 of Companies Act, 2013 and hence consent of the members is sought by way of a special resolution pursuant to Section 185 of the Companies Act, 2013.

Following are the brief particulars of Loan proposed to be availed by FWPL and for which guarantee/security to be given or guarantee to be given/provided by your Company to the FWPL:

Name of the Company	Loan amount for which guarantee/security to be given	Particulars of Corporate Guarantee/security to be provided	Purpose of loan
Fratelli Wines Private Limited	4.90 Crores (Rs)	Aggregate Amount of Corporate Guarantee to be provided for a Non Fund based Guarantee taken by (“FWPL) not exceeding Rs 5 Crores	Procurement of Sales order from Government organization to support its Principal Business Activities.

- (a) a special resolution is passed by the company in general meeting:

Provided that the explanatory statement to the notice for the relevant general meeting shall disclose the full particulars of the loans given, or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security and any other relevant fact; and

- (b) the loans/ Bank guarantee are utilised by the borrowing company for its principal business activities.

Except Mr. Gaurav Sekhri being common Director and Shareholder between FWPL and the Company including relatives of Mr. Gaurav Sekhri to the extent of their shareholding in the Company, if any, none of the other Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution. Further, Except Mr. Gaurav Sekhri none of the Director(s) or any

key managerial personnel of the Company hold any shareholding in their personal capacity in FWPL.

Your Directors recommend the resolution set out at Item no. 9 to be passed as a special resolution by the members.

#### ITEM NO. 10

Mr. Nirmal Jyoti Chatterjee is carrying 27 years of cross-functional experience in Operation, Administration, Quality Control, Finance and Budgeting, Maintenance, and project management. He has spent almost two decades in the rubber industry across disciplines and has gained valuable hands-on experience in building, running and managing recycled rubber plants. He is a keen strategist with strong Communication, Administrative and Management skills.

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the company, **Mr. Nirmal Jyoti Chatterjee** as an Additional Director of the Company with effect from 11<sup>th</sup> January, 2019 and also designated as Whole Time Director. In terms of the provisions of Section 161(1) of the Act, **Mr. Nirmal Jyoti Chatterjee** appointment needs to be confirmed at this Annual General Meeting. The Board recommends for the same.

The Nomination & Remuneration Committee has considered and approved the appointment / remuneration of Shri Nirmal Jyoti Chatterjee and recommended to the Board for approval. Your Directors also consider that his appointment as Whole Time Director shall be of immense help to the company and accordingly proposed for appointment/ remuneration as provided in the resolution.

The principal terms of appointment/ remuneration of Mr. Nirmal Jyoti Chatterjee are as under:

1. **Period of Appointment:** Three years w.e.f. 11<sup>th</sup> January, 2019 to 1<sup>st</sup> January, 2022.
2. **Remuneration:** Rs. 12,42,000/- per annum (Rs.1,03,500- per month)
3. **Telephone:** Provision of mobile phone/ telephone at the residence will not be considered as perquisite, subject to the provisions of the Income Tax Rules, but personal long distance calls shall be billed by the company.
4. **Conveyance:** Provision of conveyance for official purpose and the same shall not be considered as perquisite as permissible under the Income Tax Act.
5. Mr. Nirmal Jyoti Chatterjee shall be entitled to other

benefits/ perquisites like gas, electricity, water, reimbursement of medical benefits for self & family, LTA for self & family, club fee, personal accident insurance & medi-claim insurance & other benefits in terms of the rules of the Company and these benefits / perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. However, the overall remuneration shall not exceed the limits as stated above.

6. In case there are no profits or profits are inadequate in the company during the currency of the tenure of Mr. Nirmal Jyoti Chatterjee, then his remuneration shall be governed by Schedule V of the Act as amended from time to time.
7. Mr. Nirmal Jyoti Chatterjee shall be liable to retire by rotation.
8. Mr. Nirmal Jyoti Chatterjee shall not be paid sitting fees for attending the meetings of the Board/ Committees thereof.
9. General:
  - (i) The Whole Time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board/ Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board/Managing Director and the functions of the Whole Time Director will be under the overall authority of the Board of Directors/Managing Director.
  - (ii) The Whole Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
  - (iii) The Whole Time Director shall adhere to the Company's Code of Conduct.
  - (iv) The office of the Whole Time Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

Save and except as provided in the foregoing paragraph, Shri Nirmal Jyoti Chatterjee satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. Shri Nirmal Jyoti Chatterjee is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director.

The above may be treated as a written memorandum setting out the terms of appointment of Shri NirmalJyoti Chatterjee under Section 190 of the Act.

Details of Shri NirmalJyoti Chatterjee are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and

- (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Shri Nirmal Jyoti Chatterjee is interested in the resolution set out at Item No. 10 of the Notice.

The relatives of Shri Nirmal Jyoti Chatterjee may be deemed to be interested in the resolution set out at Item No. 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

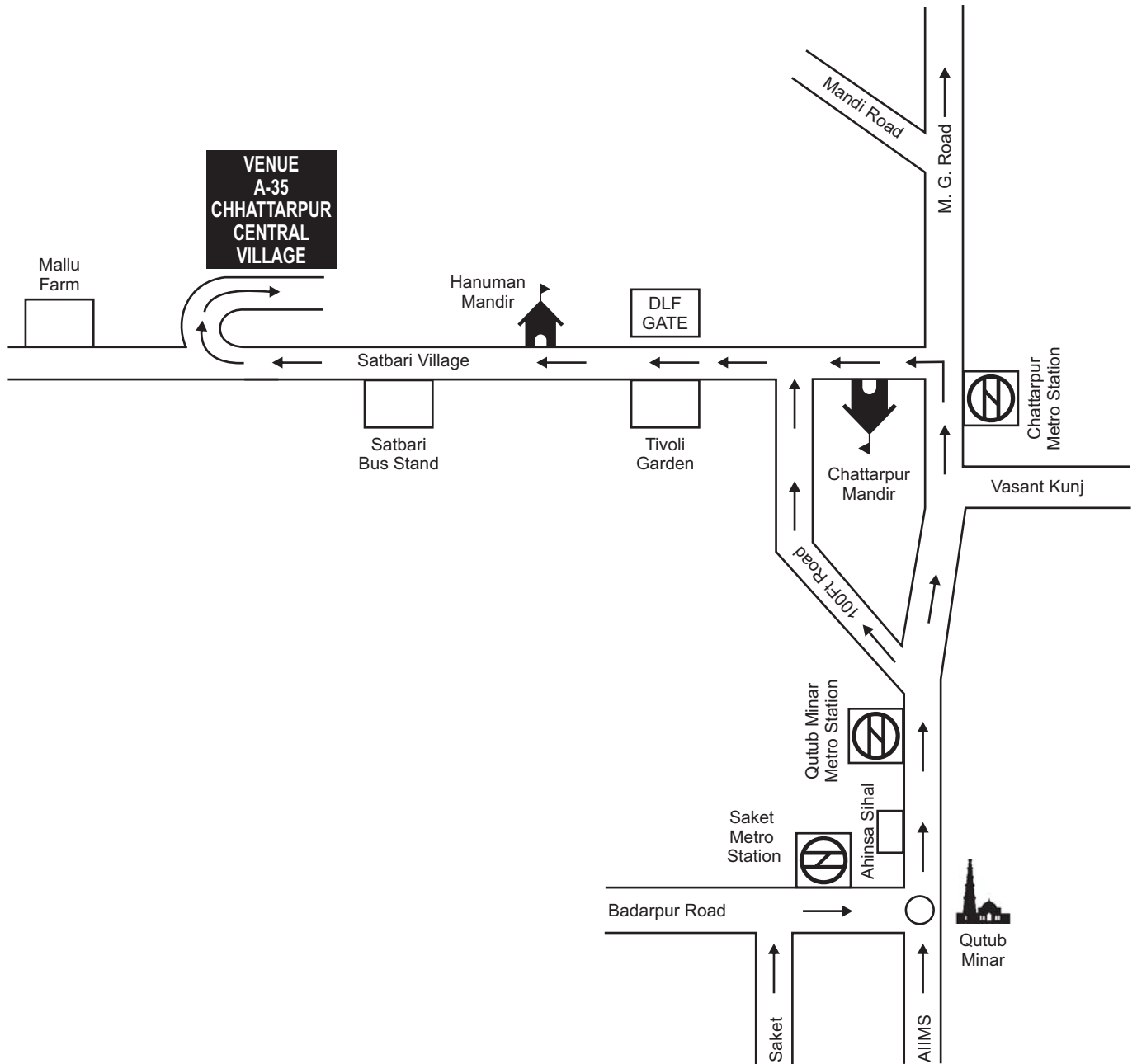
Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the members.

**By Order of the Board of Directors  
For Tinna Rubber and Infrastructure Limited**

**Place: New Delhi  
Date: 10th August, 2019**

**Vaibhav Pandey  
Company Secretary  
Membership No. A-53653  
Regd. Office Address:  
Tinna House, No. 6, Sultanpur,  
Mandi Road, Mehrauli,  
New Delhi-110030**





**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT  
AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Details of Directors Seeking Appointment /retiring by rotation/confirmation for directorship, as required to be provided pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:

<b>Name of the Director</b>	<b>Mrs. Promila Kumar (DIN07998889)</b>	<b>Mr. Gaurav Sekhri</b>	<b>Mr. Ashish Madan</b>	<b>Mr. Vivek Kohli</b>	<b>Mr. Bhupinder Kumar Sekhri</b>	<b>Mr. NirmalJyoti Chatterjee</b>
Age	59 Years	46 Years	50 Years	51 Years	68 Years	49Years
Qualification	B.S.C.	BBA	MSC FINANCE	Bachelor Law	Graduate	B.COM
Expertise in specific functional area	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.
Terms and Conditions of Re-appointment/Appointment	As per the resolution passed by the members of the Company at their meeting held on 28 <sup>th</sup> September, 2018, Mrs. Promila Kumar was appointed as 1 Director of the Company	As per the resolution passed by the Board of Directors of the Company in their meeting held on 3 <sup>rd</sup> October, 2018, Mr. Gaurav Sekhri was appointed as Additional Director (Additional non-executive Director) of the Company	The Board of Directors at their meeting held on 1 <sup>st</sup> April, 2019 Re-Appointed Mr. Ashish Madan as Independent Director for the Period of 5Years i.e 31 <sup>st</sup> March 2024	The Board of Directors at their meeting held on 1 <sup>st</sup> April, 2019 Re-Appointed Mr. Vivek Kohli as Independent Director for the Period of 5Years i.e 31 <sup>st</sup> March 2024	The Board of Directors at their meeting held on 1 <sup>st</sup> April, 2019 Re-Appointed Mr. Bhupinder Kumar Sekhri as Managing Director for the Period of 3Years i.e 31 <sup>st</sup> March 2022	As per the resolution passed by the Board of Directors of the Company in their meeting held on 11 <sup>th</sup> January, 2019 Mr. NirmalJyoti Chatterjee was appointed as Additional Director with the Designation of Whole Time Director of the Company
Remuneration last drawn	-	-	-	-	84.00 Lakhs	2.77 Lakhs
Remuneration proposed to be paid					84.00	12.42 Lakhs

Date of first appointment on the Board	24.11.2017	03.10.2018	29.05.2014	01.04.2014	27.08.1996 & 01.04.2014	11.01.2019
Shareholding in the Company	Nil	66200	Nil	Nil	110287	Nil
Relationship with other Directors/Key Managerial Personnel	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.
Number of meetings of the Board attended during the financial year						
Directorships of other Boards	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.	Please refer to Corporate Governance Report Section, of the Annual Report 2018-19.
Membership/Chairmanship of Committees of other Boards	-	-	-	-	-	-

**DIRECTORS' REPORT**
**To The Members of**
**Tinna Rubber and Infrastructure Limited**

Your Directors take pleasure in presenting the 32nd Annual Report of your Company, together with the Audited Financial Statements for the Financial Year ended March 31, 2019.

**1. FINANCIAL RESULTS**
**(Rs. In lakhs)**

Particulars	F.Y 2018-19	F.Y 2017-18
Revenue from Operations	12970.99	10216.98
Other Income	261.88	126.92
Total Income	13232.87	10343.90
Expenses	11437.96	9225.72
Profit before Interest, depreciation and tax (EBIDTA)	1794.91	1118.18
Less: Interest and finance charges	1031.74	982.04
Profit before Depreciation	763.17	136.14
Less: Depreciation and amortization expenses	728.57	719.29
Profit before Prior period items and tax	34.60	(583.15)
Less: prior Period items	-	-
Profit before tax (PBT)	34.60	(583.15)
Less: Tax Expenses	49.95	(91.28)
Profit after tax (PAT)	(15.35)	(491.87)
Add: Balance brought forward	2937.82	3409.15
Add: Re-measurement gains/Losses on Defined benefit Plan(Net of Tax)	1.59	20.54
Less: Adjustment related to transitional provisions of depreciation	-	-
Surplus available for appropriation	2924.06	2937.82
Appropriations:		
Less: Proposed dividend on equity Shares	-	-
Less: Tax on proposed dividend	-	-
Less: Transferred to general reserve	-	-
Balance carried to Balance Sheet	2924.06	2937.82

**1. FINANCIAL REVIEW AND STATE OF COMPANY'S AFFAIRS**

Main business of the Company is manufacturing of Hi Tensile Ultrafine Reclaim Rubber, Ultrafine Tyre Crumb, Crumb Rubber Modifier (CRM), Modified Bitumen, Bitumen Emulsion, Hi Carbon Steel Abrasives and other allied products.

**(A) STANDALONE RESULTS**

During the Financial Year 2018-19, the revenue from operations for the standalone entity increased to Rs.12970.99 lakhs, as compared to Rs.10216.98 lakhs in the previous Financial Year, showing an increase of 29%. Profit before tax is Rs.34.60 lakhs as compared to Loss before tax Rs.583.15 lakhs in the previous Financial Year. During the year under review there has been substantial increase in profit before tax as compared to previous financial Year. Loss after tax was Rs.15.35 lakhs as compared to Loss after tax Rs.491.87 lakhs in the previous Financial Year.

As per the Qualified opinion of the Statutory Auditors (Auditors) included in their "Report on the Standalone Financial Statements-"

- a) The Company has not provided interest amounting to Rs. 4.04 lakhs for the year ended March 31, 2019 as required under the provisions of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006 in respect of delayed payments to suppliers covered under the said Act. Consequently, the net loss and total comprehensive income for the year ended March 31, 2019 is understated to that extent.
- b) The Company has incurred marketing promotion expenses, and other expenses, amounting to Rs 80.43 lakhs which has been amortized over a period a three years as is more appropriately referred in note no. 33(10) of the accompanying financial statements. The same is not in accordance with provisions of Ind AS 38 "Intangible Assets" (para 69). Consequently, the net loss and total comprehensive income for the year ended 31st March, 2019 is understated by Rs 53.62 lakhs, and other non-current assets and other current assets are overstated by Rs. 26.81 lakhs each.

The Auditors' Report does not contain any qualification, reservation or adverse remark, except the above qualifications. It is clarified that there was delay in payment owing to non – adherence of delivery schedule. The same is being resolved and company has improved the payment. Further the company is part of circular economy where Old Tyre (Waste) is converted into reusable Crumb Rubber and value added products

(Wealth). The Company has first time participated as sponsor in exhibitions in India and abroad to meet reputed customers at one platform and incurred expenses on lab test of product to make it of acceptable standards and other marketing and promotion expenses of these product. Benefits of these expenses would realize in next years as well. Hence company has carried forward 2/3rd of the Expenses to be expensed off in two years equally.

There were no other qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

Further, the above said Report also include that the matter described in the Basis for Qualified opinion paragraph above, in Auditors' opinion, does not have any adverse effect on the functioning of the Company.

The year 2018-19 brings some favorable outcome as expected in road sector and non-road sector due to implementation of some government policies and this has been reflected in our revenues from Road Sector and we hope that in the coming years there have been substantial allocations made, especially in Infrastructure, which should help the Road Construction Industry which should augur well for us as we expect higher sales of our products to the Road sector

## **(B) CONSOLIDATED RESULTS**

The Audited Consolidated Financial Statements together with Auditors Report form part of the Annual Report. The Consolidated net loss after tax was Rs. 3.72 lakhs during the Financial Year 2018-19 as compared to loss after tax Rs. 499.80 lakhs in the previous Financial Year.

In accordance with the Indian Accounting Standards, on Consolidated Financial Statements, and Accounting for Investment in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

In terms of Section 134(3) (l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

## **(C) TRANSFER TO RESERVES**

Considering the losses incurred during the Financial Year 2018-19, the Company does not propose to transfer any amount to the General Reserve.

## **(D) CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the period under review,

### **2. Dividend**

Based on Company's performance during the year, the Directors do not propose payment of any dividend for the financial year 2018-19.

### **4. PROJECTS AND EXPANSION PLANS**

The Company is an end to end solution Company in the business of End of life (waste) tyres- sourcing, processing and manufacturing of value added products derived from waste tyres. Tinna's research & development team has developed various value added products from waste tyres during the year.

The Company has established nationwide foot print by setting up plants -in North- at Panipat (Haryana) and Kalaamb (Himachal Pradesh), in South at Gummdipoondi (Tamil Nadu), In East- Haldia (West Bengal) and in West at Wada (Maharashtra) for the manufacturing of Crumb Rubber powder from scrap tyres. The Company has also commenced production of Coated Rubber Crumb at Panipat Plant. This is a highly specialised product using a proprietary chemical compound that can be used in making rubber compounds economically without compromising on the properties. The Company has already installed most modern additional lines for manufacturing of Reclaim Rubber and High Tensile Reclaim in its plants, located at Panipat (Haryana) and Wada (Maharashtra) and has successfully introduced high quality Ultrafine Rubber Reclaims for rubber compounding and for rubber components industry. The Company has set up new reclaim rubber plant at our Gummdipoondi (Tamil Nadu) location The Company also introduced new technologies and two specialized grades of Emulsion such as Micro Surfacing, Recycling grades Emulsion and Eco-Friendly cold mix emulsion for rural road.). Any new initiative to develop new products and processes takes time to stabilize and additional costs are incurred in the business development. This has also impacted the Company's profitability during the Financial Year 2018-19. However, we are confident that this investment will result into a robust and strong future for the Company.

### **5. SCHEME OF ARRANGEMENT**

1. The Company entered into Scheme of Arrangement (Demerger) with Tinna Trade Limited and the same was

approved by the Hon'ble National Company Law Tribunal (NCLT), New Delhi during the financial year 2017-18 & thereafter its modalities were duly completed & in result of that Tinna Trade Limited was no more subsidiary of our Company as on 31.03.2018.

Further no Capital Restructuring has taken place during the year 2018-19.

## **6. SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANIES**

The Company has no subsidiaries as on March 31, 2019, but has one associate Company within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There is no JV Company of the Company. Further there has been no material change in the nature of the business of the Subsidiaries (erstwhile) & Associate Company. Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's Subsidiaries (erstwhile) & Associate Company in Form AOC-1 is provided at Annexure "A" to this report. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Associate are available on the website of the Company. Policy for determining material subsidiaries of the Company is available on the website of the Company [www.tinna.in](http://www.tinna.in).

The details of associate company is given below:

### **(i) ASSOCIATE**

#### **TPBUILDTECH PVT. LTD. (TPBPL)**

TPBPL is an associate Company of Tinna Rubber And Infrastructure Ltd. The Company is engaged in the business of manufacturing of construction chemicals. With the help of lots of Research & Development activities during the Financial Year 2018-19, TPBPL has succeeded in getting orders from various renowned brands and some of the best construction Companies in the country. Revenue from operations (gross) for the Financial Year 2018-19 is Rs. 4241.95 lakhs as compared to Rs. 2533.78 lakhs in the previous year, showing a remarkable growth of 67%. Whereas Profit after tax is 23.84 Lakhs compared to Loss after tax 16.28 Lakhs in the previous year.

## **7. RISK MANAGEMENT**

The Company's risk management framework identifies and evaluates business risks and opportunities. The

Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans. Tyres are highly inflammable and your Company's property and stock are subject to risk of loss due to fire and flood and these are mitigated with insurance and fire detecting and firefighting equipments and proper security personnel. Regular training program for employees are being organized by the Company relating to fire control.

## **8. INTERNAL CONTROLS, INTERNAL FINANCIAL CONTROLS AND AUDIT OVERVIEW**

A system of internal control, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies.

### **INTERNAL CONTROL**

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Some of the significant features of internal control systems includes:

- Ensuring compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorized recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors. The Audit Committee regularly reviews audit plans, significant audit findings, controls and compliance with accounting standards and so on.
- Continuous up-gradation of IT Systems.

- The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness

## 9. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public. Therefore, it is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

## 10. SHARE CAPITAL

There was no change in the Company's share capital during the year under review. The Company's paid up equity share capital remained at Rs.8,56,47,500/- comprising of 85,64,750 equity shares of Rs.10/- each.

## 11. CORPORATE GOVERNANCE

Your Company has complied with the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, with regard to Corporate Governance. A report on the Corporate Governance practices and Certificate from Company Secretary in practice on compliance of mandatory requirements thereof is also given in this report.

## 12. MANAGEMENT DISCUSSION & ANALYSIS

A detailed report on the Management Discussion & Analysis is provided in Annexure "B" to the Directors' Report

- 13. SECRETARIAL STANDARDS :** The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

**In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Promila Kumar, Non-Executive Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.**

The proposal regarding the re-appointment of the Directors is placed for your approval.

Mr. Anand Kumar Singh had resigned from the post of Director of the Company, with effect from 17<sup>th</sup> December, 2018. Mr. Gaurav Sekhri was appointed as an additional director with effect from 3<sup>rd</sup> October, 2018. Mr. Nirmal Jyoti Chatterjee has been appointed as Whole Time Director w.e.f. 11<sup>th</sup> January, 2019.

Shri Bhupinder Kumar Sekhri Re-appointed as Managing Director w.e.f 1<sup>st</sup> April, 2019 and Shri. Ashish Madan and Shri Vivek Kohli Re-appointed as an Independent Director w.e.f 1<sup>st</sup> April, 2019.

The disclosure pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government is given in the Notice of Annual General Meeting/ Corporate Governance Report.

## 15. BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by Independent Directors.

## 16. AUDITORS AND AUDITOR'S REPORT

### A. STATUTORY AUDITORS

At the Company's Twenty Ninth Annual General Meeting (AGM) held on 30th September, 2016, M/s. V. R. Bansal & Associates, Chartered Accountants, New Delhi (ICAI Registration No. 016534N), were appointed as the Company's Statutory Auditors from the conclusion of the Twenty Ninth AGM until the conclusion of the Thirty Fourth AGM of the Company, subject to ratification of their appointment at every annual general meeting by the shareholders of the company on such remuneration as may be decided by the Board of Directors of the Company. They have also expressed their willingness to act as Auditors of the company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 138 to 141 of Companies Act, 2013, the same is placed for your approval.

- a) The Company has not provided interest amounting to Rs. 4.04 lakhs for the year ended March 31, 2019 as required under the provisions of Section 16 of Micro,

Small and Medium Enterprise Development Act, 2006 in respect of delayed payments to suppliers covered under the said Act. Consequently, the net loss and total comprehensive income for the year ended March 31, 2019 is understated to that extent.

- b) The Company has incurred marketing promotion expenses, and other expenses, amounting to Rs 80.43 lakhs which has been amortised over a period a three years as is more appropriately referred in note no. 33(10) of the accompanying financial statements. The same is not in accordance with provisions of Ind AS 38 “Intangible Assets” (para 69). Consequently, the net loss and total comprehensive income for the year ended 31st March, 2019 is understated by Rs 53.62 lakhs, and other non-current assets and other current assets are overstated by Rs. 26.81 lakhs each.

The Auditors' Report does not contain any qualification, reservation or adverse remark, except the above qualifications. It is clarified that there was delay in payment owing to non – adherence of delivery schedule. The same is being resolved and company has improved the payment. Further the company is part of circular economy where Old Tyre (Waste) is converted into reusable Crumb Rubber and value added products (Wealth). The Company has first time participated as sponsor in exhibitions in India and abroad to meet reputed customers at one platform and incurred expenses on lab test of product to make it of acceptable standards and other marketing and promotion expenses of these product. Benefits of these expenses would realize in next years as well. Hence company has carried forward 2/3rd of the Expenses to be expensed off in two years equally.

Further, the above said Report also include that the matter described in the Basis for Qualified opinion paragraph above, in Auditors' opinion, does not have any adverse effect on the functioning of the Company.

## **B. COST AUDITORS**

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor. Accordingly, the Board at its meeting held on 10<sup>th</sup> August, 2019, has on the recommendation of the Audit Committee, appointed M/s Pant S. & Associates (Firm registration no. 101402), Cost Accountants to conduct the Audit of the cost accounting records of the Company for the Financial Year 2019-20, the same is placed for your approval.

The Company is maintaining of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

## **C. SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Ajay Baroota & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out is annexed herewith as Annexure “C”. The report does not contain any observation or qualification requiring explanation or comments from the Board, under Section 134(3) of the Companies Act, 2013.

## **17. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which forms a part of this report and is also available on the website of the Company [www.tinna.in](http://www.tinna.in)

## **18. RELATED PARTY TRANSACTIONS**

Related Party Transactions that were entered into during the financial year were generally on arm's length basis and in the ordinary course of business subject to certain exceptions. The policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website <http://www.tinna.in>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

The disclosure of related party transactions required under Section 134 read with Section 188 of the Companies Act, 2013 is given in Form AOC 2. Accordingly related party transactions which were

entered into during the year by your Company, is given in Annexure “D” to this report.

## 19. ENVIRONMENTAL INITIATIVES

Tinna has always been a frontrunner in continuously improving its operational performance in all areas including quality, safety and environment protection. These initiatives have been taken across all production facilities of the Company. The Company has undertaken various measures to address environmental issues at its plant locations.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 subsection 3(c) and sub-section 5 of the Companies Act, 2013, your Directors hereby state and confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there was no material departure.
2. Such accounting policies have been selected & applied consistently and judgements and estimates have been made, that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2019 and of the Company's profit or loss for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual financial statements have been prepared on a going concern basis.
5. That internal financial controls were laid down, to be followed and that such internal financial controls were adequate and were operating effectively.
6. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

## 21. MATERIAL CHANGES AND COMMITMENTS

The Company had set up new reclaim rubber plant at our Gummdipoondi (Tamil Nadu) location during the year

2018-19 for manufacturing of Reclaim Rubber. The Company has also focused on branding of its value added products and in order to promote these objectives has participated in various exhibition(s) and global event(s) that will help the company to promote and register its presence in overseas Market.

## 22. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the details of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annexure “E” forming part of the Annual Report. Disclosures pertaining to the remuneration and the other details as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also provided in the Annexure “E” forming part of the Annual Report.

## 23. DISCLOSURES NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, 13 Board Meetings were convened and held, the details of which are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### AUDIT COMMITTEE

The Audit Committee comprises of Three Non-Executive Directors, All are Independent Directors. Mr. Vivek Kohli is the Chairman of the Audit Committee. The members possess adequate knowledge of Accounts, Audit, Finance, etc. The Composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. There are no recommendations of the Audit Committee, which have not been accepted by the Board.

The details of other committees has been given in Corporate Governance Report.

### EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT-9 is attached as Annexure “F”



hereto and forms a part of this report. Further Annual Return will also be available on the website [www.tinna.in](http://www.tinna.in).

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concern and the same is available on the website of the Company [www.tinna.in](http://www.tinna.in).

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

During the year company earned profit of Rs.92,22,000/- on sale of investment viz. 41,500 Equity Shares of BKG Infratech Private Limited Ltd., to Guru Infratech Private Limited in the off market trade, the said transaction was entered into with related parties but purely at Arm length basis, which have been included in the other income.

Further details of Loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure "G") hereto and forms a part of this report.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Corporate Social Responsibility Committee of the Board has formulated and recommended a CSR Policy to the Board indicating the activities to be undertaken by the Company. The same has been approved by the Board.

The CSR Policy can be accessed on the website of the Company at [www.tinna.in](http://www.tinna.in)

As per the provisions of section 135 of the Companies Act, 2013, the company has to incur at least 2% of the

average net profits of the preceding three financial years towards Corporate Social Responsibility (CSR), which is Rs. (555.47) lakhs, so no responsibility arose during this year. However, total unspent amount stands of Rs. 17.75 lakhs during the year 2018-19.

Further, during the year Company had spent Rs 1.40 lakhs on Corporate Social Responsibility Activities. The Company could not spend the remaining of Rs.17.75 lakhs on CSR activities, due to loss incurred in the current year and tight liquidity conditions.

The Annual Report on CSR activities is enclosed as Annexure H.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during Financial Year 2018-19.

### **DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149 OF THE COMPANIES ACT, 2013**

The Independent Directors have given declaration that they meet the criteria of independence as specified in sub-section (6) of Section 149 of The Companies Act, 2013.

### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The policy on familiarization programmes is available on the Company's website [www.tinna.in](http://www.tinna.in).

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES AND POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS**

Policy for determining material subsidiaries of the Company and Policy on dealing with related party

transactions are available on the website of the Company [www.tinna.in](http://www.tinna.in).

#### OTHER DISCLOSURES/ REPORTING

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares and ESOPs) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole time Director of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future except stated elsewhere in the report.
6. No frauds have been detected/reported by any of the Auditors of the Company.

#### 24. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company firmly believes that Human Resource is the key driver for the success of any organization. The

Company's human resources policies are carefully structured to meet the aspirations of the employees as well as the organization. These policies are implanted through training and other developmental programs. These policies encourage continuous learnings and innovations. Your Company has a dedicated team of 819 employees as on 31<sup>st</sup> March, 2019 as compared to 720 employees as on 31<sup>st</sup> March, 2018. The Company continues to have cordial industrial relations.

#### 25. APPRECIATION

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the concerned departments of Central and State Governments, financial institutions, banks and shareholders, during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered, by all employees of the Company

**For and on behalf of the Board of Directors  
Tinna Rubber and Infrastructure Limited**

**Nirmal Jyoti Chatterjee**  
Director  
DIN: 08321513

**Bhupinder Kumar Sekhri**  
Managing Director  
DIN: 00087088

**Regd. Office Address:  
Tinna House, No. 6,  
Sultanpur, Mandi Road  
Mehrauli, New Delhi-110030**

**Place : New Delhi  
Date : 10<sup>th</sup> August, 2019**

**Annexure “A”**
**Annexure “B”**

Statement pursuant to Section 134 of the Companies Act, 2013

**MANAGEMENT DISCUSSION AND ANALYSIS**
**Form AOC-1**
**INDUSTRY STRUCTURE AND DEVELOPMENT**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

As natural resources are limited, recycling has gained attention worldwide. Now companies are articulating a vision of using greater portion of recycled material in their products and formulations. The rubber industry is not an exception to this. End of life tyres are an important source of recycled rubber worldwide and its status has changed from waste to resource. The reclaim rubber industry has been developed around this reality.

**Part-A : Subsidiaries**

A show-case project of benefits of circular economy. Actively promotes re-use of products derived from ELT's into new tyres, conveyor belts, road construction etc.

There is no subsidiary of a company as on 31<sup>st</sup> March, 2019

**Part B: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Ventures (Rs. in lakhs)

Tinna Rubber and Infrastructure Limited (TRIL) is a pioneer in manufacturing of crumb rubber modifier (CRM) for bitumen and almost 100K lane km's has been laid in India with CRMB and our CRM. TRIL has set an example in the industry by converting Waste to Wealth, by aggressively promoting the concept of recycling of Truck/ Bus, Radial (TBR) tyres for reuse in new tyres, conveyor belts, road construction etc.

Name of the Associate Company	T P Buildtech Pvt. Ltd.
1. Latest audited balance sheet date	31-03-2019
2. Shares of Associate Company held by the Company as on year end	3412500 Equity shares of Rs. 10/- each
Amount of investment in associates	341.25
Extent of Holding %	48.75%
3. Description of how there is Influence	There is significant influence due to percentage of Share Capital.
4. Reason why the associates is not consolidated	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	223.42
6. Profit/ (Loss) for the year	11.63
a) Considered in Consolidation	
b) Not considered in consolidation	NA

TRIL is the only Company present in rubber based products for both road Bitumen and non road industry and Manufacture value added products from the steel reconditioning also Integrated at the back end as well, to ensure regular flow of ELT's from Middle East, Africa and Europe.

TRIL is a leading player in the field of Crumb Rubber and Bituminous products and the Company has captured a substantial market share by maintaining high quality, reliability and customer satisfaction. TRIL has established Pan India presence with manufacturing facilities located at strategic centers and near to hubs of industrial activity to produce Crumb Rubber powder from end of life (waste) tyres. Crumb Rubber Powder, which acts as a substitute to natural rubber. TRIL has already installed most modern plants for manufacturing of Reclaim and High Tensile Reclaim in its plants, located at Panipat (Haryana), Wada (Maharashtra) and Gummdipoondi (Tamil Nadu) and has successfully introduced high quality Hi Tensile Ultrafine Reclaim Rubber & Ultrafine Tyre Crumb. TRIL's Hi Tensile Ultrafine Reclaim rubber is preferred choice by the Tyre industry, Conveyor belt industry and Rubber moulded products.

## SEGMENT - WISE OR PRODUCT – WISE PERFORMANCE

As a rubber compounder/ recycler of waste tyres your Company is playing a vital role in caring for environment by using waste tyres, which is otherwise a serious environmental and health hazard. TRIL's ecofriendly recycling of tyres involves the following process:

- a) Procurement of waste tyres from around the world and process them in an environment friendly manner, without generating any waste and pollution.
- b) TRIL's R & D team has developed various value added products from waste tyres having following innovative applications:
  - High Tensile Crumb: for rubber compounds, for use in rubber industry including tyres.
  - Crumb Rubber Modifier: for blending with Bitumen to make rubberized bitumen.
  - Reclaim Rubber : as a raw material for rubber product industry.
  - Hi Carbon Solid Steel Shots: for shot blasting, surface preparation applications.
  - Hi Carbon Steel Scrap: for melting and reuse.

The Company has developed and commercialized its products viz. Hi Carbon Steel Abrasives and Reclaim Rubber/ Ultra Fine Crumb Rubber. Detailed figures of product wise sales are given in Note 23, in Notes on Financial Statements.

In earlier years Crumb Rubber Modifier (CRM) and other road related products having application in the infrastructure sector has been the mainstay of the Company's sales mix, your Company has consciously reduced its dependence on this sector. During the financial year 2018-19, the contribution of non-road sector rose to approximately 77% compared to 23% in the financial year 2013-14. This was achieved by extensive research and development and qualitative improvements to Crumb Rubber and commencement of manufacturing of Hi carbon steel shots & reclaim rubber.

## OUTLOOK

We are pleased to inform you that the Company has already started commercial production of Hi Carbon Steel Abrasives, which are made from high quality high carbon grade II wire, recovered from waste tyres. These are extensively used in Foundries, Casting & Forging industry and shot blasting on

Pre-Engineered building steel structures, Granite Gang saw units etc. In the light of addition of Hi Tensile Ultrafine Reclaim Rubber & Ultrafine Tyre Crumb and Hi Carbon Steel Abrasives to our portfolio of products, the Company expects to grow its revenue in the coming years.

We hope that during the year 2019-20, Various initiative and new reforms of government is going to be implemented as envisaged in budget speech by Hon'ble Finance Minister. Your company also introduced new technologies and two specialized grades of Emulsion such as Micro Surfacing, Recycling grades Emulsion and Eco-Friendly cold mix emulsion for rural road and we hope that Your Company will witness accelerated growth from road sector. We believe a new policy is in the works which will mandate use of Modified Bitumen in making new roads. This will create accelerated demand for our product Modified Bitumen.

The Company has a strong market presence and immense corporate trust reposed by its customers. The Company's customer base includes **prestigious customers like SEMPERTRANS, MRF, APOLLO, TVS Srichakra, CEAT, JK TYRES** and like Indian Oil Corporation Ltd., Hindustan Colas Ltd., Mangalore Refinery and Petrochemicals Ltd., Apollo Tyres Ltd., CeatTyres Ltd., BalakrishnaTyres Ltd., Alliance Tire Group (Yokohama), JK Tyres Ltd., Ralsontyres, DCM Engineering Products, Hyundai Construction Equipment (India) Pvt. Ltd., Mahindra CIE Automotive Ltd., Rico Auto Industries Ltd., Neosym Industries Ltd., Zenith Industrial Rubber Products Pvt. Ltd., IJM (India) Infrastructure Ltd. Further we are pleased to report that Your Company's efforts have resulted in successful execution of export contract for supply of products to Thailand, Turkey and Sri Lanka. We expect to see rise in Company's Export during the year 2019-20 and your Company is exploring opportunity for export in USA, Brazil, and Russia and European market.

## OPPORTUNITIES AND THREATS

### OPPORTUNITIES

- India currently produces 6,50,000 tyres and discards 2,75,000 tyres every day. India generates over 1 million tons of ELT'S each year. It is estimated that 60% of waste tyres generated in India are disposed through illegal dumping.
- There are opportunities to increase market penetration by launching innovative rubber related products.
- There are opportunities to reduce costs, with increased efficiency and economies of scale.

- The Company is focusing on Overseas Market to capture opportunity existing in the market.
- There is strong export demand for Crumb Rubber and Reclaim Rubber Compound and the same is being actively explored, besides the existing exports.

### THREATS

- End of life / Waste tyres are among the most problematic source of waste in the world. Incorrect disposal of old tyres can create all kinds of environmental and health hazards.
- It is estimated that by recycling a kilo of rubber translates into saving 2 kilograms of greenhouse gases (INAE 2015). If not recycled, tyres are an enormous global problem because of their non-biodegradability, flammability and chemical composition.
- Cost of the debt continues to be the key issue. Any increase in the interest rate will have negative impact on the profitability of the Company.
- Foreign Exchange fluctuation may affect the Company adversely, as we import our major raw material viz. waste tyres.
- Invention of other better alternative product, in a fast changing global environment.
- Any increase in taxes and change in Government policies may have negative impact on the Company.

### RISKS AND CONCERNS

- Your Company follows a proactive risk management policy aimed at protecting its employees, assets and the environment, while at the same time ensuring growth and continuity of its business. Regular updates are made available to the Directors of the Company in Board Meetings. Key risks identified by your Company are as under:
- Any economic slowdown may adversely impact the business.
- Tyres are highly inflammable and your Company's property and stock are subject to risk of loss due to fire and flood and these are mitigated with insurance and fire detecting and firefighting equipments and proper security personnel. Regular training program for employees are being organised by the Company relating to fire control.

- Any change in Government policies may adversely affect the demand/profitability of the product.
- Technology obsolescence is an inherent business risk in a fast changing world and speed of change and adaptability is crucial for survival of the business.
- The domestic, regional and global macro-economic environment, directly influences the demand of the bitumen modifier.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A system of internal control, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies.

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Some of the significant features of internal control systems include:

- Ensuring compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorised recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors.
- The Audit Committee regularly reviews audit plans, significant audit findings, controls and compliance with accounting standards and so on.
- Continuous up-gradation of IT Systems.

### FINANCIAL PERFORMANCE VIZ - A - VIZ OPERATIONAL PERFORMANCE

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Statements and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'FINANCIAL RESULTS' of Directors' Report.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company firmly believes that Human Resource is the key driver for the success of any organization. The Company's human resources policies are carefully structured to meet the aspirations of the employees as well as the organization. These policies are implanted through training and other developmental programs. These policies encourage continuous learnings and innovations. Your Company has a dedicated team of 819 employees as on 31<sup>st</sup> March, 2019 as compared to 720 employees as on 31<sup>st</sup> March, 2018. The Company continues to have cordial industrial relations.

## **CAUTIONARY STATEMENT**

Investors are cautioned that statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas market in which the Company operates, risks inherent in the Company's growth strategy, change in Government regulations, tax laws and other statutes and other incidental factors.

**ANNEXURE-C  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL  
YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

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

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

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

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

- i. The Companies Act, 2013 (the Act) and the rules made thereunder, as applicable
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the Audit Period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) I have relied on the representation made by the Company and its Officers for systems and mechanism followed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s).

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

- *The Company was in loss in the immediately preceding financial year (2017-18). Further, in the immediately preceding financial year the Company does not meet any of threshold limits prescribed under the provisions of Section 135 of the Companies Act, 2013. However, the Company was having a carried forward amount of Rs. 19.15 lacs as unspent amount towards Corporate Social Responsibility for the earlier financial year(s). Out of the said unspent amount the Company has spent only Rs. 1.40 lacs during the financial year & still Rs. 17.75 lacs is unspent amount towards Corporate Social Responsibility.*
- *There has been delay in payment to suppliers (MSMEs). Interest on delayed payments was not paid/provided.*
- *Statutory Auditors pointed out AS-38 has not been properly followed.*
- *Pursuant to regulation 14 of SEBI ((LODR), Regulations, 2015, annual listing fee for Calcutta Stock Exchange is yet to be paid by the Company.*
- *Notice/intimation pursuant to regulation 29 of SEBI (LODR), Regulations, 2015, for Board Meeting scheduled for 09<sup>th</sup> Feb, 2019 where financial results were discussed (for the quarter ended 31<sup>st</sup> December, 2018) was given to the Stock Exchange(s) in time on 31<sup>st</sup> January, 2019, however Notice pursuant to regulation 47(1) (a) for the same was published on 06<sup>th</sup> February, 2019.*

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

I further report that

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

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

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

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

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

The Company entered into Scheme of Arrangement (Demerger) with Tinna Trade Limited and the same was approved by the Hon'ble National Company Law Tribunal (NCLT), New Delhi during the financial year 2017-18 & thereafter modalities were duly completed & in resultant of that Tinna Trade Limited was no more subsidiary of our Company as on 31.03.2018 & thereafter.

**For Ajay Baroota & Associates  
Company Secretaries**

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

**Place: Delhi  
Date: 6<sup>th</sup> August, 2019**

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



**ANNEXURE -I**

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

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

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

3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate & other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Ajay Baroota & Associates  
Company Secretaries**

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

**Place: Delhi  
Date: 6<sup>th</sup> August, 2019**

**Annexure “D”  
FORM NO. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013

1. **DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:**
2. **Details of material contract or arrangement or transactions at arm's length basis.**

(a)	Name(s) of the related party and nature of relationship	TP Buildtech Pvt. Ltd. (Associate Company)	Tinna Trade Limited
(b)	Nature of contracts/ arrangements/ transactions	Leave and license agreement	Leave and license agreement
(c)	Duration of the contracts /arrangements/ transactions	3 years from 26.02.2017	11 Months from 29 <sup>th</sup> September, 2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The lessee shall pay the monthly rent of Rs. 100/-	The lessee shall pay the monthly rent of Rs. 100/-
(e)	Justification for entering into such contracts or arrangements or transactions	TP Buildtech Pvt. Ltd. (TPBPL) is an Associate Company of Tinna Rubber and Infrastructure Ltd(TRIL). TRIL is holding 48.75% in TPBPL. The financials of this associate is consolidated with TRIL. This is due to commercial expediency.	Tinna Trade Limited is a Group Company (erstwhile Subsidiary) of Tinna Rubber and Infrastructure Ltd(TRIL). This is due to commercial expediency.
(f)	Date(s) of approval by the Board	The renewal of this Leave and license agreement was approved by the Audit Committee in its meeting held on 30/01/2017 and by the Board of Directors in their meeting held on 31/01/2017. This transaction and renewal was approved and taken on record by the Audit Committee and the Board of Directors, in the above said meetings.	The Board of Directors Approved transection at their meeting held on 27 <sup>th</sup> August, 2018 and Members of Audit Committee at their Meeting held on 14 <sup>th</sup> August 2018.
(g)	Amount paid as advances, if any:	No	No
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable	Not Applicable

**Note: The leave and License Agreement with Tinna Trade Limited revised in January, 2019 and rent has been revised w.e.f 1<sup>st</sup> February, 2019 from Rs 100 Per Month to Rs 5,000 per month for each location. Therefore, w.e.f 1<sup>st</sup> February, 2019 Leave and License agreement and Transaction shall be treated as on Arm Length Basis.**

1. Mrs. Shobha Sekhri, who is relative of Mr. Bhupinder Kumar Sekhri, Managing Director was appointed as Vice President

(a)	Name(s) of the related party and nature of relationship	M/s Guru Infratech Private Limited	M/s Aditya Farms and Nursery	Tinna Trade Limited
(b)	Nature of contracts/ arrangements/ transactions	Sale of Investment	Purchase of Immovable Assets	Sale and Purchase of Goods
(c)	Duration of the contracts /arrangements/ transactions	NA	NA	on recurring Nature
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1,34,40,000	48,50,000	5 Crore (Year)
(e)	Date(s) of approval by the Board	27 <sup>th</sup> August, 2018	11 <sup>th</sup> January, 2019	9 <sup>th</sup> April, 2018
(f)	Amount paid as, if any:	Yes	48,50,000	On transection(s) basis

(Business Development) with effect from 16<sup>th</sup> April, 2018. The Appointment was approved by the Audit Committee in its meeting held on 9<sup>th</sup> April, 2018 and by the Board of Directors on 9<sup>th</sup> April, 2018 at a monthly remuneration of Rs.2.5 lakhs.

2. The Agreement for purchase of land from M/s Aditya farms and Nursery cancelled and the Company had received Compensation of Rs. 4.90 lakhs for Such Cancellation from Aditya Farms and Nursery. The Disclosure of Transaction given in the Financial Statement.
3. **Mr. Aditya Brij Sekhri, who is a relative of Mr. Gaurav Sekhri has joined Tinna Rubber and Infrastructure Limited as Senior Executive on a Remuneration of 75,000 per Month w.e.f. 1<sup>st</sup> June, 2019. The Board of Director and Audit Committee has approved the appointment at their meeting held on 29<sup>th</sup> May, 2019.**

#### ANNEXURE “E”

Details pertaining to Section 197(12) of Companies Act, 2013 read with Rules 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19:

(Rs. In lakhs)				
Sl. No.	Name of Director(s)	Annual Remuneration for F.Y. 2018-19	Median Annual Remuneration of Employees for the F.Y. 2018-19	Ratio of each Director to the median remuneration of the employees for Financial Year
1	Mr. Bhupinder Kumar Sekhri Managing Director	84.00	1.05	79.45. : 1
2	Mr. Nirmal Jyoti Chatterjee Whole Time Director@	2.77	1.05	79.45. : 1
3	Mr. Gaurav Sekhri*	Nil	1.05	
4	Mr. Anand Kumar Singh #	Nil	1.05	Nil
5	Mr. Vivek Kohli	Nil	1.05	Nil
6	Mr. Ashok Kumar Sood	Nil	1.05	Nil
7	Mr. Ashish Madan	Nil	1.05	Nil
8	Mr. Rajender Parshad Indoria	Nil	1.05	Nil

\* Mr. Gaurav Sekhri Appointed as Director w.e.f. 3<sup>rd</sup> October, 2018. #Mr. Anand Kumar Sing Resigned w.e.f 17<sup>th</sup> December, 2018. @Mr. Nirmal Jyoti Chatterjee Appointed as Whole Time Director w.e.f 11<sup>th</sup> January, 2019.

- (ii) Remuneration paid to the Directors and Key Managerial Personnel and the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2018-19:

(Rs. In lakhs)

Sr. No.	Name of Directors Chief Financial Officer, Company Secretary	Annual Remuneration during F.Y. 2017-18	Annual Remuneration during F.Y. 2018-19	Percentage increase in remuneration since last F.Y.
1	Mr. Bhupinder Kumar Sekhri- Managing Director	84.00	84.00	There was no change in remuneration Structure.
2	Mr. Gaurav Sekhri- Additional Director, Non-Independent Director	Nil	Nil	Nil
3	Mr. Nirmal Jyoti Chatterjee Whole Time Director@	Nil	2.77	Mr. Nirmal Jyoti Chatterjee Appointed as a whole Time Director on a remuneration of 12.42 Lakhs Per Annum
4	Mr. Anand Kumar Singh- Non-Executive (Non-Independent Director)	Nil	Nil	Nil
5	Mr. Vivek Kohli- Non-Executive Independent Director	Nil	Nil	Nil
6	Mr. Ashok Kumar Sood- Non-Executive Independent Director	Nil	Nil	Nil
7	Mr. Ashish Madan- Non-Executive Independent Director	Nil	Nil	Nil
8	Mr. Rajender Parshad Indoria-Non-Executive Independent Director	Nil	Nil	Nil
9	Mrs. Promila Kumar Director( Non-Executive Non-Independent Director)	Nil	Nil	Nil
10	Mr. Ravindra Chhabra- Chief Financial Officer	20.18	24.30	17.39%
11	##Mr. Vaibhav Pandey	0.45	5.09	41%

\* Mr. Gaurav Sekhri appointed as director w.e.f. 3rd October, 2018. #Mr. Anand Kumar Sing Resigned w.e.f 17th December, 2018. @Mr. Nirmal Jyoti Chatterjee Appointed as Whole Time Director w.e.f 11th January, 2019 on a remuneration of 12.42 lakhs (Per Annum).Mr. Vaibhav Pandey Appointed as a Company Secretary w.e.f 8th February, 2018 on a remuneration of 3.60 Laks (Per Annum) which was revised in April , 2018 to Rs. 5.09 Laks (Per Annum)

- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2018-19:

(Rs. In lakhs)

Median Annual Remuneration of employees for the F.Y. 2018-19	Median Annual Remuneration of employees for the F.Y. 2017-18	Percentage increase / (decrease) in Median Annual Remuneration of employees
1.05	1.05	-

- (vi) Number of permanent employees on the rolls of the Company as on 31st March, 2019 was 819.
- (v) The explanation on the relationship between average increase in remuneration and Company performance: The Company has reported a Profit before tax of Rs 34.60 lakhs during the Financial Year 2018-19 as compared to loss before tax of (583.15) lakhs in the previous Financial Year. The average in median remuneration was in line with the market trends and median was computed on yearly basis.
- (vi) The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (vii) During the Financial Year ended on 31st March, 2019, no employees of the Company received remuneration in excess of the highest paid Director.
- (viii) The comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(Rs. In lakhs)

Name of Key Managerial Personnel	Annual Remuneration during Financial Year 2018-19	Loss After Tax for F.Y. 2018-19	Comparison of remuneration of KMP against the performance of Company in terms of PAT with remarks
Mr. Bhupinder Kumar Sekhri	84.00	(15.35)	As per the limits specified in Section 196, 197 and Schedule V of the Companies Act, 2013
Mr. Nirmal Jyoti Chatterjee**	2.77	(15.35)	Within the limits specified in Section 196, 197 and Schedule V of the Companies Act, 2013
Mr. Anand Kumar Singh	Nil	(15.35)	NA
Mr. Ravindra Chhabra	24.30	(15.35)	Same as per last year
Mr. Vaibhav Pandey	5.09	(15.35)	Joined on 8 <sup>th</sup> February, 2018

- (ix) Comparison of Remuneration of the Key Managerial Personnel's against the performance of the Company: There was Change in the total remuneration of Key Managerial Personnel, it was Rs. 114.67 in 2017-18 and Rs. 116.16 lakhs in 2018-19, where as the Company has reported Profit before tax of Rs. 34.60 lakhs during the Financial Year 2018-19 as compared to Loss before Tax 583.15 lakhs in the previous Financial Year.

\* Mr Nirmal Jyoti Chatterjee appointed as Whole Time Director w.e.f 11th January, 2019

- (x) Our market capitalization is Rs. 3597.19 lakhs as on 31st March, 2019 from 5117.48 lakhs as on 31st March, 2018. Whereas in the financial year 2018-19, the company has incurred the Loss after tax of Rs. 15.35 lakhs. The Closing Price of the Company's Equity Shares on the BSE as on 31st March, 2019 was Rs. 42.00 and as on 31st March, 2018 was Rs. 59.75. The Company issued Equity Share of Rs. 10/- each at price of Rs. 95/- (premium Rs. 85/-) at the time of IPO.
- (xi) The Board hereby affirms and declares that the remuneration being paid to the Employees, Directors, Key Managerial Personnels is as per the Nomination & Remuneration policy for Directors, Key Managerial Personnel and Senior Management and other employees approved by the Board.
- (xii) Details as per Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) Top ten employees in terms of remuneration drawn :

Remuneration Details other than KMP for F.Y.2018-2019										
S.No.	Name	Designation	Remuneration (in Rs.)	Nature of Employment	Qualification and Experience of the Employee	Date of comerecemnrt of Employment	Age	Last Employment held	Percentage of equity Share hold by the employee in the Company	Whether any such employee is a relation of any Director
1.	<b>GAUTAM SEKHRI</b>	VICE PRESIDENT	3,000,000	Permanent		1-Nov-16	66			Yes
2.	<b>ARUN KUMAR KAPOOR</b>	SENIOR VICE PRESIDENT	654,105	Permanent		1-Dec-14	78	31/08/2018		No
3.	<b>SHOBHA SEKHRI</b>	VICE PRESIDENT-BUSINESS DEVELOPMENT	2,875,000	Permanent		16-Apr-18	67			Yes
4.	<b>GOVIND SINGH NEGI</b>	SENIOR MANAGER-MARKETING	1,042,437	Permanent	B.A	15-May-18	42			No
5.	<b>ANURUP ARORA*</b>	GENERAL MANAGER-OPERATION	430,646	Permanent	B.TECH	5-Jan-19	34			No
6.	<b>SANJAY BANATI</b>	GENERAL MANAGER-MARKETING	1,530,000	Permanent	B.COM	1-Sep-88	56			No
7.	<b>SUBODH SHARMA</b>	GENERAL MANAGER - MARKETING	2,130,000	Permanent	B.SC	1-Oct-09	46			No
8.	<b>RAJ KRISHAN GUPTA</b>	GENERAL MANAGER - HR & ADMINISTRATION	1,410,000	Permanent	INTER CA	1-Mar-09	58			No
9.	<b>B P GOGIA</b>	GENERAL MANAGER-FINANCE	1,290,000	Permanent	B.A	16-Apr-78	62			No
10.	<b>RAJIV JUNEJA</b>	GENERAL MANAGER-MARKETING	1,221,620	Permanent	M.COM	11-Feb-18	55			No

- b) Employed throughout the financial year with remuneration not less than Rs. 1.02 Crores per annum – None
- c) Employees whose remuneration was not less than 8.50 lakhs per month(if employed for part of the financial year)- None
- d) Employees whose remuneration was in excess of that Managing Director/Whole Time Director/ Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof - None

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

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	L51909DL1987PLC027186
2	Registration Date	4th March,1987
3	Name of the Company	TINNA RUBBER AND INFRASTRUCTURE LIMITED
4	Category/Sub-category of the Company	Company limited by shares
		Public Company
5	Address of the Registered office & contact details	TINNA HOUSE, NO. 6 SULTANPUR,MANDI ROAD, MEHRAULI, NEW DELHI - 110030
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s ALANKIT ASSIGNMENTS LIMITED, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi – 110055

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Crumb Rubber Modifier	NA	13%
2	Reclaim/Ultrafine	NA	27%
3	Crumb Rubber	NA	23%
4	Steel Scrap/Abrasive	NA	23%
5	Emulsion	NA	8.25%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	TP Buildtech Pvt. Ltd. No.6 Sultanpur,Mandi Road, Mehrauli, New Delhi-110030	U45204DL2012PTC244541	Associate	48.75	2 (6)

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	6321347	-	6321347	73.81	6321347	-	6321347	73.81	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>6321347</b>	<b>-</b>	<b>6321347</b>	<b>73.81</b>	<b>6321347</b>	<b>-</b>	<b>6321347</b>	<b>73.81</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)</b>	<b>6321347</b>	<b>-</b>	<b>6321347</b>	<b>73.81</b>	<b>6321347</b>	<b>-</b>	<b>6321347</b>	<b>73.81</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	28200	-	28200	0.33	28200	-	28200	0.33	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>28,200</b>	<b>-</b>	<b>28,200</b>	<b>0.33%</b>	<b>28,200</b>	<b>-</b>	<b>28,200</b>	<b>0.33%</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	312077	68500	380577	4.55	314929	68500	383429	4.45	0.01
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-



i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	336279	556433	8,92,712	10.42%	370635	520833	8,91,468	10.41%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	842786	-	842786	9.89%	842786	-	842786	9.84%	-
c) Others (specify)*	3725	83600	86275	1.01	70920	26600	97520	1.158	0.15%
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	100	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>14,91,370</b>	<b>7,23,833</b>	<b>22,15,203</b>	<b>25.86%</b>	<b>15,09,370</b>	<b>6,15,933</b>	<b>22,15,203</b>	<b>25.86%</b>	<b>-</b>
<b>Total Public (B)</b>	<b>15,19,570</b>	<b>7,23,833</b>	<b>22,43,403</b>	<b>26.19%</b>	<b>15,37,570</b>	<b>6,15,933</b>	<b>22,43,403</b>	<b>26.19%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>7840917</b>	<b>735733</b>	<b>8564750</b>	<b>100</b>	<b>7948817</b>	<b>615933</b>	<b>8564750</b>	<b>100</b>	<b>-</b>

\* Others Category Shareholders Clearing Member, NRI and Resident HUF

**(ii) Shareholding of Promoter**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Ms. Puja Sekhri	1749160	20.42		1749160	20.42	-	-
2	Ms. Shobha Sekhri	1636343	19.11		1636343	19.11	-	-
3	Ms. Aarti Sekhri	1511347	17.65		1511347	17.65	-	-
4	Mr. Aaditya Brij Sekhri	300000	3.5		300000	3.5	-	-
5	Master Khrishnav Sekhri	300000	3.5		300000	3.5	-	-
6	Master Arnav Sekhri	300000	3.5		300000	3.5	-	-
7	Bhupinder Kumar-Karta B K Sekhri & Sons (HUF)	262300	3.06		262300	3.06	-	-
8	Mr. Gaurav Sekhri	66200	0.77		66200	0.77	-	-
9	Mr. Kapil Sekhri	79700	0.93		79700	0.93	-	-
10	Mr. Bhupinder Kumar Sekhri	110287	1.29		110287	1.29	-	-
11	Bhupinder Kumar-Karta Bhupinder & Kapil (HUF)	6010	0.07		6010	0.07	-	-

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01/04/2018		6321347	73.80655594	6321347	73.80655594
	At the end of the year	31/03/2019		6321347	73.80655594	6321347*	0

\*There is no change.

## (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name : Shama Ashok Mehra						
	At the beginning of the year	01/04/2018		3,63,000	4.29	3,63,000	4.29
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		3,63,000	4.29	3,63,000	4.29
2	Name : Padmavati Manchala						
	At the beginning of the year	01/04/2018		300000	3.50	300000	3.50
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		300000	3.50	300000	3.50
3	Name : Ashoka Mercantile Ltd						
	At the beginning of the year	01/04/2018		2,91,812	3.41	2,91,812	3.41
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		2,91,812	3.41	2,91,812	3.41
4	Name : Madan Kukreja						
	At the beginning of the year	01/04/2018		1,20,450	1.41	1,20,450	1.41
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		1,20,450	1.41	1,20,450	1.41
5	Name : Abhishek Somany Jt1: Minal Somany						
	At the beginning of the year	01/04/2018		59336	0.69	59336	0.69
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		59336	0.69	59336	0.69
6	Name : Shreta Sanjeev Thawani						
	At the beginning of the year	01/04/2018		51800	0.07	51800	0.07
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		51800	0.07	51800	0.07

7	Name : Pratham Road technologies & Construction Ltd.						
	At the beginning of the year	01/04/2018		45100	0.527	45100	0.527
	Changes during the year					0	0
	At the end of the year	31/03/2019		45100	0.527	45100	0.527
8	Name : The Pradeshiya Industrial & Investment Corp. of UP Ltd.						
	At the beginning of the year	01/04/2018		28200	0.329	28200	0.329
	Changes during the year					0	0
	At the end of the year	31/03/2019		28200	0.329	28200	0.329
9	Name : Pravin Dongre Jt1: Anita Dongre						
	At the beginning of the year	01/04/2018		18738	0.22	18738	0.22
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		18738	0.22	18738	0.22
10	Name : Jagjeet Kaur Malik Jt1: Jasjeet Singh Malik						
	At the beginning of the year	01/04/2018		16,900	0.20	16,900	0.20
	Changes during the year					0	0.00
	At the end of the year	31/03/2019		16,900	0.20	16,900	0.20

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

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name : Mr. Bhupinder Kumar Sekhri						
	At the beginning of the year	01/04/2018		1,10,287	1.29%	1,10,287	1.29%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31/03/2019		1,10,287	1.29%	1,10,287	1.29%
2	Name : Mr. Gaurav Sekhri *						
	At the beginning of the year	01/04/2018		66,200	0.77%	66,200	0.77%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31/03/2019		66,200	0.77%	66,200	0.77%
3	Name : Mr. Nirmal Jyoti Chatterjee#						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%

4	Name :Mr. Ashish Madan						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
5	Name: Mr. Vivek Kohli						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
6	Name : Mr. Ashok Kumar Sood						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
7	Name : Mr. Rajender Prashad Indoria						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
8	Name : Mrs. Promila Kumar						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
9	Name : Mr. Ravindra Chhabra						
	At the beginning of the year	01/04/2018		1,170	0.00%	1,170	0.00%
	Changes during the year			-		-	
	At the end of the year	31/03/2019		1,170	0.00%	1,170	0.00%
10	Name : Mr. Vaibhav Pandey						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31/03/2019		-	0.00%	-	0.00%

\*Appointed on 03.10.2018,# Appointed on 11.01.2019

**V. INDEBTEDNESS**

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	46,86,50,661	34,39,10,077		81,25,60,738
ii) Interest due but not paid		1,25,75,764		1,25,75,764
iii) Interest accrued but not due	4,36,417	1,69,19,928		1,73,56,345
<b>Total (i+ii+iii)</b>	<b>46,90,87,078</b>	<b>37,34,05,769</b>		<b>84,24,92,847</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,48,72,000	18,38,66,464		19,87,38,464
* Reduction	6,44,55,617	19,12,25,621		25,56,81,238
Net Change	<b>(4,95,83,617)</b>	<b>(73,59,157)</b>		<b>(5,69,42,774)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	41,93,74,715	35,31,93,325		77,25,68,040
ii) Interest due but not paid		62,16,633		62,16,633
iii) Interest accrued but not due	1,28,746	66,36,654		67,65,400
<b>Total (i+ii+iii)</b>	<b>41,95,03,461</b>	<b>36,60,46,612</b>		<b>78,55,50,073</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Amount in Rs.)

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Mr. Bhupinder Kumar Sekhri	Mr.Nirmal Jyoti Chatterjee *	
	Designation	Managing Director	Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78,58,776	2,77,112	81,35,888
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	39,600		39,600
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify (Provident Fund)	5,01,624	-	5,01,624
	Total (A)	84,00,000	2,77,112	86,77,112
	Ceiling as per the Act	84,00,000.00	12,42,000.00	96,42,000.00

\* Mr Nirmal Jyoti Chatterjee Appointed as a whole Time Director w.e.f 11th January , 2019

## B. Remuneration to other Directors

(Amount in Rs.)

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act*				

\* Managerial Remuneration paid in accordance with Schedule V Part - II Section II of the Companies Act, 2013.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name	CEO	CFO	
	Designation				(Rs/Lac)
1	Gross salary		Mr. Ravindra Chhabra	Mr. Vaibhav Pandey#	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	24,30,000	5,09,340	29,39,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-			
2	Stock Option	-			
3	Sweat Equity	-			
	Commission	-			
	- as % of profit	-			
	- others, specify	-			
4	Others, please specify (Provident Fund)	-	1,44,000	28680	
5	Total	-	25,74,000	5,38,020	30,62,084

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NA	NA	-	-	-
Punishment	NA	NA	-	-	-
Compounding	NA	NA	-	-	-
<b>B. DIRECTORS</b>					
Penalty	NA	NA	-	-	-
Punishment	NA	NA	-	-	-
Compounding	NA	NA	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	-	-	-
Punishment	NA	NA	-	-	-
Compounding	NA	NA	-	-	-

## ANNEXURE "G"

Information in Accordance with the Provisions of Section 134(3) (M) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

**A. CONSERVATION OF ENERGY**

We continually strive to reduce energy consumption in our developments by following the enhanced energy conservation measures. Your Company has always been a frontrunner in continually improving its operational performance in all areas like productivity, utilization and a host of other operating metrics, while reducing the consumption of fuel, power, stores and others. This is done by adopting an approach of continual improvement of process metrics across all energy consuming facilities. Details are as under:

(i)	The steps taken or impact on conservation of energy	The Company is taking appropriate steps for conservation of energy by using energy efficient equipments and creating awareness in the employees for conservation of energy.
(ii)	Steps taken by the Company for utilizing alternate source of energy	It has been the Company's endeavour to ensure that it is engaged in continuous process of energy conservation through improved operational and maintenance practices. Accordingly, and in line with the company's commitment to conserve natural resources, the Company has adopted various measures on its plant locations(s)
(iii)	The capital investment on energy conservation equipments	Nil

**B. TECHNOLOGY ABSORPTION**

(i)	The efforts made towards technology absorption	The Company is making continuous efforts to improve the quality of bitumen modifier by adding crumb rubber. The Company has been undertaking R & D work in new products.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution.	As a result of Research and Development carried out by the Company, the Company is able to improve the existing products and added new products as per market trends. This has resulted in reduction in cost. Products developed are of better quality.
(iii)	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished (a) Technology imported (b) Year of Import (c) Whether the technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons thereof	NIL



(iv)	The expenditure incurred on research and development	<b>F.Y. 2018-19</b>	<b>F.Y. 2017-18</b>
	(a) Capital		
	(b) Recurring	<b>11.84</b>	<b>16.92</b>
	(c) Total	<b>11.84</b>	<b>16.92</b>
	(d) Total R & D expenditure as a percentage of total turnover	Total R & D expenditure as a percentage of total turnover is .09 % (previous year 0.16 %).	

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earnings and outgo of the Company during the Financial Year 2018-19 are as under:

**(Rs. In lakhs)**

	<b>F.Y. 2018-19</b>	<b>F.Y. 2017-18</b>
Total foreign exchange earned	382.86	247.67
Total foreign exchange outgo	1772.78	1471.84

## ANNEXURE - H TO DIRECTORS' REPORT

## Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2018-19

1. A brief outline of the Company' CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Refer section "Corporate Social Responsibility" column in the report
2. The Composition of the CSR Committee.	Mr. Ashish Madan, Chairman Mr. Vivek Kohli, Member Mrs. Promila Kumar, Member
3. Average net loss of the company for last three financial years	(555.47) Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs.(11.10) lakhs
5. Details of CSR spent during the financial year.	
a. Total amount to be spent for the financial year;	The Company had Spent Rs. 1.40 Lakhs for Water Purifier Project and Contributed for installation of Recycled Rubber mat at Playground and Dormitory for Orphan.
b. Amount unspent, if any;	Rs. 17.75 lakhs
c. Manner in which the amount spent during the financial year	Company has suffered a loss this year.

1. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company could not spend the remaining amount of Rs.17.75lakhs on CSR activities, due to loss incurred in the current year and tight liquidity conditions.

**Responsibility Statement:**

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**Promila Kumar**  
Director and Member CSR Committee

**For and on behalf of the Board of Directors**  
**Tinna Rubber and Infrastructure Limited**

**Bhupinder Kumar Sekhri**  
Managing Director  
DIN: 00087088  
Regd. Office Address: Tinna House, No. 6,  
Tinna House, No. 6, Sultanpur, Mandi Road,  
Mehraulti, New Delhi-110030

Place: New Delhi  
Date: 10th August, 2019

## **REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Board of Directors of your Company strongly supports the principles of Corporate Governance. Emphasis is laid on transparency, accountability and integrity in all its operations and dealings with all the stakeholders. Corporate Governance is an ongoing process in your Company and there is a continuous strive to improve upon its practices, in line with the changing demands of the business environment. These governance structures and systems are the foundation that provide adequate empowerment across the organization helping leverage opportunities for rapid sustainable growth of the Company.

Your Company's policy with regard to Corporate Governance is an integral part of the Management and its pursuits of excellence, growth, and value creation, it continuously endeavors to leverage resources to translate opportunities into reality. Your Company believes that all its actions and operations must serve the underlying goal of enhancing overall stakeholders' value on a sustained basis.

This report covers the Corporate Governance aspects in your Company relating to the year ended on 31<sup>st</sup> March, 2019.

### **2. BOARD OF DIRECTORS:**

#### **2.1 APPOINTMENT AND TENURE:**

The Directors of the Company are appointed by the shareholders at the General Meetings. Two third of the Directors (other than independent Directors) are subject to retirement by rotation and at every Annual General Meeting, one third of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 (hereinafter also referred to as "Act") and that of the Articles of Association of the Company. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

#### **2.2 BOARD MEMBERSHIP CRITERIA:**

Meeting the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee, to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee:

- i. assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position;
- ii. assess the appointee on the basis of merit, related skills and competencies. No discrimination is made on the basis of religion, caste, creed or gender.

#### **2.3 BOARD COMPOSITION, CATEGORY OF DIRECTORS, MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR:**

The Company has a mix of executive and non-executive Independent Directors as on 31.03.2019, the Board of Directors comprised of 8 Directors of which 6 are non-executive during the year 2018-19. Mr. Gaurav Sekhri Appointed as Additional Non-Executive Director w.e.f. 3<sup>rd</sup> October, 2018. The Managing Director is an executive and also Promoter of the Company. The number of Independent Directors is 4 which is in compliance with the stipulated number. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation (1) (b) of the SEBI (LODR) Regulations, 2015. The Board had one Woman Director during the year 2018-19. Mr. Anand Kumar Singh resigned from the Post of Director with effect from

17<sup>th</sup> December, 2018 and Mr. Nirmal Jyoti Chatterjee Appointed as a whole time Director of the Company with effect from 11<sup>th</sup> January, 2019.

No Director is related to any other Director on the Board in terms of the definition of “relative” as defined in Section 2(77) of the Companies Act, 2013, except Mr. Bhupinder Kumar Sekhri, Managing Director who is relative of Mr. Gaurav Sekhri Sekhri. None of the Directors on the Board are Independent Directors of more than seven listed companies and none of the Whole-time Directors are Independent Directors of any listed company.

None of the Directors on the Board is a member of more than 10 committees and Chairperson of more than 5 committees (as specified in Regulation 26 (1) of SEBI (LODR Regulations) across all the public Companies in which he/she is a Director. The necessary disclosures regarding committee positions in other public companies, have been made by the Directors.

The information stipulated under Part A of Schedule II of SEBI (LODR Regulations) 2015, is being made available to the Board.

The details of composition of the Board as at 31.03.2019, the attendance record of the Directors at the Board Meetings held during the financial year 2018-19 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies and number of Board Meetings and dates on which held and number of Shares and Convertible instruments held by non-executive directors are given here below:

Name of Director	Category	Position	Date of Joining the Board	No. of Board Meetings held#	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	Category of Directorship and name of the other listed Company(s) as on 31-03-2019	No. of Chairmanship(s)/ Membership(s) of Committees in other Indian Public Limited Cos# #	
									Chairmanship(s)	Membership (s)
Mr. Bhupinder Kumar Sekhri	Executive Non Independent Director	Managing Director	01-04-2014	13	13	No	1	NA	-	-
Mr. Gaurav Sekhri*	Non Executive Non Independent Director	Additional Director	03.10.2018	7*	5	Not a Director at the time of last AGM	1	Tinna Trade Limited Managing Director	-	-
Mr. Nirmal Jyoti Chatterjee#	Executive Director	Whole Time Director	11.01.2019	2#	1	Not a Director at the time of last AGM	-	NA	-	-
Mr. Anand Kumar Singh	Non-Executive Non Independent Director	Director	29.05.2013	9	4	No	1	NA	-	-
Mr. Vivek Kohli	Non-Executive Independent Director	Director	01.04.2014	13	7	Yes	-	NA	-	-
Mr. Ashish Madan	Non-Executive Independent Director	Director	29.05.2014	13	10	Yes	1	Tinna Trade Limited Independent Director	1	2
Mr. Ashok Kumar Sood	Non-Executive Independent Director	Director	29.09.2014	13	4	No	-	NA	-	-
Mr. Rajender Parshad Indoria	Non-Executive Independent Director	Director	12.02.2016	13	5	No	-	NA	-	-
Mrs. Promila Kumar	Non-Executive Non Independent Director	Director	24.11.2017	13	13	No	-	NA	-	-

**Notes:**

1. During the Financial Year 2018-19, 13 Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 09.04.2018, 29.05.2018, 28.07.2018, 14.08.2018, 27.08.2018, 03.10.2018, 05.11.2018, 14.11.2018, 05.12.2018, 26.12.2018, 11.01.2019, 30.01.2019, 09.02.2019.
2. #No. of Board Meetings indicated is with reference to date of joining/cessation of the Director.
3. Only two Committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered.
4. ##Mr. Anand Singh resigned w.e.f. 17<sup>th</sup> December, 2018, \*Mr Gaurav Sekhri is appointed w.e.f 3<sup>rd</sup> October, 2018 and #Mr. Nirmal Jyoti Chatterjee appointed as whole time Director w.e.f 11<sup>th</sup> January, 2019 .

**2.4 BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES:****A. INSTITUTIONALISED DECISION MAKING PROCESS:**

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Managing Director is assisted by the Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Committees, namely, Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Share Transfer Committee, Committee for Issue of Duplicate Share Certificates and Restructuring Committee.

**B. SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS:**

- a) A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. The meetings are held at the Company's Registered Office at Tinna House, No. 6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030.
- b) All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/approval/ decision at the Board/ Committee meetings. All such matters are included in the Agenda for the Board/Committee Meetings. In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant issues.
- c) The Board is given presentations covering crumb rubber, reclaim rubber and Cut Wire shots Scenario, Company's Financials, Sales, Production, Business Strategy, Subsidiary's performance, Competitor's Performance and Risk Management practices before taking on record the Quarterly/ Half Yearly/ Nine Monthly/ Annual financial results of the Company.

The Board is also provided with the Audit Committee observations on the Internal Audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

**C. DISTRIBUTION OF BOARD AGENDA MATERIAL:**

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

**D. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:**

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting. The copy of the signed minutes, is circulated to all members after those are signed.

**E. POST-MEETING FOLLOW-UP MECHANISM:**

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. The important decisions taken at the Board/Committee meetings are communicated to the concerned functional Heads. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

**F. COMPLIANCE:**

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder.

**2.5 STRATEGY MEET:**

A strategy meet of the Board of Directors is generally held at appropriate intervals to formulate, evaluate and approve the business strategy of the Company. The Functional Heads give a brief presentation to the Board covering their respective areas of responsibility. The meeting focuses on strategic goals, financial management policies, management assurances and control aspects and the growth plan of the Company.

**2.6 TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS:**

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

**2.7 MEETINGS OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company meet once a year without the presence of Executive Directors or management personnel. This meeting is conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Managing Director.

During the year under review, the Independent Directors met on 27<sup>th</sup> August, 2018, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting except Mr. Rajender Parshad Indoria.

**2.8 FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the business environment, as well as all business areas of the Company including business strategy, risks opportunities. Updates on performance/developments giving highlights of performance of the Company during each month

including the developments/events having impact on the business of the Company are also informed to all the Directors. The details of familiarization programmes imparted to Independent Directors, are disclosed on the company's website [www.tinna.in](http://www.tinna.in)

## 2.9 PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR Regulations) 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Managing Director and the Non- Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

A separate exercise was carried out to evaluate the performance of individual Directors including the Managing Director, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The details of Familiarization programmes imparted to Independent Directors of the Company, are available on the Website of the Company viz. [www.tinna.in](http://www.tinna.in)

The Directors expressed their satisfaction with the evaluation process.

## 3. AUDIT COMMITTEE:

The Audit Committee comprises of Three Non-Executive Directors, all are Independent Directors. Mr. Vivek Kohli is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

The Broad terms of reference of Audit Committee are:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Reviewing with the management the financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
  - (1) Matters to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub- section 3 of Section 134 of the Companies Act, 2013.
  - (2) Changes to any accounting policies and practices.
  - (3) Major accounting entries based on the exercise of judgement by Management
  - (4) Significant adjustments if any, arising out of findings of statutory auditors, cost auditors of the Company.
  - (5) Compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements.

- (6) Disclosure of any related party transactions.
- (7) Modified opinion (s) in the draft audit report.
- c) Re-commending to the Board, the appointment, re-appointment, remuneration and terms of appointment of statutory auditors, cost auditors of the Company.
- d) To review reports of the Management Auditors and Internal Auditors and discussion on any significant findings and follow up there on.
- e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board.
- f) Evaluation of the internal financial controls and risk management systems.
- g) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.
- i) In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

Five Meetings of the Audit Committee were held during the financial year 2018-19. The Committee meetings were held on 09.04.2018, 29.05.2018, 14.08.2018, 14.11.2018 and 08.02.2019

The composition of the Committee as at 31.03.2019, name of members and Chairperson and the attendance of each member at the Committee Meetings are as given below:

S. No.	Name of the Members	Category	No. of Meetings Attended
1	Mr. Vivek Kohli	Non Executive Independent, Chairperson	4
2	Mr. Ashish Madan	Non Executive Independent, Member	5
3	Mr. Ashok Kumar Sood	Non Executive Independent, Member	5

In addition to members of Audit Committee, Managing Director, Chief Financial Officer, Company Secretary and the representatives of the Statutory Auditors and Internal Auditors attend the Audit Committee Meetings. The Company Secretary is the Secretary of the Audit Committee. Mr. Bhupinder Kumar Sekhri resigned from Audit Committee w.e.f. 9th April, 2018.

Mr. Vivek Kohli, Chairman of the Audit Committee was present at the last Annual General Meeting held on 28.09.2018.

- 4. NOMINATION & REMUNERATION COMMITTEE:** The Nomination & Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the SEBI (LODR) Regulations 2015.

The terms of reference of the Committee inter alia, include the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.



- Formulating criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulating criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors.

Four Meetings of Nomination and Remuneration Committee were held during the financial Year 2018-19 on 29.05.2018, 27.08.2018, 14.11.2018 and 11.01.2019.

The composition of the Nomination & Remuneration Committee as at March 31, 2019 and attendance of each member at the committee meetings are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings Held	No. of Meetings Attended
1	Mr. Vivek Kohli	Non-Executive Independent Director, Chairperson	4	3
2	Mr. Ashish Madan	Non-Executive Independent Director, Member	4	4
3	Mr. Ashok Kumar Sood	Non-Executive Independent Director, Member	4	4

#### 4.1 PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Board Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) and approved by the Board. This policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR) Regulations, 2015, as amended from time to time.

The Company adopted the following criteria to carry out the evaluation of Independent Directors, which is in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015:

- The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance.
- In addition, performance evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent Director.

The Evaluation process of Independent Directors and the Board will consist of two parts:

- Board Member Self Evaluation; and
- Overall Board and Committee Evaluation.

In the Board Member Self Evaluation, each Board member is encouraged to be introspective about his/her personal contribution/ performance/ conduct as Director with reference to a questionnaire provided to them. Copies of the evaluation

forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Company Secretary or Board nominee or the consultant, as may be informed.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any Director disagrees with the self-evaluated results, he/ she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted.

The individually completed forms will be preserved by the Company Secretary and the Tabulated Report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every Director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every Director's performance and based on such feedback, the Board will recommend appointments, re-appointments and removal of the non-performing Directors of the Company.

#### 4.2 REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID TO DIRECTORS:

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination & Remuneration Committee and approved by the Board with the following broad objectives:

- i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- ii. Motivate KMP and Senior Management to achieve excellence in their performance.
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iv. Ensuring that the remuneration to Directors, KMP and Senior Management involves a balance between fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The full text of the remuneration policy is available at on the website of the Company [www.tinna.in](http://www.tinna.in)

The Executive Directors (EDs) compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. EDs are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary.

The present remuneration structure of EDs comprises of salary, perquisites, allowances, and contribution to PF and Gratuity.

No remuneration is paid to the non-executive Directors of the Company. The details of remuneration paid to the Whole Time Directors for the Financial Year 2018-19 are as given below:

Name of Director and Designation	Salary including Provident Fund (Rs. In lacs)	Period of Contract
Mr. Bhupinder Kumar Sekhri Managing Director	84.00	Upto 31 <sup>st</sup> March, 2019
Mr. Nirmal Jyoti Chatterjee Whole Time Director#	2.77	Mr. Nirmal Jyoti Chatterjee appointed w.e.f 11th January, 2019 to 1st January 2022.

# Appointed as Whole Time Director w.e.f. 11th January, 2019

**Note:** The above figures exclude provision for leave encashment and Gratuity which are actuarially determined for the Company as a whole. None of the Non-Executive Directors hold any shares in the Company except Mr. Anand Kumar Singh who holds 1000 equity shares of the Company.

- 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:** The Stakeholders Relationship Committee comprises of 3 Non-Executive Directors, two of whom are Independent Directors.

The Stakeholders Relationship Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the SEBI (LODR) Regulations, 2015.

The terms of reference of the Committee are as follows:

- 1) To review the reports submitted by the Registrars and Share Transfer Agents of the Company at Half yearly intervals.
- 2) To periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders / Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.
- 3) To follow-up on the implementation of suggestions for improvement, if any.
- 4) To periodically report to the Board about serious concerns if any.
- 5) To consider and resolve the grievances of the security holders of the company.

The Stakeholders Relationship Committee met four times during the financial year 2018-19 on 29.05.2018, 27.08.2018, 14.11.2018 and 08.02.2019. The composition of the Committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings attended
1	Mr. Ashish Madan	Non-Executive and Independent, Chairperson	4
2	Mr. Vivek Kohli	Non-Executive and Independent, Member	3
3	Mrs. Promila Kumar*	Non-Executive and Non-Independent, Member	1
4	Mr. Anand Kumar Singh#	Non-Executive and Non-Independent, Member	3

\*Mrs Promila Kumar Appointed as a member on 26.12.2018, # Mr. Anand Singh resigned w.e.f 17.12.2018  
Mr. Vaibhav Pandey, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Stock Exchanges. His address and contact details are as given below:

Address : Tinna House, No. 6 Sultanpur, Mandi Road, Mehrauli, New Delhi – 110030  
Phone : +91 11 49518530  
Fax : +91 11 2680 7073  
Email : investor@tinna.in

No investor's complaint was received during the Financial Year 2017-18.

#### **INVESTOR GRIEVANCE REDRESSAL**

The Company has received one investor complaint during the Financial Year 2018-19 and that was redressed on time.

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Terms of reference of the Committee

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR projects or programs which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, as may be amended.
2. To recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
3. To approve the Annual Report on CSR activities to be included in the Director's Report forming part of the Company's Annual Report and Attribute reasons for short comings in incurring expenditures.
4. To monitor the CSR policy of the Company from time to time; and
5. To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

One CSR Committee meeting was held during the financial year 2018-19 on 14.11.2018. The composition of the Committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings attended
1	Mr. Ashish Madan	Non Executive and Independent, Chairperson	1
2	Mr. Vivek Kohli	Non Executive and Independent, Member	1
3	Mrs. Promila Kumar	Non Executive and Non Independent, Member	1

\*Mrs Promila Kumar Appointed as a member on 26.12.2018 , # Mr. Anand Singh resigned from the post of Director w.e.f 17.12.2018

## 7. GENERAL BODY MEETINGS:

### A) ANNUAL GENERAL MEETINGS:

The details of date, time and venue of the Annual General Meetings (AGMs) of the Company held during the preceding Three years and the Special Resolutions passed there at, are as under:

AGM	Date	Time	Venue	Special Resolutions Passed
31 <sup>st</sup>	28 <sup>th</sup> September, 2018	09.00 A.M.	18th South Drive way, DLF Farms, Chhattarpur, New Delhi – 110074	No Special Resolution passed
30 <sup>th</sup>	27 <sup>th</sup> September, 2017	09.00 A.M.	18th South Drive way, DLF Farms, Chhattarpur, New Delhi – 110074	No Special Resolution passed
29 <sup>th</sup>	30 <sup>th</sup> September, 2016	09.00 A.M.	18th South Drive way, DLF Farms, Chhattarpur, New Delhi – 110074	No Special Resolution passed

**b) EXTRA ORDINARY GENERAL MEETINGS:**

No Extra Ordinary General Meetings was held during the Financial Year 2018-19.

**c) SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT DURING 2018-19:**

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

**8. DISCLOSURES:**

- i. There were no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their relatives or Subsidiaries etc. which could conflict with the interests of the Company except as disclosed at Annexure "D" of the Directors Report.
- ii. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- iii. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.
- iv. Whistle Blower Policy/Vigil Mechanism: The Whistle Blower Policy/Vigil Mechanism has been formulated by the Company with a view to provide a mechanism for Directors and employees of the Company to approach the Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy/Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy/Vigil Mechanism adopted by the Company in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, which is a mandatory requirement, has been posted on the Company's website [www.tinna.in](http://www.tinna.in)

- v. Subsidiary Monitoring Framework: All the Subsidiary Companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means:
  - a) The financial statements along with the investments made by the unlisted subsidiaries are placed before the Audit Committee and the Company's Board, quarterly.
  - b) A copy of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries/Associates along with Exception Reports and quarterly Compliance Certificates issued by CEO/CFO/CS are tabled before the Company's Board, quarterly.
  - c) A summary of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries are circulated to the Company's Board, quarterly.
  - d) A statement containing all significant transactions and arrangements entered into by the subsidiary companies is placed before the Company's Board.
  - e) There is no Subsidiary as on 31<sup>st</sup> March, 2019

- f) The Company has a policy for determining 'material' subsidiaries and the policy has been disclosed on the Company's website at [www.tinna.in](http://www.tinna.in)
- vi. Related Party Transactions: Transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length pricing basis subject to some exceptions. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the Financial Statements.
- The Board approved policy for related party transactions, is available on the Company's website [www.tinna.in](http://www.tinna.in)
- vii. Internal Controls: The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances.
- viii. Compliance with Accounting Standards: In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

## 9. CREDIT RATING

**Tinna retained its Credit Rating on the Long Term Bank facilities of Company 'ICRA B+ /ICRA B PLUS' and Credit Rating on the Short Term Bank Facilities "ICRAA4 /ICRAA FOUR" from ICRA.**

Further, a 'Stable' outlook has been assigned to the long-term rating

## 10. MEANS OF COMMUNICATION:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

- a) Quarterly/Half Yearly/ Nine Monthly/ Annual Results: The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- B) PUBLICATION OF QUARTERLY/ HALF YEARLY/NINE MONTHLY/ ANNUAL RESULTS:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in one English and in one Vernacular newspaper of New Delhi where the Registered Office of the Company is situated.

The quarterly/ annual financial results during the Financial Year 2018-19 were published in The Financial Express and Jansatta Newspapers as detailed below:

Quarter/ Year (F.Y. 2018-19)	Date of Board Meeting	Date of Publication
First Quarter	29.05.2018	31.05.2018
Second Quarter	14.08.2018	16.08.2018
Third Quarter	14.11.2018	16.11.2018
Financial Year 2018-19	09.02.2019	11.02.2019

**C) WEBSITE:** The Company's website www.tinna.in contains a separate dedicated section “Investor Zone” where information for shareholders is available. The Quarterly/ Annual Financial Results, annual reports, shareholding pattern, policies, investors' contact details, etc. are posted on the website in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**F) FILING WITH BSE “LISTING CENTRE”:**

Pursuant to Regulation 10 (1) of the SEBI (LODR) Regulations, 2015, BSE has mandated the Listing Centre as the “Electronic Platform” for filing all mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. All the data relating to financial results, shareholding pattern, Corporate Governance Report, various submissions/ disclosure documents etc., have been electronically filed with the Exchange on the “Listing Centre” (<http://listing.bseindia.com>).

**G) ANNUAL REPORT:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report along with relevant annexures, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of this Annual Report.

**H) CHAIRMAN'S MESSAGE:** Chairman's Message is included in this Annual Report. Printed copy of the Managing Director's Speech is distributed to all the shareholders at the Annual General Meeting.

**11. GENERAL SHAREHOLDERS INFORMATION:**

**I. ANNUAL GENERAL MEETING:**

<b>DATE AND TIME</b>	6 <sup>th</sup> September, 2019 at 12.00 p.m.
<b>VENUE</b>	A-35 Chattarpur Central Village Satbari, Chattarpur New Delhi – 10074
<b>DATES OF BOOK CLOSURE</b>	Thursday, 29 <sup>th</sup> August, 2019 to Friday, 6 <sup>th</sup> September, 2019 (both days inclusive)

**II. FINANCIAL CALENDAR 2019-20:**  
(Tentative Schedule)

First quarterly results	On or before 14 <sup>th</sup> August, 2019
Second quarterly results	On or before 14 <sup>th</sup> November, 2019
Third quarterly results	On or before 10 <sup>th</sup> February, 2020
Annual results for the year ending on 31.03.2019	On or before 29 <sup>th</sup> May, 2020
Annual General Meeting for the Year 2019-20	September, 2020

**III. E-VOTING:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by NSDL.

**IV. CORPORATE IDENTITY NUMBER (CIN):**

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L51909DL1987PLC027186.

## V. LISTING ON STOCK EXCHANGES:

The Company's Equity Shares are listed on the following Stock Exchanges in India

### **BSE LIMITED (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

### **THE CALCUTTA STOCK EXCHANGE LIMITED (CSE)**

7, Lyons Range, Kolkata 700001

The Company has paid Annual Listing Fees as applicable, to the BSE for the Financial Years 2018-19 however Annual Listing Fees is yet to be paid to CSE (Calcutta Stock Exchange).

## VI. STOCK CODE AND ISIN NO.:

Security code of Company's Equity Shares of Rs. 10/- each at BSE is 530475 and ISIN No. of the Company is INE015C01016.

## VII. MARKET PRICE DATA:

The monthly high/low market price of the shares and the quantities traded during the year 2018-19 on BSE Limited is as under:

(Amount in Rs. per share)

Month	Month' High Price	Month' Low Price	No. of shares traded
April, 2018	88.2	55.2	27397
May	68.85	45	19134
June	69.9	44.2	13849
July	61.45	40	10458
August	68.25	42.1	13597
September	66.45	44.4	27979
October	54.9	40	5338
November	54	37.2	10215
December	46	37.65	15243
January, 2019	47.2	37.75	9883
February	44	40	403
March	42.8	38.85	607



**VIII. PERFORMANCE OF SHARE PRICE IN COMPARISON TO BSE SENSEX:**

Month	Tinna Rubber And Infrastructure Ltd. (Rs.)	BSE SENSEX
April, 2018	66.7	35160.36
May	56.25	35322.38
June	57.25	35423.48
July	48.85	37606.58
August	50.05	38645.07
September	49.9	36227.14
October	44.45	34442.05
November	44.95	36194.3
December	39.25	36068.33
January, 2019	42	36256.69
February	42.95	35867.44
March	42	38672.91

**IX. REGISTRAR & SHARE TRANSFER AGENTS:**

M/s Alankit Assignments Limited  
Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055  
Phone: +91-11-42541234/ 23541234, Fax : 91-11- 41543474  
Website : [www.alankit.com](http://www.alankit.com) , Email : [rta@alankit.com](mailto:rta@alankit.com)  
Contact Person : Mr. J K Singla

**X. SHARE TRANSFER/TRANSMISSION SYSTEM:**

Requests for Transfer/Transmission of Shares held in physical form can be lodged with M/s Alankit Assignments Limited at the above mentioned address. The requests are normally processed within 15 days of receipt of the documents, if documents are found in order.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share Transfer Committee. There were no share transfers pending as on 31<sup>st</sup> March, 2019. The Company obtains from a Company Secretary in Practice, a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

**XI. DISTRIBUTION OF SHAREHOLDING:**

The distribution of shareholding by size as on March 31, 2019 is given below:

Sl. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1	1-500	4483	95.38	550054	6.42
2	501-1000	99	2.106	73576	0.86
3	1001-5000	76	1.62	158969	1.86
4	5001-10000	20	0.43	144685	1.68
5	10001-20000	4	0.08	62431	0.73
6	20001-30000	1	0.02	28200	0.33
7	30001-40000	0	0	0	0
8	40001-50000	1	0.02	45100	0.53
9	50001-100000	4	0.08	257036	3.00
10	100001-500000	9	0.19	2347849	27.41
11	500001 and above	3	0.06	4896850	57.17
	Total	4700	100.00	8564750	100.00

**XII. SHAREHOLDING PATTERN:**

Category Code	Category Code	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	11	63,21,347	73.81
(2)	Foreign	0	0	
	Total Shareholding of Promoter and Promoter Group	11	63,21,347	73.81
(B)	Public Shareholding			
(1)	Institutions	1	28200	0.33
(2)	Non-institutions	4639	22,15,203	25.86
	Total Public Shareholding	4640	22,43,403	26.19
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	
	Total A+B+C	4651	85,64,750	100.00

**XIII. TOP 10 SHAREHOLDERS AS ON MARCH 31, 2019**

Sr. No.	Name	Shares	%
1	Puja Sekhri	1749160	20.42
2	Shobha Sekhri	1636343	19.11
3	Aarti Sekhri	1511347	17.65
4	Shama Ashok Mehra	367000	4.29
5	Arnav Sekhri	300000	3.50
6	Aditya Brij Sekhri	300000	3.50
7	Krishnav Sekhri	300000	3.50
8	Padmavathi Manchala	300000	3.50
9	Ashoka Mercantile Limited	291812	3.41
10	Bhupinder Kumar Sekhri Karta B K Sekhri & Sons HUF	262300	3.06

**XIV. CORPORATE BENEFITS TO SHAREHOLDERS:**
**DIVIDEND DECLARED FOR THE LAST THREE YEARS**

Financial Year	Dividend Declaration Date	Dividend
2018-19	Not Declared	Not Declared
2017-18	Not Declared	Not Declared
2016-17	Not Declared	Not Declared

**UNPAID/UNCLAIMED DIVIDEND:**

The Company had paid its first dividend for the Financial Year 2013-14. The dividends for the under noted years, if remained unclaimed for 7 years, will be statutorily transferred by the Company, to Investor Education and Protection Fund (IEPF), in accordance with schedule given below:

Financial Year	Date of Declaration of Dividend	Total Dividend (in Rupees)	Unclaimed Dividend as on 31.03.2019	To be transferred to IEPF latest by
2013-14	29.09.2014	85,64,750	7,65,732	05.11.2021
2014-15	30.09.2015	1,71,29,500	8,53,787	06.11.2022
2015-16	30.09.2016	42,82,375	2,36,380	06.11.2023

**B) DEMATERIALISATION OF SHARES AND LIQUIDITY:**

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 78,40,917 Equity Shares aggregating to 91.55% of the total Equity Capital is held in dematerialised form as on 31.03.2019 of which 88.68% (7595319 Equity Shares) of total equity capital is held in NSDL & 2.87% (245598 Equity Shares) of total equity capital is held in CDSL as on 31.03.2019.

**C) NOMINATION FACILITY:**

Pursuant to the provisions of the Companies Act, 2013, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/ change the nomination in respect of their shares in the Company may submit their requests to the Company's Registrar, M/s Alankit Assignments Limited. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly. Form(s) can be obtained from Company's Registrar, M/s Alankit Assignments Limited.

**D) REGISTERED OFFICE:**

Tinna House, No. 6 Sultanpur, Mandi Road, Mehrauli, New Delhi - 110030

**E) PLANT LOCATIONS:**

<b>Panipat</b>	Refinery Road, Village Rajapur, Panipat, (Haryana)-132103
<b>Gummindipoondi</b>	No-17, Chithur Natham Village, Poovalanbedn Post, Via-Kavaran Path Gummindipoondi Taluk, Thiruvallur (Dist. Tamilnadu)- 601206
<b>Haldia</b>	CRMB Plant, Near Oil Jetty & Drum Plant I.O.C Refinery Complex, Haldia Refinery Medinipur (East) West Bengal -721606
<b>Wada</b>	Village Pali, Near Borothipada, Jawahar Road, Taluka – Wada, Post Office – Posheri, Dist Thane, Maharashtra – 421 303
<b>Kala-amb</b>	Near IITT College of Engineering Trilokpur Road Kalaamb Dist-Sirmour HP-173030

**F) ADDRESS FOR INVESTOR CORRESPONDENCE:**

- a) For Securities held in Physical form  
M/s Alankit Assignments Limited  
Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055  
Phone: +91-11-42541234/ 23541234, Fax : 91-11- 41543474  
Website: www.alankit.com Email : rta@alankit.com
- b) For Securities held in Demat form The investor's Depository Participant and/or M/s Alankit Assignments Limited
- c) Tinna Rubber And Infrastructure Ltd. Registered Office: Tinna House, No. 6 Sultanpur, Mandi Road, Mehrauli, New Delhi - 110030
- d) Designated exclusive e-mail-id for investor's services is investor@tinna.in

**XV NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE:**

There are no instances of non-compliance of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para (C) of Schedule V of the SEBI (LODR) Regulations, 2015.

**XVI ADOPTION OF DISCRETIONARY REQUIREMENTS:** The Company has not adopted non mandatory requirements, except stated elsewhere in the report.

**XVII CORPORATE ETHICS:**

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and Code of Conduct to Regulate, Monitor and Report Trading by Insiders (formerly known as Code of Conduct for Prevention of Insider Trading) as detailed below has been adopted pursuant to Clause 49(E) of the erstwhile Listing Agreement & the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, respectively:

**A) CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:**

The Board of Directors of the Company adopted a revised Code of Conduct for Board Members and Senior Management. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all Board of Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavour to fulfil all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company-[www.tinna.in](http://www.tinna.in).

**DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

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

**B) CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS:**

The Company adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

SEBI thereafter, to put in place a framework for prohibition of Insider Trading and to strengthen the legal framework, notified the "Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In order to comply with the mandatory requirement of the Regulations, the Code of Conduct for prevention of Insider Trading was revised to bring it in line with the new 2015 Regulations. The new code was adopted by the Board.

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**C) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/FITTC/CIR- 16/2002 dated 31.12.2002, also pursuant to Regulation 76 of SEBI (Depositories

and Participants) Regulations, 2018 (earlier Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996) confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

#### **D) INTERNAL CHECKS AND BALANCES**

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever necessary. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

#### **E) LEGAL COMPLIANCE OF THE COMPANY'S SUBSIDIARIES AND ASSOCIATES**

Periodical Management audit ensures that the Company's Subsidiaries and Associates conducts its business with high standards of legal, statutory and regulatory compliances. As per the report of the Management, Auditors, there has been no material non-compliance with the applicable statutory requirements by the Company and its Subsidiaries and Associates.

#### **NON-DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

Certificate from Mr. Ajay Baroota, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

#### **COMPLIANCE CERTIFICATE BY AUDITORS/PRACTICING COMPANY SECRETARY**

The Company has obtained a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under clause Schedule V (E) of the SEBI (LODR) Regulations, 2015, which is annexed herewith.

#### **DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

As provided under erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges and Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2019.

**Place : New Delhi**  
**Date: August 10, 2019**

**Bhupinder Kumar Sekhri**  
**Managing Director**  
**DIN: 00087088**  
**Office Address: Tinna House, No. 6,**  
**Sultanpur, Mandi Road, Mehrauli,**  
**New Delhi-110030**

**Ravindra Chhabra**  
**CFO & GM Accounts**

**COMPLIANCE CERTIFICATE**

**To  
The Members of  
Tinna Rubber And Infrastructure Limited**

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

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

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

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

**For Ajay Baroota & Associates  
Company Secretaries**

**CS Ajay Baroota  
Proprietor  
FCS 3495: CP No. 3945**

**Place: Delhi  
Date: 6<sup>th</sup> August, 2019**

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

**To**  
**The Members of**  
**Tinna Rubber And Infrastructure Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tinna Rubber And Infrastructure Limited** having **CIN L51909DL1987PLC027186** and having registered office at Tinna House, No. 6, Sultanpur, Mandi Road, Mehrauli, New Delhi--110030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of

S.No.	Name of director	DIN	Date of Appointment in the Company
1	Mr. Bhuppinder Kumar Sekhri	00087088	27-08-1996
2	Mr. Gaurav Sekhri	00090676	03-10-2018
3	Mr. Ashish Madan	00108676	29-05-2014
4	Mr. Vivek Kohli	00418014	23-03-2012
5	Mr. Ashok Kumar Sood	05120752	29-09-2014
6	Mr. Rajender Parshad Indoria	06600912	12-02-2016
7	Ms. Promila Kumar	07998889	24-11-2017
8	Mr. Nirmal Jyoti Chatterjee	08321513	11-01-2019

the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

**Date: 06<sup>th</sup> Aug, 2019**  
**Place: Delhi**



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**TINNARUBBERANDINFRASTRUCTURE LIMITED**  
Tinna House,  
No. 6, Sultanpur (Mandi Road)  
Mehrauli, Delhi-110030

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

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

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the basis of Qualified Opinion section of our report, the aforesaid standalone Ind AS financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2019, net loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- a) The Company has not provided interest amounting to Rs. 4.04 lakhs for the year ended March 31, 2019 as required under the provisions of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006 in respect of delayed payments to suppliers covered under the said Act. Consequently, the net loss and total comprehensive income for the year ended March 31, 2019 is understated to that extent.
- b) The Company has incurred marketing promotion expenses, and other expenses, amounting to Rs 80.43 lakhs which has been amortised over a period a three years as is more appropriately referred in note no. 33(10) of the accompanying financial statements. The same is not in accordance with provisions of Ind AS 38 “Intangible Assets” (para 69). Consequently, the net loss and total comprehensive income for the year ended

31st March, 2019 is understated by Rs 53.62 lakhs, and other non-current assets and other current assets are overstated by Rs. 26.81 lakhs each.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion

**Emphasis of Matter**

We draw attention to Note No. 33(2) of accompanying statements, in relation to accounting of financial guarantee provided by the Company in respect of borrowings availed by one of its associate and other group companies based in India and disclosure of the same as contingent liability and is more fully described therein. Our report is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

	<p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contract and performed the following procedures:             <ul style="list-style-type: none"> <li>• Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul>
2.	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note no. 32(A)(c) and to the Standalone Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
3.	<p>Taxation Significant judgments are required in determining provision of income taxes, both current and deferred, as well as the assessment of provision for uncertain tax position including estimates of interest and penalties where appropriate.</p> <p>The effective tax rate for the Company is 26%</p>	<p>We evaluated the design and implementation of controls in respect of provision for current tax and the recognition and recoverability of deferred tax assets.</p> <p>We discussed with management the adequate implementation of policies and control regarding current and deferred tax.</p> <p>We examined the procedure in place for the current and deferred tax calculation for completeness and valuation and audited the related tax computation and estimates in the light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist.</p> <p>We performed the assessment of the material components impacting the tax expenses, balance and exposures. We reviewed and challenged the information reported by components with the support of our own tax specialist, where appropriate.</p> <p>In respect of deferred tax assets and liabilities, we assess the appropriateness of management's assumptions and estimates to support deferred tax assets for tax losses carried forward and related disclosures in financial statements. Based on the procedure performed above, we obtained sufficient audit evidence to corroborate management's estimates regarding current and deferred tax balances.</p>

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

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

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

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

### **Responsibilities of Management and Those Charges with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the board of

directors is responsible for the assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, and the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report
  - (g) In our opinion and the best of our information and according to the explanations give to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- (iii) There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

**Place: Delhi  
Dated: 29-5-2019**

**ANNEXURE-A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**

Re: TINNARUBBERANDINFRASTRUCTURE LIMITED (the Company)

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a phased periodical programme of physical verification of all fixed assets, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
- c. As per explanation given to us, the title deeds of immovable properties are held in the name of the Company.
2. As per explanations given to us, inventories have been physically verified by the management at reasonable intervals. In our opinion, the frequency of the verification is reasonable and no material discrepancies have been noticed on physical verification of stocks as compared to book records.
3. The Company has not granted loans, secured or unsecured to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly provisions of clause 3 (a), (b), (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company. As per explanations given to us by the management, the approval to the scheme by the shareholders of the Company under Sections 391 and 394 of the Act accounted for in the Financial Year 2017-18, shall be deemed to have their approval under the provisions of Section 186 and no separate approval from the shareholders shall be required.
5. According to the information and explanation given to us, the Company has not accepted any deposits as per the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, related to the manufacture of Rubber and Rubber Product-waste, Pairings and Scrap of Rubber and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have not, however, made a detailed examination of the same.
7. (a). The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues, however with delays. Interest on Sales Tax payable amounting to Rs. 10.09 lakhs is in arrears as at 31st March, 2019 concerned for a period of more than six months from the date they becomes payable.
- (b). According to the records of the company, the dues of income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute are as follows.

S. No.	Name of Statute	Nature of Dues	Amount (Rs. in lakhs )	Financial Year	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	73.50	2000-2001	High Court of Delhi
2.	Income Tax Act, 1961	Income Tax	456.12	2013-2014	Income Tax Appellate Tribunal, Delhi
3.	Income Tax Act, 1961	Income Tax	1.86	2009-2010	Income Tax Appellate Tribunal, Delhi
4.	Income Tax Act, 1961	Income Tax	33.71	2006-2007 2007-2008 2008-2009	Commissioner of Income Tax (appeals)

S. No.	Name of Statute	Nature of Dues	Amount (Rs. in lakhs )	Financial Year	Forum where dispute is pending
5.	Income Tax Act,1961	Income Tax	651.61	2013-14	Commissioner of Income Tax (Appeals) Delhi
6.	Service Tax	Service Tax (excluding penalties and interest)	50.12	01.04.2008 to 30.06.2012	Hon'ble High Court, Allahabad
7.	Excise Duty	Excise Duty (excluding interest and penalty)	5.50	2010-2011 to 2011-2012	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad
8.	Excise Duty	Excise Duty (excluding interest and penalty)	97.60	May, 2010 to July, 2012	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad
9.	Excise Duty	Excise Duty (excluding interest and penalty)	1.45	2011-2012	Commissioner of Central Excise (Appeals), Mumbai
10.	Excise Duty	Excise Duty (excluding interest and penalty) & and reversal of CENVAT credit for input and input services	71.26	2012-13 to 2013-14 (up to December 2014)	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Chandigarh
11.	Excise Duty	Interest and Penalty on Excise Duty Liability	104.00	2012-2013 to 2013-2014 (up to December 2014)	Customs, Excise & Service Tax Appellate Tribunal, West Zonal bench, Chandigarh
12.	Excise Duty	Excise Duty & Service Tax Liability (Excluding Interest and penalty on excise Duty & services Tax Liability)	92.12	2014-2015	Commissioner (Appeals) Central Tax (C.E & GST)
13.	Custom Duty	Countervailing Duty	40.61	2013-2014	Hon'ble High Court of Delhi
14.	Custom Duty	Countervailing Duty	110.97	2014-2015	Hon'ble High Court of Delhi
15.	Custom Duty	Countervailing Duty	113.22	2015-2016	Hon'ble High Court of Delhi
16.	Custom Duty	Countervailing Duty	85.48	2016-2017	Hon'ble High Court of Delhi
17.	Custom Duty	Countervailing Duty	6.14	April 2017 to June 2017	Hon'ble High Court of Delhi
18.	Custom Duty	Redemption Fine and Penalty	10.00	1 September 2015 to 31, October 2015	Customs Excise & Service Tax Appellant Tribunal, Allahabad

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks except, as under:

Name of Bank/ Financial Institution	Amount of Default (Including Interest) (Rs. in lakhs)	Due Date of Instalment	Actual Date of Payment
India bulls Commercial Credit Limited	24.69	05-10-2018	12-10-2018
India bulls Commercial Credit Limited	24.69	05-11-2018	21-11-2018
India bulls Commercial Credit Limited	6.64	05-11-2018	21-11-2018
India bulls Commercial Credit Limited	24.69	05-12-2018	07-12-2018
India bulls Commercial Credit Limited	6.64	05-12-2018	07-12-2018
India bulls Commercial Credit Limited	24.69	05-01-2019	14-01-2019
India bulls Commercial Credit Limited	6.64	05-01-2019	14-01-2019
India bulls Commercial Credit Limited	24.69	05-02-2019	15-02-2019
India bulls Commercial Credit Limited	6.64	05-02-2019	15-02-2019
India bulls Commercial Credit Limited	24.69	05-03-2019	18-03-2019
India bulls Commercial Credit Limited	6.64	05-03-2019	18-03-2019

As represented to us by the management, the aforesaid delays are due to late presentation of cheques by the lender.

9. Based on the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer/ further public offer and debt instruments. In our opinion and as per the information and explanations given to us, the monies raised by way of term loan were applied for the purpose for which, the said term loans were obtained.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud/ material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
11. In our opinion and according to the information and explanation given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of this clause of the order are not applicable to the Company and hence not commented upon.
13. As per the information given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.



14. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(14) are not applicable to the company and, not commented upon.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him.
16. The Company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934.

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

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

**Place: Delhi**  
**Dated: 29th May, 2019**

**ANNEXURE - B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

To the Members of Tinna Rubber and Infrastructure Limited

We have audited the internal financial controls over financial reporting of TINNA RUBBER AND INFRASTRUCTURE LIMITED (“the Company”) as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the period ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

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

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

**Opinion**

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

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

**Rajan Bansal  
Partner  
Membership No. 093591**

**Place: Delhi  
Dated: 29<sup>th</sup> May, 2019**

## Balance Sheet As At March 31st, 2019

(Amount in ₹ lakhs)

	Notes	As at March 31,2019	As at March 31,2018
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	7,634.88	7,699.21
Capital work-in-progress	3	113.54	261.97
Investment Property	4	530.40	-
Other intangible assets	5	0.82	2.45
Investments in associates	6	341.25	341.25
Financial assets	7		
(i) Investments		2,351.69	2,486.09
(ii) Loans and advances		5.10	4.73
(iii) Others		149.90	144.04
Deferred tax assets (Net)	8	527.52	545.29
Other non-current assets	9	101.98	85.41
		<b>11,757.08</b>	<b>11,570.44</b>
<b>2 Current assets</b>			
Inventories	10	2,475.00	2,694.28
Financial assets	11		
(i) Investments		6.05	5.25
(ii) Trade receivables		2,359.14	2,735.85
(iii) Cash and cash equivalents		16.42	12.82
(iv) Other bank balances		213.48	202.54
(v) Loans and advances		13.58	5.24
(vi) Others		116.93	110.92
Current tax assets (Net)	12	-	22.39
Other current assets	13	723.15	820.51
		<b>5,923.75</b>	<b>6,609.80</b>
<b>Total Assets</b>		<b>17,680.83</b>	<b>18,180.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
Equity share capital	14	856.48	856.48
Other equity	15	6,390.07	6,403.83
		<b>7,246.55</b>	<b>7,260.31</b>
<b>2 LIABILITIES</b>			
Non-current liabilities			
Financial liabilities	16		
Borrowings		3,148.87	3,097.16
Provisions	17	226.54	169.64
Other non-current liabilities	18	238.71	269.03
		<b>3,614.12</b>	<b>3,535.83</b>
<b>Current liabilities</b>			
Financial liabilities	19		
(i) Borrowings		3,995.88	4,473.87
(ii) Trade payables			
Total outstanding dues of micro and small enterprises		5.76	37.05
Total outstanding dues of creditors other than micro and small enterprises		868.37	738.31
(iii) Other financial liabilities		1,451.89	1,613.42
Other current liabilities	20	433.55	487.02
Provisions	21	38.81	34.43
Current tax liabilities (Net)	22	25.90	-
		<b>6,820.16</b>	<b>7,384.10</b>
<b>Total Equity and Liabilities</b>		<b>17,680.83</b>	<b>18,180.24</b>
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	32		
Other notes on accounts	33		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

**Rajan Bansal**  
Partner  
M. No.: 93591

Place: New Delhi  
Date: 29/05/2019

For and on behalf of the Board of Directors

**Bhupinder Kumar Sekhri**  
Managing Director  
DIN: 00087088

**Vaibhav Pandey**  
Company Secretary  
M. No.: A-53653

**Promila Kumar**  
Director  
DIN: 07998889

**Ravindra Chhabra**  
CFO & G.M. Accounts

**Statement Of Profit And Loss For The Year Ended March 31st, 2019**

(Amount in ₹ lakhs)

	Notes	Year ended March 31,2019	Year ended March 31, 2018
<b>I INCOME</b>			
Revenue from operations	23	12,970.99	10,216.98
Other income	24	261.88	126.92
<b>Total Income</b>		<b>13,232.87</b>	<b>10,343.90</b>
<b>II EXPENSES</b>			
Cost of materials consumed	25	5,270.43	3,612.12
Purchase of traded goods	26	907.13	34.58
Change in inventories of finished goods, traded goods and work in progress	27	(110.99)	984.42
Excise duty on sale of goods		-	191.86
Employee benefits expenses	28	2,089.19	1,684.39
Finance costs	29	1,031.74	982.04
Depreciation and amortisation expenses	30	728.57	719.29
Other expenses	31	3,282.20	2,718.35
<b>Total Expenses</b>		<b>13,198.27</b>	<b>10,927.05</b>
<b>III Profit /(loss) before exceptional items and tax</b>		<b>34.60</b>	<b>(583.15)</b>
Add : Exceptional items		-	-
<b>IV Profit/(loss) before tax</b>		<b>34.60</b>	<b>(583.15)</b>
<b>V Tax expenses</b>			
Current tax		32.74	-
MAT credit entitlement		(13.36)	-
Deferred tax liability /(asset)		30.57	(91.28)
<b>Income tax expense</b>		<b>49.95</b>	<b>(91.28)</b>
<b>VI Profit/ (loss) for the year</b>		<b>(15.35)</b>	<b>(491.87)</b>
<b>VII Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
i) Re-measurement gains on defined benefit plans		2.15	27.76
ii) Re-measurement gains on Investments [FVTOCI]		-	1,459.98
iii) Gains on sale of Investments [FVTOCI]	-	104.75	
iv) Income tax effect		(0.56)	(7.22)
<b>Other comprehensive income for the year, net of tax</b>		<b>1.59</b>	<b>1,585.27</b>
<b>VIII Total comprehensive income/ (loss) for the year, net of tax</b>		<b>(13.76)</b>	<b>1,093.40</b>
<b>IX Earnings per equity share (nominal value of share Rs.10/-)</b>			
Basic (Rs.)		(0.18)	(5.74)
Diluted (Rs.)		(0.18)	(5.74)
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	32		
Other notes on accounts	33		

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**
**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**Rajan Bansal**

Partner

M. No.: 93591

Place: New Delhi

Date:29/05/2019

**For and on behalf of the Board of Directors**
**Bhupinder Kumar Sekhri**

Managing Director

DIN: 00087088

**Vaibhav Pandey**

Company Secretary

M. No.: A-53653

**Promila Kumar**

Director

DIN: 07998889

**Ravindra Chhabra**

CFO &amp; G.M. Accounts

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

(Amount in ₹ lakhs)

	Year ended March 31,2019	Year ended March 31, 2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before income tax	34.60	(583.15)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	728.57	719.29
Loss on fair valuation of current investments [FVTPL]	0.23	0.47
Loss/(Gain) on disposal of Property, plant and equipment	10.42	0.22
Dividend received	(0.02)	(0.03)
Impairment allowance	13.72	11.83
Finance cost	1,031.74	982.04
Rental Income	(1.52)	-
Profit on sale of Investment	(1.07)	-
Interest income	(22.64)	(21.38)
Amortisation of Grant Income	(29.53)	(28.79)
<b>Operating Profit before working capital changes</b>	<b>1,764.50</b>	<b>1,080.50</b>
Movement in working capital		
(Increase)/ Decrease in loans and advances	(8.72)	(2.17)
(Increase)/ Decrease in inventories	(311.11)	706.93
(Increase)/ Decrease in trade receivables	362.99	(867.19)
(Increase)/ Decrease in other financial assets	(6.00)	308.78
(Increase)/ Decrease in other non-financial assets	90.74	(71.16)
Increase/ (Decrease) in trade payables	98.77	428.03
Increase/ (Decrease) in other financial liabilities	7.74	134.80
Increase/ (Decrease) in other non financial liabilities	(54.27)	(69.32)
Increase/ (Decrease) in provisions	63.43	36.92
<b>Cash generated from operations</b>	<b>2,008.07</b>	<b>1,686.12</b>
Income tax paid (net of refunds)	(8.73)	(140.18)
<b>Net Cash flow from Operating Activities (A)</b>	<b>1,999.34</b>	<b>1,545.94</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and CWIP (net of creditors for capital goods and capital advances)	(562.91)	(320.51)
Proceeds from sale of property, plant and equipments	20.64	10.14
Investment in equity shares of associate	-	(146.25)
Proceeds from sale of equity shares non-current investment	134.40	831.60
Proceeds from sale current investments	0.04	(3.29)
Rental Income	1.52	-
Dividend received	0.02	0.03
Interest Received	22.64	-
Proceeds from fixed deposits (Net)	(4.48)	(17.11)
<b>Net Cash flow from/(used) in Investing Activities (B)</b>	<b>(388.13)</b>	<b>354.61</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long term borrowings	21.99	(787.66)
Proceeds of short term borrowings	(478.00)	(153.63)
Interest Paid	(1,151.60)	(981.93)
<b>Net Cash Flow from/(used) in Financing Activities (C)</b>	<b>(1,607.61)</b>	<b>(1,923.22)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3.60</b>	<b>(22.67)</b>
Cash and cash equivalents at the beginning of the year	12.82	35.49
<b>Cash and Cash Equivalents at the end of the year</b>	<b>16.42</b>	<b>12.82</b>

**Notes :**

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

	<b>Year ended March 31,2019</b>	<b>Year ended March 31, 2018</b>
<b>Cash and cash equivalents</b>		
Balances with banks		
Current accounts	9.94	7.10
Cash on hand	6.48	5.72
	<u><b>16.42</b></u>	<u><b>12.82</b></u>

**As per our report of even date****For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**Rajan Bansal**

Partner

M. No.: 93591

Place: New Delhi

Date:29/05/2019

**For and on behalf of the Board of Directors****Bhupinder Kumar Sekhri**

Managing Director

DIN: 00087088

**Vaibhav Pandey**

Company Secretary

M. No.: A-53653

**Promila Kumar**

Director

DIN: 07998889

**Ravindra Chhabra**

CFO &amp; G.M. Accounts

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

### (A) Equity Share Capital

Particulars	Nos.	Amount in Rs. Lakhs
As at March 31, 2017	85,64,750	8,56,47,500
Add: Change in equity shares during the year	-	-
<b>As at March 31, 2018</b>	<b>85,64,750</b>	<b>8,56,47,500</b>
Add: Change in equity shares during the year	-	-
<b>As at March 31, 2019</b>	<b>85,64,750</b>	<b>8,56,47,500</b>

### (B) Other Equity

(Amount in ₹ lakhs)

Particulars	Reserves and surplus			Equity instruments through Other Comprehensive Income	Total
	Securities Premium Account	General Reserve	Retained Earnings		
<b>As at April 1, 2017</b>	1,156.61	169.68	3,409.15	574.99	5,310.43
Net profit /(loss) for the year	-	-	(491.87)	-	(491.87)
<b>Other comprehensive income for the year</b>					
Re-measurement gains on defined benefit plans (net of tax)	-	-	20.54	-	20.54
Re-measurement gains on Investments [FVTOCI]	-	-	-	1,459.98	1,459.98
Gains on de-recognition of Investments [FVTOCI]	-	-	-	104.75	104.75
<b>As at March 31, 2018</b>	1,156.61	169.68	2,937.82	2,139.72	6,403.83
Net profit /(loss) for the year	-	-	(15.35)	-	(15.35)
<b>Other comprehensive income for the year</b>					
Re-measurement gains on defined benefit plans (net of tax)	-	-	1.59	-	1.59
<b>As at March 31, 2019</b>	1,156.61	169.68	2,924.06	2,139.72	6,390.07

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	32
Other notes on accounts	33

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

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

**Rajan Bansal**

Partner

M. No.: 93591

**Bhupinder Kumar Sekhri**

Managing Director

DIN: 00087088

**Promila Kumar**

Director

DIN: 07998889

Place: New Delhi

Date: 29/05/2019

**Vaibhav Pandey**

Company Secretary

M. No.: A-53653

**Ravindra Chhabra**

CFO & G.M. Accounts



## Notes to Standalone Financial Statements for the year ended March 31, 2019

### 1 CORPORATE INFORMATION

Tinna Rubber and Infrastructure Limited (the Company) was incorporated on 4th March 1987. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is listed on BSE Limited. The Company is primarily engaged in the conversion of used Tyres into Crumb Rubber and Steel wires obtained in the process. The Company manufactures Crumb Rubber Modifier (CRM), Crumb Rubber Modified Bitumen (CRMB), Polymer Modified Bitumen (PMB), Bitumen Emulsion, Reclaimed Rubber/ Ultrafine Crumb Rubber Compound, Cut Wire Shots etc. The products are primarily used for making/ repair of road, tyres and auto part industry. The Company's manufacturing units are located at Panipat in Haryana, Wada in Maharashtra, Haldia in West Bengal, Gummidipundi in Tamil Nadu, Kala Amb in Himachal Pradesh.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements were authorised for issue by the Company's Board of Directors on 29th May, 2019.

#### 2.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

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

- (a) Certain financial assets and liabilities that is measured at fair value.
- (b) Assets held for sale-measured at fair value less cost to sell.

#### 2.3 Use of estimates and judgments

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

#### 2.4 Changes in Accounting Policies & Disclosures

##### Ind AS -115 Revenue from Contract with Customer

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

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

- (i) Step 1: Identity the contract(s) with a customer
- (ii) Step 2: Identity the performance obligation in contract
- (iii) Step 3: Determine the transaction price
- (iv) Step 4: Allocate the transaction price to the performance obligations in the contract
- (v) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

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

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

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

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

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

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

## **2.5 Current versus non-current classification**

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

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (b) Held primarily for purpose of trading
- (c) Expected to be realized within twelve months after the reporting period, or
- (d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non current.

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

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

## 2.6 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met."

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful lives are as follows:

<b>Assets</b>	<b>Useful life (in years)</b>
Office Building	30
Factory Building	30
Leasehold Improvements	10
Fence Well, Tube Wells	5
Carpeted Road- Other than RCC	5
Plant and Machinery	15
Electric Fittings and Equipments	15
Generators	15
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5
Computers	3

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

Lease hold improvements are depreciated on straight line basis over their initial agreement period.

Plant and Machinery, Tools and Equipment and Electrical fittings and installations in Crumb Rubber Plant, Steel Plant and Cut Wire Shot Plant are depreciated over the estimated useful life of 12 years, which are different than those indicated in Schedule II of Companies Act, 2013. Based on technical assessment, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets.

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

## 2.7 (i) Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in IND AS-103 dealing with "Business Combination". Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND AS - 36. Any shortfall in consideration money vis-a-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

## (ii) Intangible assets

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

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

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

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

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized on a straight line basis over the estimated useful economic life which generally does not exceed 6 years.

**Type of assets**

Tally and other software

**Basis**

Straight line basis over a period of six years.

**(iii) Research and Development Costs (Product Development)**

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b) Its intention to complete and its ability and intention to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

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

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

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

- (a) power over the investee;

- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

## 2.9 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consist of land which is Carried at Cost.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

## 2.10 Financial instruments

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

### I Financial Assets

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

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

#### Initial recognition and measurement

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

#### Subsequent measurement

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

- (a) Debt instruments at amortized cost
- (b) Debt instruments at fair value through other comprehensive income (FVTOCI)

- (c) Debt instruments at fair value through profit and loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- (e) Equity instruments measured at fair value through profit and loss (FVTPL)

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

#### **Debt instruments at amortized cost**

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

- (i) **Business Model Test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) **Cashflow Characteristics Test:** Contractual terms of asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade, other receivables, loans and other financial assets.

#### **Debt instruments at fair value through OCI**

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

- (i) **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) **Cashflow Characteristics Test:** The asset's contractual cash flows represent SPPI.

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

#### **Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

### Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

### Derecognition

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

- (a) The right to receive cash flows from the assets have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
  - (i) the Company has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. Where it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred assets to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Impairment of financial assets

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

- (a) Financial assets measured at amortized cost e.g. loans, debt securities, depositors, trade receivables and bank balance;
- (b) Financial assets measured at fair value through other comprehensive income(FVTOCI);
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- (d) Financial guarantee contracts which are not measured at FVTPL



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

- (a) Trade receivables or contract revenue receivables;
- (b) All lease receivables resulting from the transactions within the scope of IND AS 17

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- (b) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## **II Financial liabilities:**

### **Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through statement of profit or loss, loans and borrowings, and payables, as appropriate.

All financial liabilities are recognised initially at fair value and in case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

### **Trade Payables**

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### **Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### **Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition,

no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date become its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

**Offsetting of financial instruments:**

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

**2.11 Inventories**

**(a) Basis of valuation**

- (i) Raw Materials, Packing Materials and Stores and Spare parts are valued at lower of cost and net realizable value. Materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Raw Material, Packing Materials, Stores and Spares & and Raw Material contents of work in progress are valued by using the first in first out (FIFO) method.

- (ii) Finished goods, traded goods and work in progress are valued at cost or net realizable value whichever is lower.
- (iii) Inventory of scrap materials have been valued at net realizable value.

**(b) Method of Valuation**

- (i) Cost of raw materials has been determined by using FIFO (first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on weighted average basis.
- (iii) Cost of traded goods has been determined by using FIFO (first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## 2.12 Business Combinations

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

## 2.13 Past Business Combinations

The Company has elected not to apply IND AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1st, 2016. Consequently,

- (a) The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;

- (b) The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would not qualify for recognition in accordance with IND AS in the separate balance sheet of the acquiree;
- (c) The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under IND AS;
- (d) The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- (e) The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in IND AS 103.

## 2.14 Provisions and Contingent Liabilities

### Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of time value of money is material, provisions are discounted using a current pre - tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is use, the increase in the provision due to the passage of time is recognised as a finance cost.

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## 2.15 Taxes

Tax expense for the year comprises of direct tax and indirect tax.

### Direct Tax

#### (a) Current Tax

- i) Current income tax, assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India as per Income Computation and Disclosure Standards (ICDS) where the Company operates and generates taxable income.

- ii) Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in statement of profit and loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Indirect Tax**

Goods and Service Tax has been accounted for in respect of the goods cleared. The Company is providing Goods and Service tax liability in respect of finished goods. GST has been also accounted for in respect of services rendered. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsumed in Goods and Service Tax.)

## 2.16 Revenue From Contracts with Customers

Revenue is recognised upon transfer of control of promised good or services to customer in an amount that reflects the consideration the company expects to receive in exchange of those goods or services. The company uses a five-step model to account for revenue arising from contracts with customers. The Company generates its revenue from manufacturing Crumb Rubber Modified Bitumen (CRMB), Polymer Modified Bitumen (PMB), Bitumen Emulsion, Reclaimed Rubber/ Ultrafine Crumb Rubber Compound, Cut Wire Shots etc. The products are primarily used for making/ repair of road, tyres and auto part industry. The goods and services are sold both on their own in separate identified contracts with customers. Effective 1 April, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS11 Construction Contract and related interpretation. The Company plans to adopt the new standard on the required effective date using modified retrospective application. Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Accordingly revenue is reported net of GST.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Goods and service tax and net of returns, trade discounts, rebates and amount collected on behalf of third parties. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. the Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

### (a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. On adoption of Ind AS 115 company does not expect the impact to have any material impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, which is generally on delivery of the goods.

Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

### i) Variable Consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

### ii) Contract Assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**(b) Rendering of Services**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

**(c) Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight- line basis over the lease terms and is included in other income in the statement of profit or loss due to its non-operating nature.

**(d) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**(e) Dividend from investment in Shares**

Dividend Income is recognized when the right to receive the payment is established which is generally when shareholders approve the dividend.

**(f) Claims**

Claims are recognised when there exists reasonable certainty with regard to the amounts to be realised and the ultimate collection thereof.

## 2.17 Retirement and other Employee benefits

### Short-term employee benefits and defined contribution plans

All employee benefits payable/ available within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related services.

### Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.



### Gratuity (Unfunded)

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The Company recognises termination benefit as a liability and an expense when the Company has present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on governments bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the planned assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (a) The date of the plan amendment or curtailment, and
- (b) The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (a) Service costs comprising current service costs, past service costs, gains and losses on curtailments and
- (b) Net interest expenses or income

### Compensated Absences

Accumulated leave, which is expected to be utilised within next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Re-measurement, comprising of actuarial gains and losses, are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

## 2.18 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective, interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

## 2.19 Government Grants

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

## 2.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

## 2.21 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publically traded companies or other available fair value indicators.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions

used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

## 2.22 Segment accounting:

Based on "Management Approach" as defined in Ind AS 108- Operating Segments, the executive Management Committee evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## 2.23 Foreign currencies

The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

### Measurement of foreign currency items at the balance sheet date

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of profit and loss in the period in which they arise.

### Bank Guarantee and Letter of Credit

Bank Guarantee and Letter of Credits are recognised at the point of negotiation with Banks and covered at the rates prevailing on the date of Negotiation. However, outstanding at the period end are recognised at the rate prevailing as on that date and total sum is considered as contingent liability.

## 2.24 Dividend Distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in equity.

## 2.25 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1 -** Quoted(unadjusted) market prices in active markets for identical assets or liabilities

**Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization ( based on the lowest level input that is significant to fair value measurement as a whole ) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.26 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements into prior to April 1, 2016 , the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

### Company as a lessee

#### Finance Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks

and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

### **Operating leases**

Operating lease payments are recognized as an expense in the Statement of Profit or Loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

## **2.27 Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### **Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

#### **(a) Operating lease commitments — Company as lessee**

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### **(b) Assessment of lease contracts**

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a) Revenue from contracts with customers**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

**Determining method to estimate variable consideration and assessing the constraint**

In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from operation, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

**(b) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(c) Defined Benefit Plans**

The cost of defined benefit plans (i.e. Gratuity benefit) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans operated in India, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about the assumptions used, including a sensitivity analysis, are given in note no. 32(6)(h).

**(d) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based

on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note no. 32(16) for further disclosures.

**(e) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(f) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**(g) Impairment of Goodwill**

Determining whether goodwill is impaired requires an estimation of value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the direction to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**(h) Expected Credit Loss**

The Company has used a practical expedient by computing the expected credit loss allowances for trade receivables based on a provision matrix that takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates are given in the provision matrix.

## 2.28 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash & cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts as they are considered as integral part of Company's cash management.

## 2.29 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial

statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**(a) Ind AS 116 Leases**

Ind AS 116 Leases was issued on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. IND AS 116 is effective for annual periods beginning on or after 1st April, 2019 and set out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees - leases of 'low-value assets and short term leases (12 months or less).

The Company intends to adopt standards from 1st April, 2019. As the Company does not have any material leases, therefore the adoption is not likely to have a material impact in its Financial Statements.

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

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following: 1. Whether an entity considers uncertain tax treatments separately 2. The assumptions an entity makes about the examination of tax treatments by taxation authorities 3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates 4. How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company is evaluating the impact and it will account for it when it adopt amendments in Ind AS 12 during the year ending March 31, 2020.

**(c) Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the financial statements of the Company.

**(d) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:



- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

**(e) Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

3. Property, plant and equipment

Particulars	Land	Buildings					Plant and Equipment	Electric Fittings & Equipments	Generators	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total	Capital Work in progress	
		Office Building	Other than RCC Frame	Factory Building	Leasehold Improvements	Fence, Well Tube Wells										Carpeted Road Other Than RCC
Gross Block (At cost)																
At April 01, 2017	192.66	15.51	-	2,551.15	98.63	23.36	39.90	6,610.23	651.91	54.71	76.73	375.55	73.78	41.56	10,805.68	176.23
Additions	-	-	5.16	-	-	-	-	73.86	62.97	-	1.44	-	4.53	5.12	153.08	88.24
Disposals	-	-	-	-	-	-	11.54	-	-	-	-	6.36	-	-	17.90	2.50
At March 31, 2018	192.66	15.51	5.16	2,551.15	98.63	23.36	39.90	6,672.55	714.88	54.71	78.17	369.19	78.31	46.68	10,940.86	261.97
Additions	-	-	-	107.47	-	-	-	488.35	63.40	3.40	1.90	16.65	9.93	2.59	693.69	132.08
Disposals	-	-	-	-	-	-	46.51	-	-	-	-	13.44	0.61	-	60.56	280.51
At March 31, 2019	192.66	15.51	5.16	2,658.62	98.63	23.36	39.90	7,114.39	778.28	58.11	80.07	372.40	87.63	49.27	11,573.99	113.54
<b>Depreciation</b>																
At April 01, 2017	-	2.89	-	307.15	18.61	10.49	25.51	1,585.68	194.98	30.32	56.38	214.63	49.60	35.33	2,531.57	-
Charge for the year	-	1.03	0.02	92.95	0.54	3.84	8.27	494.43	56.08	2.97	3.27	41.67	10.03	2.51	717.61	-
Disposals	-	-	-	-	-	-	-	2.69	-	-	-	4.84	-	-	7.53	-
At March 31, 2018	-	3.92	0.02	400.10	19.15	14.33	33.78	2,077.42	251.06	33.29	59.65	251.46	59.63	37.84	3,241.65	-
Charge for the year	-	1.03	0.16	93.80	0.54	3.68	4.13	510.57	61.00	2.91	3.32	33.39	9.29	3.12	726.94	-
Disposals	-	-	-	-	-	-	-	15.97	-	-	-	13.04	0.47	-	29.48	-
At March 31, 2019	-	4.95	0.18	493.90	19.69	18.01	37.91	2,572.02	312.06	36.20	62.97	271.81	68.45	40.96	3,939.11	-

Net carrying amount

At March 31, 2018	192.66	11.59	5.14	2,151.05	79.48	9.03	6.12	4,595.13	463.82	21.42	18.52	117.73	18.68	8.84	7,699.21	261.97
At March 31, 2019	192.66	10.56	4.98	2,164.72	78.94	5.35	1.99	4,542.37	466.22	21.91	17.10	100.59	19.18	8.31	7,634.88	113.54

Notes: -

(i) Depreciation has been provided prorate basis on straight line method using the useful lives and in the manner as prescribed under Schedule II of the Companies Act, 2013, except in the following Cases where depreciation has been provided using the useful lives lower than mentioned under Schedule II, on the basis of technical assessment conducted by the company. (refer accounting policies no.2.6)

Particulars of assets

Plant and Machinery and Electrical Fittings Located at Crumb Rubber, Steel Wire, Cut Wire Shots, Reclaim Rubber, Ultrafine Crumb Rubber Comound Manufacturing Unit. Useful Life (In year) 12

(ii) Leasehold improvements are amortized on straight line method on the basis of their tenure as per their respective agreements. The Company's plant at Panipat has been notified to be covered under the industrial area of HSHDC, Panipat and the procedural implementation of acquisition/subsequent release is in progress. (Refer note 32(A)(iv))

(iii) Interest during construction paid during the year amounting to Rs. Nil/- (March 31, 2018: Rs. Nil/-) has been capitalised.

(iv) Adjustment in Capital work in progress is in respect of Panipat and Gurmirdipuri units completed during the year which has been transferred under the following heads:

Particulars	2018-19	2017-18
Factory Building	1.72	-
Plant and Machinery	266.67	-
Electrical Fittings and Installations	12.11	-
<b>Total</b>	<b>280.50</b>	<b>-</b>

(v) During the year, the Company reviewed the status of Reusable/Standby Spares which have a life longer than one year. These are items like Baldes/Cutters which require sharpening from time to time, Motors, Gear Box etc which requires rewinding/other refurbishing to make it usable continuously. Also, these spares are generally expected to be used longer than one accounting period. In earlier years, these items were expensed off when first put to use. The same have been treated as prior period items in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the effect of the same on financial statements are as under:

Particulars	(Rs. in Lakhs)		
	As at 01/04/2017 (Earliest reported period)	Year ended 31st March, 2018	Total
Increase in Fixed Assets/Reduction in Maintenance Expenses	92.04	13.77	105.81
Increase in Depreciation	19.83	10.22	30.05
<b>Net Increase/(decrease) in the Reserve &amp; Surplus/Profit and Loss</b>	<b>72.21</b>	<b>3.55</b>	<b>75.76</b>

- (vi) Vehicles taken on finance lease are as under:-  
Gross Block: Rs.229.92lakhs (March 31, 2018: Rs.247.86 lakhs)  
Net Block: Rs.81.06 lakhs (March 31, 2018: Rs.90.73 lakhs)
- (vii) Impairment losses recognised in Statement of profit or loss in accordance with the Ind AS 36 are Rs.Nil (March 31, 2018: Nil).
- (viii) (a) Property, plant and equipment pledged as security towards liabilities as on March 31, 2019 and March 31, 2018 are as under (refer note no. 16):
- 1) First charge on Plant and machinery, furniture and fixture, generators, office equipments and computers and work in progress and Unregistered equitable mortgage (UREM) of land and building at Wada and Chennai (Gummidipundi) and Kala-amb plants of the Company.
  - 2) Equitable mortgage of Land and Building at:
    - i) Land and Building located at Refinery Road, Village Rajapur, Tehsil and District Panipat- 132103
    - ii) Land and Building located at Tirlokpur Road, Village Rampur Jattan, Industrial Estate, Kala-Amb, Nahan District Sirmour (H.P)
    - iii) Farm House at No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi- 110030.
    - iv) Land and Building located at Village Pali, Taluka Wada, District-Thane, Maharashtra.
    - v) Land and Building located at No.17 Chithur Natham Village, Gummidipundi Taluk, Thiruvallur Dist, Tamilnadu.
  - 3) Negative lien on the property in Delhi at Khasara No.-1020,1031& 1069, 1070, 1072 & 1072/1, Village Satbari Tehsil Saket, New Delhi.
  - 4) The Company has also extended second charge (UREM) on land measuring 14,000 sq. metres situated at Gult No. 113/2 and 114/2, Village Pali, Taluka Wada, District Thane, Maharashtra towards credit facility sanctioned to TP Buildtech Private Limited.
- (b) The amount of expenditure of revenue nature (excluding borrowing costs capitalised) recognised in the carrying amount of an item of property, plant and equipment in the course of its construction is Rs.29.22 lakhs for the period ended March 31, 2019 and Rs.4.09 lakhs for the period ended March 31, 2018 (refer note no 33(7)).
- (c) The amount of contractual commitments for the acquisition of Property, plant and equipment Rs.130.56 lakhs as on March 31, 2019 Rs.231.66 lakhs March 31, 2018 respectively (refer note 32(B)(i)).

## 4. INVESTMENT PROPERTY (AT COST)

(Amount in ₹ lakhs)

	At at March 31, 2019	At at March 31, 2018
<b>Gross Carrying Amount</b>		
Opening Balance	-	-
Transferred from Inventories (refer note 2 below)	530.40	-
Addition during the year	-	-
<b>Closing balance</b>	<b>530.40</b>	-
<b>Accumulated Depreciation</b>		
Opening Balance	-	-
Depreciation for the year	-	-
<b>Closing balance</b>	-	-
Net Carrying Amount	<b>530.40</b>	-
<b>Amount recognised in the statement of Profit and Loss for Investment Property</b>		
Rental Income derived from Investment Property	1.09	-
Direct operating expenses (Including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from Investment property before depreciation</b>	1.09	-
Less: Depreciation for the year	-	-
<b>Profit arising from Investment property</b>	1.09	-
<b>Fair value of Investment Property (refer note 3 below)</b>	1,122.05	-

## Notes:

- Investment Property represents Land at Village Satbari, Tehsil Saket, Delhi, given on lease w.e.f. 1st September, 2018.
- The Company has transferred Land from Inventories to Investment properties during the year since the Company does not intend to do any business activities or development of property for the purpose of resale and intends to hold the land for long term capital appreciation and for rental yields. Lease Agreement has been entered into by the Company which is effective from 01.09.2018.
- The Company has obtained independent valuation from certified valuer for its investment property as at 31st March 2019 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an assets of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and willing seller or equity or both. The valuation by the valuer assumes that the company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where' basis. All resulting fair value estimates for the investment property are included in Level 3 and disclosed on note no.(33(18)(4))
- There is no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance and enhancement thereof and there are no restriction on remittance of income and proceeds of disposal.
- The investment property is land purchased through Assignment Deed. The formalities of Registration of Sale Deed and mutation are pending.

**5 Intangible assets**

	(Amount in ₹ lakhs)
	<b>Computer Software</b>
<b>Gross Block (At cost)</b>	
At April 01, 2017	51.28
Additions	
Disposals	-
<b>At March 31, 2018</b>	<u>51.28</u>
Additions	
Disposals	
<b>At March 31, 2019</b>	<u>51.28</u>
<b>Amortization</b>	
At April 01, 2017	47.15
Charge for the year	1.68
Disposals	-
<b>At March 31, 2018</b>	<u>48.83</u>
Charge for the year	1.63
Disposals	
<b>At March 31, 2019</b>	<u>50.46</u>
<b>Net carrying amount</b>	
At March 31, 2018	<u>2.45</u>
At March 31, 2019	<u>0.82</u>

**Notes:**

- (i) The Company has elected to measure all its intangibles at the previous GAAP carrying amount i.e. 31st March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind As i.e 1st April 2016.
- (ii) Impairment losses recognised in profit or loss in accordance with the Ind AS 36 are Rs.Nil (March 31, 2018: Nil).
- (iii) Refer accounting policy 2.7 (ii) for amortization of intangible assets.

		(Amount in ₹ lakhs)	
		As at	As at
6	INVESTMENTS IN ASSOCIATES	March 31,2019	March 31,2018
	<b>Investments in equity instruments (unquoted) non-trade, (valued at cost)</b>		
	<b>Investments in Associate Company</b>		
	TP Buildtech Private Limited	341.25	341.25
	34,12,500 (48.75%) (March 31, 2018: 34,12,500 (48.75%))		
	equity shares of Rs.10/- each fully paid up		
	<b>Aggregate amount of unquoted investments in associates</b>	<b>341.25</b>	<b>341.25</b>
	<b>Aggregate amount of impairment on value of investments</b>	<b>-</b>	<b>-</b>

**Notes:**

Management is of the opinion that the fair value of the unquoted equity share of TP Buildtech Private Limited exceed the amount of investment made and hence there is no impairment in the value of investment.

**7 NON-CURRENT FINANCIAL ASSETS****7.1 INVESTMENTS****(a) Investments in equity instruments (unquoted), non trade  
Valued at Fair Value through Other Comprehensive Income [FVTOCI]**

Keerthi International Agro Private Limited {refer note 32(4)(a)} 11,000 (March 31, 2018: 11,000 ) equity shares of Rs.100/- each fully paid up	11.01	11.01
BGK Infratech Private Limited 6,40,656 (March 31, 2018: 6,82,656 ) equity shares of Rs.10/- each fully paid up	2,050.10	2,184.50
	<b>2,061.11</b>	<b>2,195.51</b>

**Note:**

The Company has sold 42000 equity shares of BGK Infrastructure Private Limited costing Rs. 42.18 Lakhs for a consideration of Rs. 134.40 Lakhs and realised profit of Rs. 92.22 Lakhs . The amount of profit is already included in financial statement in the Other Comprehensive Income through fair value measurement in the year ended on 31.03.2018/earlier years.

**(b) Investments in preference instruments  
(unquoted), non trade  
Valued at Amortised Cost**

Indo Enterprises Private Limited 40,000 (Previous Year 40,000) 6% Non-Cumulative redeemable nominal value of Rs.10/- each optionally convertible preference shareholders at a premium of Rs. 90/- each.	40.00	40.00
80,000 (Previous Year 80,000) 8% Non-Cumulative redeemable nominal value of Rs.10/- each optionally convertible preference shareholders at a premium of Rs. 90/- each.	80.00	80.00
	<b>120.00</b>	<b>120.00</b>

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>(c) Other investments-Investments in Limited Liability Partnership</b>		
<b>Valued at Fair Value through Other Comprehensive Income [FVTOCI]</b>		
Puja Infratech LLP (refer note no.33(4)(b))	170.58	170.58
12.41% share as a designated partner (March 31, 2018: 12.41%)		
Capital contribution Rs.12.40/-lakhs	<u>170.58</u>	<u>170.58</u>
<b>Aggregate amount of investments</b>	<u>2,351.69</u>	<u>2,486.09</u>
<b>Aggregate amount of unquoted investments [FVTOCI]</b>	<u>2,231.69</u>	<u>2,366.09</u>
<b>Aggregate amount of unquoted investments [Amortised cost]</b>	<u>120.00</u>	<u>120.00</u>
<b>7.2 LONG TERM LOANS AND ADVANCES</b>		
<b>(Valued at amortised cost)</b>		
<b>(Unsecured, considered good)</b>		
Loans and Advances to related parties	2.58	-
Other Loans and Advances	<u>2.52</u>	<u>4.73</u>
	<u>5.10</u>	<u>4.73</u>
Amount due by director and relatives of director are as under:-		
Gautam Sekhri	0.60	-
Nirmal Jyoti Chatterjee	<u>1.98</u>	<u>-</u>
	<u>2.58</u>	<u>-</u>
No loans and advances are due from firms or private companies respectively in which any director is a partner, a director or a member or other officers of the company either severally or jointly with any other person.		
<b>7.3 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
<b>(Valued at amortised cost)</b>		
<b>(Unsecured, considered good)</b>		
Fixed deposits held as margin money against bank guarantees having remaining maturity period of more than twelve months	-	3.40
Security deposits	<u>149.90</u>	<u>140.64</u>
	<u>149.90</u>	<u>144.04</u>
<b>Notes:</b>		
(i) Security deposits includes deposits against rent, electricity, telephone, shipping lines and vendors etc.		
(ii) The deposits maintained by the Company with banks comprise of time deposits of varying periods of more than twelve months and earn interest at the respective deposit rates.		
<b>8 DEFERRED TAX ASSETS (NET)</b>		
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	32.74	-
MAT credit entitlement	(13.36)	-
Deferred Tax		
Relating to origination and reversal of temporary differences	<u>30.57</u>	<u>(91.28)</u>
Income tax expense reported in the statement of profit or loss	<u>49.95</u>	<u>(91.28)</u>
<b>(b) Other Comprehensive Income</b>		
Re-measurement (gains)/losses on defined benefit plans	<u>(0.56)</u>	<u>(7.22)</u>
Tax expense related to items recognized in OCI during the year	<u>(0.56)</u>	<u>(7.22)</u>

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Accounting Profit before tax	34.60	(583.15)
Applicable tax rate	26.00%	26.00%
Computed Tax Expense	9.00	(151.62)
Difference in tax rate	-	3.40
Income not considered for tax purpose	(1.08)	(0.18)
Expense not allowed for tax purpose	20.31	5.82
Ind AS effect not allowed for tax purpose (net)	(12.25)	61.00
Additional allowances for tax purpose	(15.02)	(9.70)
Capital Gain exempted earlier years, taxable in current year	19.39	-
Prior period incomes	27.51	-
Brought forward losses adjusted	(11.27)	-
Additional Tax as per MAT	13.36	-
<b>Income tax charged to Statement of Profit and Loss at effective rate of 144.35% (March 31, 2018: 15.65%)</b>	<b>49.95</b>	<b>(91.28)</b>

	Balance Sheet		Statement of profit & loss	
	As at March 31,2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>(d) Deferred tax assets comprises:</b>				
Accelerated Depreciation for Tax purposes	(616.29)	(607.67)	(8.62)	137.31
Expenses allowable on payment basis	69.68	80.92	(11.24)	(25.43)
For loss and unabsorbed depreciation carried forward under the Income Tax Act	551.48	562.75	(11.27)	(27.81)
	4.87	36.00	(31.13)	84.07
MAT Credit entitlement	522.65	509.29	-	-
	<b>527.52</b>	<b>545.29</b>	<b>(31.13)</b>	<b>84.07</b>
<b>(e) Reconciliation of deferred tax assets (net)</b>				
Opening balance			545.28	461.22
Tax expense recognised in the statement of profit and loss during the year			(30.57)	91.28
MAT Credit entitlement			13.36	-
Tax expense recognised in other comprehensive income during the year			(0.56)	(7.22)
<b>Closing balance</b>			<b>527.51</b>	<b>545.28</b>

**Notes:**

- (i) Effective tax rate has been calculated on profit before tax and exceptional items.
- (ii) No deferred tax asset/liability has been recognized on fair value effect of investment in OCI due to uncertainty of tax involved.
- (iii) 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.
- (iv) There are carried forward business losses amounting to Rs.491.37 lakhs as on 31.03.2019, which have expiry in financial year 2024-25.
- (v) There is carried forward unabsorbed depreciation of Rs.1629.71 lakhs as on 31.03.2019 which can be carried forward for infinite period.
- (vi) There is carried forward MAT Credit of Rs.522.65 lakhs as on 31.03.2019, out of which Rs.442.44 lakhs relates to financial year 2013-14 having expiry in financial year 2028-29 and Rs.66.85 lakhs relates to financial year 2015-16 having expiry in financial year 2030-31 and Rs.13.36 lakhs relates to financial year 2018-19 having expiry in financial year 2033-34.
- (vii) Deferred tax asset on the carried forward business losses, unabsorbed depreciation and MAT credit entitlement has been recognised in view of probability that sufficient taxable profit will be available against which the said losses and MAT credit can be utilised.



(Amount in ₹ lakhs)		
	As at March 31,2019	As at March 31,2018
<b>9 OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured, considered good)</b>		
Capital advances	68.45	68.57
Capital advances		
Advances other than capital advances	0.45	4.45
Deposits with Statutory/ Government authorities		
Others	3.71	8.81
Prepaid expenses	26.81	
Deferred Expenses (Refer Note No.33(10) )	2.56	3.58
Deferred rent expenses	<u>101.98</u>	<u>85.41</u>

**Notes:**

- (i) No amounts are due from directors or other officers of the company either severally or jointly with any other person. Nor amounts are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) Deposits with Statutory/ Government authorities includes deposits with Electricity Department, VAT department of different states and other miscellaneous deposits with government authorities.

**10 INVENTORIES**
**(Valued at lower of cost and net realisable value unless otherwise stated)**

Raw materials	807.35	644.61
Work in progress.	622.73	803.11
Finished goods	661.14	369.10
Stock in Trade (Traded Goods)	10.51	0.27
Stores and spares	283.09	258.28
Packing materials	70.68	58.11
Steel scrap	19.50	30.41
Land at Delhi (Refere note no.33(14))	-	530.39
	<u>2,475.00</u>	<u>2,694.28</u>

**Notes:**

- (i) The above includes goods in transit as under:
- |               |        |        |
|---------------|--------|--------|
| Raw materials | 228.26 | 183.89 |
|---------------|--------|--------|
- (ii) Inventories are hypothecated with the bankers against working capital limits. (refer note no. 19.1(i)(a))
- (iii) During the year ended March 31, 2019: Rs.11.07 lakhs (March 31, 2018: Rs.11.06 lakhs) was recognised as an expense/(income) for inventories carried at net realisable value.
- (iv) Refer accounting policy no. 2.11 for mode of valuation of Inventories.

**11 CURRENT FINANCIAL ASSETS**
**11.1 INVESTMENTS**
**Trade investments (at fair value through profit and loss) [FVTPL]**
**Quoted equity instruments**

HSIL Limited	1.25	-
500 (March 31, 2018: NIL) equity shares of Rs.2/- each		
Hindustan Construction Company Limited	0.30	0.45
2000 (March 31, 2018: 2000) equity shares of Re.1/- each		
Ashiana Housing Limited	0.12	0.16
100 (March 31, 2018: 100) equity shares of Rs.2/- each		

	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Escorts Limited Nil (March 31, 2018: 230) equity shares of Rs.10/- each	-	1.88
Transport Corporation of India Limited Nil (March 31, 2018: 1000) equity shares of Rs.2/- each	-	2.66
Jaiprakash Associates Limited 500 (March 31, 2018: 500) equity shares of Rs.2/- each	0.03	0.10
Ashok Leyland Limited 200 (March 31, 2018: Nil) equity shares of Rs.1/- each	0.18	-
Somani Ceramics Limited 296 (March 31, 2018: Nil) equity shares of Rs.2/- each	1.25	-
PI Industries Limited 200 (March 31, 2018: Nil) equity shares of Rs.1/- each	2.06	-
Tata Motors Limited 493 (March 31, 2018: Nil) equity shares of Rs.2/- each	0.86	-
<b>Aggregate amount of quoted investments (Fair Value)</b>	<b><u>6.05</u></b>	<b><u>5.25</u></b>
<b>Aggregate amount of quoted investments (Cost)</b>	<b><u>6.69</u></b>	<b><u>5.66</u></b>
<b>11.2 TRADE RECEIVABLES</b>		
(a) Trade Receivables considered good-Secured	-	-
(b) Trade Receivables considered good-Unsecured	2,359.14	2,735.85
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables -Credit impaired	44.75	34.10
	<b><u>2,403.89</u></b>	<b><u>2,769.95</u></b>
Less: Impairment allowance for trade receivables	44.75	34.10
	<b><u>2,359.14</u></b>	<b><u>2,735.85</u></b>
<b>Notes:</b>		
(i) Trade receivables are usually non-interest bearing and are on trade terms of 0 to 90 days.		
(ii) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member are as under:		
TP Buildtech Private Limited	94.80	-
(iii) The movement in impairment allowance as per ECL model is as under:		
(refer note no.33(19)(b)(i))		
Balance as at beginning of the year	34.10	22.27
Impairment allowance during the year	13.72	11.83
Reversal of earlier provision credited to Other Income (excess provision written back)	(3.07)	-
Balance as at end of the year	<b><u>44.75</u></b>	<b><u>34.10</u></b>

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>11.3 CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
Current accounts	9.94	7.10
Cash on hand	6.48	5.72
	<u>16.42</u>	<u>12.82</u>

**Notes:**

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period.

**11.4 OTHER BANK BALANCES**

Unpaid Dividend	18.49	15.43
Fixed deposits held as margin money against bank guarantees having a original maturity period of more than three months but less than twelve months	193.90	186.14
Fixed deposits pledged with government departments having a original maturity period of more than three months but less than twelve months	1.09	0.97
	<u>213.48</u>	<u>202.54</u>

**Notes:**

- (i) The Company can utilize the balance only towards settlement of unclaimed dividend.
- (ii) The deposits maintained by the Company with banks comprise of time deposits made of varying periods between three months to twelve months and earn interest at the respective short term deposit rates.
- (iii) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances. (refer note no.7.3)

**11.5 SHORT TERM LOANS AND ADVANCES**

(Valued at amortised cost)		
(Unsecured, considered good)		
Loans and Advances to related parties	2.14	-
Other Loans and Advances	11.44	5.24
	<u>13.58</u>	<u>5.24</u>
Amount due by director and relatives of director are as under:-		
Gautam Sekhri	1.02	-
Nirmal Jyoti Chatterjee	1.12	-
	<u>2.14</u>	<u>-</u>

No loans and advances are due from firms or private companies respectively in which any director is a partner, a director or a member or other officers of the company either severally or jointly with any other person.

**11.6 OTHER CURRENT FINANCIAL ASSETS**

(Valued at amortised cost)		
(Unsecured, considered good, unless otherwise stated)		
Security deposits	19.87	18.65
Interest accrued on security deposits	5.56	6.13
Other receivables	91.50	86.14
	<u>116.93</u>	<u>110.92</u>

**Notes:**

- (i) Security deposits include deposits with material suppliers.

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
(ii) Other receivables include receivables from insurance company and TDS recoverable from parties, Incentives and other miscellaneous receivable		
(iii) No amounts are due to directors or other officers of the Company or any of them either severally or jointly with any other person. Amounts are due to firms or private Companies respectively in which any director is a partner or a director or a member are as under:		
Tinna Trade Limited	-	14.16
<b>12 CURRENT TAX ASSETS (NET)</b>		
Advance Tax and TDS Recoverable	<u>-</u>	<u>22.39</u>
<b>13 OTHER CURRENT ASSETS</b> <b>(Unsecured, considered good, unless otherwise stated)</b>		
Advances other than capital advances		
Advances to related parties	5.38	5.94
Advances against materials and services	269.73	377.67
Balance with Statutory/ Government authorities:	-	-
Goods and Service Tax (GST)	27.63	82.84
Pre-deposits with Government departments under protest	277.93	264.27
Refund due from Statutory /Government authorities:	45.37	26.16
Prepaid Expenses	29.40	19.75
Deferred Expenses (refer note no.33(10))	26.81	-
Other advances	-	-
- Considered Good	40.90	43.88
- Considered Doubtful	2.00	2.00
	<u>725.15</u>	<u>822.51</u>
Less : Provision for Impairment allowance (refer note no.33 (19)(b)(i))	2.00	2.00
	<u>723.15</u>	<u>820.51</u>
Notes:		
(i) Advances to Related Parties are as under:		
Bhupinder Kumar Sekhri ,Director	0.10	2.39
Shobha Sekhri , Relative of Director	0.10	-
Gautam Sekhri ,Relative of Director	-	3.50
Vaibhav Pandey ,Company Secretary	-	0.05
TP Buildtech Private Limited ,Associate Company	5.18	-
	<u>5.38</u>	<u>5.94</u>
(ii) Other receivables include outstanding balance in staff imprest accounts, unamortised portion of deferred rent, GST credit yet to be availed, unused travel booking and other miscellaneous receivables.		
<b>14 EQUITY SHARE CAPITAL</b>		
<b>a) Authorized</b>		
100,00,000 equity shares of Rs.10/- each (March 31,2018:100,00,000 equity shares of Rs.10/- each)	1,000.00	1,000.00
<b>Issued, subscribed and fully paid up</b>		
85,64,750 equity shares of Rs.10/- each (March 31, 2018: 85,64,750 equity shares of Rs.10/- each)	<b>856.48</b>	<b>856.48</b>

(Amount in ₹ lakhs)

As at  
March 31,2019      As at  
March 31,2018

**b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	March 31,2019		March 31, 2018	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
At the beginning of the year	85,64,750	856.48	85,64,750	856.48
Add: Equity shares issued under ESPP	-	-	-	-
At the end of the year	<u>85,64,750</u>	<u>856.48</u>	<u>85,64,750</u>	<u>856.48</u>

**c) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share (March 31,2018 : Rs.10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. Dividend proposed by the Company is subject to the approval by the share holders in Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Mrs. Puja Sekhri	17,49,160	20.42	17,49,160	20.42
Mrs. Shobha Sekhri	16,36,343	19.11	16,36,343	19.11
Mrs. Aarti Sekhri	15,11,347	17.65	15,11,347	17.65

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**e) Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:**

	As at March 31,2019 No. of shares	As at March 31,2018 No. of shares
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash.	Nil	Nil
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account and general reserve.	Nil	Nil
Equity shares bought back	Nil	Nil

		(Amount in ₹ lakhs)			
		As at		As at	
		March 31,2019	March 31,2018	March 31,2019	March 31, 2018
<b>15</b>	<b>OTHER EQUITY</b>				
	Securities Premium Account	1,156.61	1,156.61	1,156.61	1,156.61
	General reserve	169.68	169.68	169.68	169.68
	Retained earnings	2,924.06	2,937.82	2,937.82	2,937.82
	Equity instruments through Other Comprehensive Income	2,139.72	2,139.72	2,139.72	2,139.72
		<u><b>6,390.07</b></u>	<u><b>6,403.83</b></u>	<u><b>6,390.07</b></u>	<u><b>6,403.83</b></u>
	<b>Notes:</b>				
	<b>(a) Securities premium reserve</b>				
	Opening Balance	1,156.61	1,156.61	1,156.61	1,156.61
		<u><b>1,156.61</b></u>	<u><b>1,156.61</b></u>	<u><b>1,156.61</b></u>	<u><b>1,156.61</b></u>
	<b>(b) General reserve</b>				
	Opening Balance	169.68	169.68	169.68	169.68
		<u><b>169.68</b></u>	<u><b>169.68</b></u>	<u><b>169.68</b></u>	<u><b>169.68</b></u>
	<b>(c) Retained earnings</b>				
	As per the last balance sheet	2,937.82	3,409.15	2,937.82	3,409.15
	Net profit /(loss) for the year	(15.35)	(491.87)	(15.35)	(491.87)
	<b>Items of other comprehensive income recognised directly in retained earnings</b>				
	Re-measurement gains /(losses) on defined benefit plans (net of tax)	1.59	20.54	1.59	20.54
		<u><b>2,924.06</b></u>	<u><b>2,937.82</b></u>	<u><b>2,924.06</b></u>	<u><b>2,937.82</b></u>
	<b>(d) Equity instruments through Other Comprehensive Income</b>				
	Opening Balance	2,139.72	574.99	2,139.72	574.99
	Re-mesurement gains on Investments [FVTOCI]	-	1,459.98	-	1,459.98
	Gains on de-recognition of Investments [FVTOCI]	-	104.75	-	104.75
		<u><b>2,139.72</b></u>	<u><b>2,139.72</b></u>	<u><b>2,139.72</b></u>	<u><b>2,139.72</b></u>
		<u>Non-Current</u>	<u>Current Maturities</u>		
		As at	As at	As at	As at
		March 31,2019	March 31, 2018	March 31,2019	March 31, 2018
<b>16</b>	<b>NON CURRENT FINANCIAL LIABILITIES</b>				
	<b>16.1 LONG TERM BORROWINGS</b>				
	<b>SECURED</b>				
	<b>a) Term loan from Bank</b>				
	Syndicate Bank	918.88	1,270.33	496.44	461.94
	<b>b) Buyer's Credit Facility from Bank</b>				
	Syndicate Bank		109.29		40.69
	<b>c) Finance Lease Obligations</b>				
	<b>From Banks</b>				
	HDFC Bank Limited	42.87	-	28.17	-
	ICICI Bank Limited	46.19	26.25	38.15	53.67
	<b>From Others</b>				
	Toyota Financial Services India Limited		7.15	7.17	8.97
	<b>UNSECURED</b>				
	<b>a) Term loans from Banks</b>				
	Indiabulls Commercial Credit Limited	2,140.93	1,684.14	98.46	97.47
	Magma Fincorp Limited	-	-	-	9.48
	Capital First Limited	-	-	-	24.96
		<u><b>3,148.87</b></u>	<u><b>3,097.16</b></u>	<u><b>668.39</b></u>	<u><b>697.18</b></u>

**Notes:**
**A) Term Loan from Bank (Secured)**

**I** The Company has been sanctioned term loan Rs.2400.00 Lakhs/- from Syndicate Bank for the expansion/capital expenditure programme at Panipat, Wada, Gummidipundi and Kala-Amb divisions of the Company.

**II Primary security**

The term loans are secured by way of first charge on the plant and machinery, furniture fixture, generator, office equipment and computers and work in progress at Panipat, Wada, Haldia and Chennai (Gummidipundi) and Kala-Amb plants of the Company and Unregistered equitable mortgage (UREM) of land and building at Wada and Chennai (Gummidipundi) and Kala-amb plants of the Company.

**Collateral securities**

The term loan is further secured by way of equitable mortgage of land and building at:

- i) Land and Building located at Refinery Road, Village Rajapur, Tehsil and District Panipat- 132103
- ii) Land and Building located at Tirlokpur Road, Village Rampur Jattan, Industrial Estate, Kala-Amb, Nahan District Sirmour (H.P)
- iii) Farm House at No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi- 110030.
- iv) Land and Building located at Village Pali, Taluka Wada, District-Thane, Maharashtra
- v) Land and Building located at No.17 Chithur Natham Village, Gummidipundi Taluk, Thiruvallur Dist, Tamilnadu

**Other Properties**

- i) Plant and Machinery, Furniture and Fixture, Generator, Office Equipment, Computers and Work In Progress.
- ii) Negative lien on the property in Delhi at Khasara No.-1020, 1031 & 1069, 1070, 1072 & 1072/1, Village Satbari Tehsil Saket, New Delhi.

**III Terms of Repayments:**

Term loan of Rs.2400.00 Lakhs :- Outstanding Balance payable Rs.1415.33 Lakhs- as on 31st March, 2019 repayable in 34 monthly installments including interest.

	<b>Non-Current</b>		<b>Current Maturities</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>IV</b> Aggregate amount of Term Loans secured by way of personal guarantees of Shri Bhupinder Kumar and Gaurav Sekhri, Directors of the Company and Kapil Sekhri (Relative of Director).	918.88	1,270.33	496.44	461.94

**V** There are no defaults of repayments of principal and interest during the year.

**B) Buyer's Credit Facility from Bank**

The Company had availed buyer's credit facility for purchase of capital goods amounting to Rs.Nil- (previous year Rs. 149.98 lakhs) as on the date of balance sheet which is a sub limit facility to Term loan referred to above. Therefore the securities furnished are the same as mentioned for Term loans above. The buyer's credit facility is due for payment after 6 months from the date of availment with a rollover permissible for another six months and so on upto a maximum period of 3 years, subject to consent of the bankers. The Company had already disclosed its intent to avail the facility for 3 years and adequately represented to the bankers. The Buyer's Credit facility was converted into Rupee Term Loan during the year 2018-19.

	Non-Current		Current Maturities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
I Aggregate amount of buyer's credit facility secured by way of personal guarantees of Shri Bhupinder Kumar Sekhri and Gaurav Sekhri, Directors of the Company and Kapil Sekhri (Relative of Director)	-	109.29	-	40.69

### C) Finance Lease Obligations

Long term maturities of finance lease obligations are secured against hypothecation of respective vehicles under finance lease. The details are as under:-

Name of Lendor	Nature of Lease	Terms of repayments (Including Interest)
<b>From banks:</b>		
ICICI Bank Limited	Finance Lease	Repayable in 60 monthly instalments which include first 59 instalments of Rs.2.14 lakhs and last instalment of Rs.2.13 lakhs all including interest, commencing from 10th March 2015.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs.0.71 Lakhs, next 12 instalment of Rs.0.48 Lakhs/-, next 11 instalment of Rs.0.28Lakhs and last instalment of Rs.0.19 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs.0.38 Lakhs, next 12 instalment of Rs.0.26 Lakhs, next 11 instalment of Rs.0.15 Lakhs and last instalment of Rs.0.10 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs0.17 Lakhs, next 12 instalment of Rs.0.11 Lakhs, next 11 instalment of Rs.0.06 Lakhs and last instalment of Rs.0.05 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs.0.42 Lakhs, next 12 instalment of Rs.0.29 Lakhs, next 11 instalment of Rs.0.17 Lakhs and last instalment of Rs.0.12 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.42 Lakhs including interest, commencing from 10th April 2019
ICICI Bank Limited	Finance Lease	Repayable in total 48 equal monthly equal instalments Rs.1.31Lakhs including interest, commencing from 10th Feb 2019.
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.13 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.13 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.25 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.48 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.1.21 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.12 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.52 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.11 Lakhs all including interest, commencing from 5th August 2018
<b>From other parties:</b>		
Toyota Financial Services	Finance Lease	Repayable in 36 monthly instalments which include first 35 instalments of Rs.0.83 Lakhs and last instalment of Rs.0.75 Lakhs all including interest, commencing from 20th January 2017.

There are no defaults of repayments of principal and interest during the year.



**D) Unsecured Loans****I From Indiabulls Housing Finance Limited**

- 1 a. The Company had been sanctioned three unsecured loans of Rs.500 Lakhs, Rs.963.98 Lakhs & Rs. 500 Lakhs by India Bulls Housing Finance Limited for its business needs. The Company has not furnished any security. However, property at Chin Min Farms 448-451, Satbari, Mehrauli, New Delhi-110074 belonging to M/s Chin Min Developers Private Limited, an associate Company has been charged against the said loan. The balance in said loans as on 31.08.2018 of Rs. 1780.04 Lakhs have been merged into one loan of Rs. 1796.20 Lakhs including the fresh loan of Rs. 16.16 Lakhs and the lender has assigned the loan to their associate India Bulls Commercial Credit Limited.
- b. Further, during the year, the Company has been sanctioned an unsecured loan of Rs.500 Lakhs by India Bulls Commercial Credit Limited for its business needs. The Company has not furnished any security. However, property at Chin Min Farms 448-451, Satbari, Mehrauli, New Delhi-110074 belonging to M/s Chin Min Developers Private Limited, an associate Company has been charged against the said loan.

**2 Terms of Repayment**

- a Term Loan Rs.1796.20 lakhs  
The Term loan is repayable in 149 monthly instalments of Rs.24.69 Lakhs each including interest commencing from 5th October 2018.
- b Term Loan Rs.500.00 lakhs  
The Term loan is repayable in 163 monthly instalments of Rs.6.64 Lakhs each including interest commencing from 5th October 2018.

**II From Magma Fincorp Limited**

- 1 The Company had been sanctioned an unsecured loan of Rs.50.00 lakhs by Magma Fincorp Limited for its business needs. The Company has not furnished any security. The loan is secured by the Personal Guarantee of Mr Bhupinder Kumar Sekhri, Managing Director.

**2 Terms of Repayment**

The loan is repayable in 24 monthly instalments of Rs.2.42 lakhs including interest, calculated on 16.12% on Effective Interest Rate (EIR) method commencing from 7th August 2016.

- 3 Term Loan has been repaid during the year.

**III From Capital First Limited**

- 1 The Company had been sanctioned an unsecured loan of Rs.50.00 lakhs by Capital First Limited for its business needs. The Company has not furnished any security. The loan is secured by the Personal Guarantee of Mr Bhupinder Kumar Sekhri, Managing Director.

**2 Terms of Repayment**

The loan is repayable in 24 monthly instalments of Rs.2.45 lakhs including interest, calculated on 18.01% on Effective Interest Rate (EIR) method commencing from 5th March 2017.

3 Term Loan has been repaid during the year.

	Non-Current		Current Maturities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
IV Aggregate amount of Term Loans secured by way of personal guarantees of Shri Bhupinder Kumar Managing Director, Shri Gaurav Sekhri, Director, Shri Kapil Sekhri, Smt Shobha Sekhri, Smt Aarti Sekhri and Smt Puja Sekhri (Relatives of Director) and Chin Min Developers Private Limited, associate Company.	2,140.93	1,684.14	98.46	131.91

V There are no defaults of repayments of principal and interest during the year.

		(Amount in ₹ lakhs)	
		As at March 31, 2019	As at March 31, 2018
<b>17 NON CURRENT PROVISIONS</b>			
Provision for employee benefits			
Gratuity (refer note no.33 (5))		170.42	128.76
Leave encashment		56.12	40.88
		<u>226.54</u>	<u>169.64</u>
<b>18 OTHER NON-CURRENT LIABILITIES</b>			
Deferred Grant Income (refer note no.33(17))		238.71	269.03
		<u>238.71</u>	<u>269.03</u>
<b>19 CURRENT FINANCIAL LIABILITIES</b>			
<b>19.1 SHORT TERM BORROWINGS</b>			
<b>SECURED (at amortised cost)</b>			
<b>Repayable on Demand</b>			
Cash Credit facility		2,617.16	2,241.26
Buyer's Credit Facility		-	471.31
		<u>2,617.16</u>	<u>2,712.57</u>
<b>UNSECURED (at amortised cost)</b>			
<b>(a) Loan from Related Parties</b>			
Loans and Advances from related parties		20.35	45.33
<b>(b) Others</b>			
Inter corporate loans		1,358.37	1,715.97
		<u>1,378.72</u>	<u>1,761.30</u>
		<u>3,995.88</u>	<u>4,473.87</u>

**Notes:**

- (i) (a) The Company has availed working capital limits of Rs.2200 Lakhs (previous year Rs.2200 Lakhs) from Syndicate Bank which is secured by hypothecation of stocks and book debts of the Company. In addition to above non fund based limit is inter changeable as fund based working capital loans specifically for import to the extent of Rs. 500 Lakhs. The working capital limit is further secured by collateral securities as mentioned under term loan from Syndicate Bank. (Refer point 16.1 (A) above).

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
(b) Aggregate amount of Working capital limits secured by way of personal guarantees of Shri Bhupinder Kumar and Shri Gaurav Sekhri, Directors of the Company and Shri Kapil Sekhri (Relative of Director).	2,617.16	2,712.57
(c) Working capital limits from bank include cheques issued but not presented as on the Balance Sheet date amounting to Rs.215/35 lakhs(Previous year Rs. 93/48lakhs)		
(ii) Unsecured loans from related parties and companies are repayable on demand. Repayment of interest has been made as per stipulations, which varies from 6% to 18% per Annum		
(iii) The balances in working capital limit from bank are within the sanctioned limits plus Ten percent(10%) adhoc limits within the powers of the bank.		
(iv) Buyer's credit facility is under letter of undertaking issued by the companies banker to the other bank on behalf of the Company.(refer note no.16.1(B))		
(v) Amounts due to related parties are as under: Bhupinder Kumar Sekhri (Director)	20.35	45.33
	20.35	45.33
(vi) There are no defaults in the repayment of borrowings and interests during the year.		

**19.2 TRADE PAYABLES**

Total outstanding dues of micro and small enterprises	5.76	37.05
Total outstanding dues of creditors other than micro and small enterprises	868.37	738.31
	<b>874.13</b>	<b>775.36</b>

**Notes:**

\* Trade payables includes due to related parties Rs.0.42/- lakhs (March 31, 2018: Nil)

\* The amounts are unsecured and are usually paid within 120 days of recognition.

\* Trade payables are usually non- interest bearing .In few cases ,where the trade payables are interest bearing, the interest is settled on quarterly basis.

- (i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: Principal	5.76	37.05
(ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

- (ii) The information in respect of parties determined under the MSMED Act 2006, has been identified on the basis of information available with the Company.
- (iii) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period were at Rs.Nil (March 31, 2018 : Rs.35.35 lakhs)
- (iv) No provision of interest payable in terms of Section 16 of MSMED Act has been made.

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>19.3 OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long-term borrowings (refer note no. 16.1)	594.90	634.54
Current maturities of finance lease obligation (refer note no.16.1)	73.49	62.65
Interest accrued and due on borrowings	-	125.76
Unpaid dividend (refer note no.(i) below)	18.45	15.38
Others		
Creditors for capital goods	46.34	64.12
Creditors /provision for expenses payable	541.18	558.74
Employee Benefit Expenses	168.05	140.00
Other payables	9.48	12.23
	<u>1,451.89</u>	<u>1,613.42</u>
<b>Notes:</b>		
(i) Investor education and protection fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred Rs.Nil (March 31,2018: Nil) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act,2013.		
(ii) Interest accrued and due is in respect of unsecured loans taken by the Company (refer note no. 19.1).		
(iii) Employees benefit expenses include payable to directors.	5.08	6.55
(iv) Other payables are in respect of staff imprest and other miscellaneous liabilities payable.		
(v) Creditor for expenses includes due to related party as under:		
BGK Infrastructure Developers Private Limited	7.97	3.88
<b>20 OTHER CURRENT LIABILITIES</b>		
<b>Revenue received in advance</b>		
Advance payments from customers	10.94	33.14
Statutory dues	-	-
Goods and Service Tax (GST)	180.76	113.02
Others statutory dues (refer note (i) below)	59.64	140.00
Deferred Government Grant (refer note no. 33(17))	29.58	28.80
Other liabilities (refer note (ii) below)	152.63	172.06
	<u>433.55</u>	<u>487.02</u>
<b>Notes:</b>		
(i) Other Statutory dues are in respect of TDS, TCS, PF, ESI, WCT and Professional tax payable.		
(ii) Other liabilities are in respect of deposits against C Forms, interest on statutory dues and other miscellaneous liabilities.		
<b>21 CURRENT PROVISIONS</b>		
Provision for employee benefits		
Gratuity	23.77	22.13
Leave encashment	15.04	12.30
	<u>38.81</u>	<u>34.43</u>
<b>Notes:</b>		
(i) Provisions are recognized for Gratuity and Leave encashment. The provisions are recognized on the basis of past events and probable settlements of the present obligations as a result of the past events, in accordance with Indian Accounting Standard-37 issued by the Institute of Chartered Accountants of India.		

**The movement of provisions are as under:-**

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>At the beginning of the year</b>		
Gratuity (Long term Rs.128.76/- lakha)	150.89	136.69
Leave encashment (Long term Rs.40.88/-lakhs)	53.18	58.21
<b>Arising during the year</b>		
Gratuity (Includes items of OCI)	48.39	24.19
Leave encashment	18.35	-
<b>Utilised during the year</b>		
Gratuity	5.08	10.00
Leave encashment	0.38	2.00
<b>Unused amount reversed</b>		
Gratuity	-	-
Leave encashment	-	3.03
<b>At the end of the year</b>		
Gratuity (Long term Rs.170.42/-lakhs)	194.20	150.88
Leave encashment (Long term Rs.56.12/-lakhs)	71.15	53.18
<b>22 CURRENT TAX LIABILITIES (NET)</b>		
Income Tax (Net of advance tax and TDS of Rs.8.73 Lakhs)	25.90	-
	<u>25.90</u>	<u>-</u>

	(Amount in ₹ lakhs)	
	Year ended March 31,2019	Year ended March 31,2018
<b>23 REVENUE FROM OPERATIONS</b>		
Sale of Products (refer note below)		
Finished goods	11,433.70	9,641.47
Traded goods	1,108.54	35.28
Sale of services	268.66	424.52
Other operating revenues	160.09	115.71
	<u>12,970.99</u>	<u>10,216.98</u>
<b>Notes:</b>		
<b>a) Sale of finished goods:</b>		
Crumb rubber modifier (CRM)	1,583.19	2,099.86
Crumb rubber modified bitumen (CRMB)	0.33	-
Emulsion	1,070.40	382.94
Crumb rubber -Domestic	2,643.32	2,331.45
Crumb rubber -Export	317.68	234.43
Cut Wire Shot	797.59	1,205.49
Steel scrap	1,447.99	845.06
Reclaimed Rubber / Ultrafine Rubber Compound	3,433.87	2,499.51
Reclaimed Rubber / Ultrafine Rubber Compound-Export	99.66	35.11
Others	39.67	7.62
	<u>11,433.70</u>	<u>9,641.47</u>

	(Amount in ₹ lakhs)	
	Year ended March 31,2019	Year ended March 31,2018
<b>b) Sale of traded goods:</b>		
Aqualoc	105.34	35.28
Steel scrap (Imported)	98.89	-
Old Tyre Scrap	275.70	-
Steel Shots	628.61	-
	<u>1,108.54</u>	<u>35.28</u>
<b>c) Sale of services:</b>		
Manufacturing charges/Service Income	266.12	418.38
Equipment rental income	2.54	6.14
	<u>268.66</u>	<u>424.52</u>
<b>d) Other operating revenues:</b>		
Freight on sales recovered	160.09	115.71
	<u>160.09</u>	<u>115.71</u>

**Note:**

According to the requirements of Ind AS 18 - "Revenue", sale of products for the period April 01, 2017 to June 30, 2017 are reported inclusive of Excise Duty of Rs.191.86 lakhs .Effective July 01, 2017, the Government of India has implemented Goods and Service Tax ("GST") replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per Ind AS 18, the revenue for the current year and for the period from July 2017 to March 2018 are reported net of GST and hence is not comparable with previous year.

**24 OTHER INCOME**

Interest received on financial assets carried at amortised cost:

From bank	12.64	11.83
From others	9.99	9.55
Other non-operating income	-	-
Dividend received on Investments	0.02	0.03
Rental income	1.52	0.01
Foreign Currency Exchange Fluctuations (Net)	7.45	6.11
Profit on sale of current investments	1.07	0.74
Excess Provisions and unclaimed liability written back	161.50	40.95
Government grant and assistance	58.66	49.56
Miscellaneous income	9.03	8.14
	<u>261.88</u>	<u>126.92</u>

(Amount in ₹ lakhs)

	As at March 31,2019	As at March 31,2018
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**25 COST OF MATERIALS CONSUMED**

Natural asphalt	108.77	116.67
Crumb rubber	51.40	10.55
Bitumen	642.97	236.35
Used old tyre	3,641.92	2,281.27
Packing materials	205.30	154.67
Others	620.07	812.61
	<u>5,270.43</u>	<u>3,612.12</u>

**26 PURCHASE OF STOCK IN TRADE (TRADED GOODS)**

Steel Scrap (Imported)	99.34	-
Aqualoc	101.76	34.58
Steel shots	428.91	-
Old Tyre scrap	277.12	-
	<u>907.13</u>	<u>34.58</u>

(Amount in ₹ lakhs)

27 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS	As at March 31,2019	As at March 31, 2018	(Increase)/ Decrease
<b>Inventories at the end of the year</b>			
Semi-finished goods	622.73	803.11	180.38
Finished goods	661.14	369.10	(292.04)
Traded goods	10.51	0.27	(10.24)
Steel scrap	19.50	30.41	10.91
	<b>1,313.88</b>	<b>1,202.89</b>	<b>(110.99)</b>
<b>Inventories at the beginning of the year</b>			
Semi-finished goods	803.11	1,631.33	828.22
Finished goods	369.10	579.05	209.95
Traded goods	0.27	17.96	17.69
Steel scrap	30.41	22.34	(8.07)
	<b>1,202.89</b>	<b>2,250.68</b>	<b>1,047.79</b>
Increase/ (Decrease) in stocks	(110.99)	1,047.79	
Excise duty on increase/ (decrease) of finished goods	-	(63.37)	
(Increase)/ Decrease in stocks	<b>(110.99)</b>	<b>984.42</b>	
<b>Details of inventories at the end of the year</b>			
<b>a) Semi Finished Goods</b>			
Crumb rubber	204.87	236.06	31.19
Modified bitumen	1.42	1.70	0.28
Emulsion	1.48	13.86	12.38
Cut wire shots	174.21	247.03	72.82
Ultrafine Crumb Rubber	208.39	134.14	(74.25)
Rubber Compound	1.29	6.46	5.17
Steel Shots	-	145.51	145.51
Old Tyre Steel Ring	31.07	18.35	(12.72)
	<b>622.73</b>	<b>803.11</b>	<b>180.38</b>
<b>b) Finished Goods</b>			
Crumb rubber modifier	508.62	203.14	(305.48)
Micronise Crumb rubber	139.80	-	(139.80)
Emulsion	6.79	9.87	3.08
DE-Vulcanised Rubber Compound	5.93	-	(5.93)
Cut wire shots	-	130.90	130.90
Steel Scrap Bale	-	4.53	4.53
Ultra Fine Crumb Rubber	-	20.66	20.66
	<b>661.14</b>	<b>369.10</b>	<b>(292.04)</b>
<b>c) Traded Goods</b>			
Steel Scrap	0.28	-	(0.28)
Steel Shots	10.23	-	(10.23)
Rubber Activator	-	0.27	0.27
	<b>10.51</b>	<b>0.27</b>	<b>(10.24)</b>
<b>d) Scrap</b>			
Steel scrap	19.50	30.41	10.91
	<b>19.50</b>	<b>30.41</b>	<b>10.91</b>

**Details of inventories at the beginning of the year**

<b>a) Semi Finished Goods</b>			
Crumb rubber	236.07	772.70	536.63
Modified bitumen	1.70	1.70	-
Emulsion	13.86	2.03	(11.83)
Scrap Wire	18.35	24.39	6.04
Cut wire shots	247.03	509.07	262.04
Ultrafine Crumb Rubber	134.14	262.82	128.68
Rubber Compound	6.45	49.79	43.34
Steel Shots	145.51	-	(145.51)
Bitumen Additive	-	8.83	8.83
	<b>803.11</b>	<b>1,631.33</b>	<b>828.22</b>
<b>b) Finished Goods</b>			
Crumb rubber modifier	203.14	259.23	56.09
Emulsion	9.87	-	(9.87)
Fine crumb rubber	-	7.61	7.61
Cut wire shots	130.90	210.33	79.43
Steel Scrap Bale	4.53	4.54	0.01
Ultra Fine Crumb Rubber	20.66	97.34	76.68
	<b>369.10</b>	<b>579.05</b>	<b>209.95</b>
<b>c) Traded Goods</b>			
Rubber Activator	0.27	15.00	14.73
Steel scrap	-	2.95	2.96
	<b>0.27</b>	<b>17.95</b>	<b>17.69</b>
<b>d) Scrap</b>			
Steel scrap	30.41	22.34	(8.07)
	<b>30.41</b>	<b>22.34</b>	<b>(8.07)</b>

(Amount in ₹ lakhs)

	Year ended March 31,2019	Year ended March 31,2018
<b>28 EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Bonus and other benefits	1,733.78	1,401.17
Contribution towards PF and ESI	142.31	124.25
Gratuity and Leave encashment	68.89	51.95
Staff welfare expenses	144.21	107.02
	<b>2,089.19</b>	<b>1,684.39</b>
Employee benefits expense include managerial remuneration as detailed below:		
Salary	86.38	83.60
Contribution towards PF	5.02	3.18
<b>29 FINANCE COSTS</b>		
Interest expense	1,008.21	973.36
Other borrowing costs	11.55	-
Exchange difference to the extent considered as an adjustment to borrowing cost	11.98	8.68
	<b>1,031.74</b>	<b>982.04</b>
<b>30 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on tangible assets	726.94	717.61
Amortisation of intangible assets	1.63	1.68
	<b>728.57</b>	<b>719.29</b>



			(Amount in ₹ lakhs)	
			Year ended	Year ended
			March 31,2019	March 31,2018
<b>31</b>	<b>OTHER EXPENSES</b>			
	Consumption of stores and spare parts		45.96	42.00
	Power and fuel		1,384.49	1,200.32
	Job work charges		63.31	41.49
	Rent		62.53	83.67
	Repairs to buildings		25.71	24.72
	Repairs to machinery		386.79	314.87
	Repairs others		40.92	19.63
	Insurance		23.88	24.70
	Rates and taxes		22.64	25.82
	Professional and consultancy charges		73.96	45.79
	Travel, Conveyance and vehicle maintenance		214.94	204.69
	Telephone, Internet, Postage and courier		24.62	23.79
	Impairment allowance for Trade Receivables considered doubtful		13.72	11.83
	Bad debts and sundry balances written off		77.45	36.18
	Loss on sale of tangible assets		10.42	18.98
	Audit fee*		12.55	14.55
	Commission		28.80	15.95
	Transportation expenses and Export Expenses		509.47	353.47
	Business promotion and marketing expenses		49.47	39.37
	Lab expenses/Research and development		11.84	16.92
	Diminution in value of investments (FVTPL)		0.23	0.47
	Bank charges		33.51	22.50
	Miscellaneous expenses		164.99	136.64
			<u><b>3,282.20</b></u>	<u><b>2,718.35</b></u>
	* Payment to Auditors			
	Audit fee		10.00	10.00
	Tax audit fee		2.00	2.00
	Certificate & Other Charges		0.55	2.55
			<u><b>12.55</b></u>	<u><b>14.55</b></u>

		(Amount in ₹ lakhs)	
		As at	As at
		March 31,2019	March 31,2018
<b>32</b>	<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>A</b>	<b>Contingent liabilities (to the extent not provided for)</b>		
a)	Claims /Suits filed against the Company not acknowledged as debts (Advance paid Rs.Nil (March 31, 2018: Rs.Nil)) (refer point (i))	28.95	17.77
b)	Bank guarantees obtained from banks (Margin money Rs.193.90 Lakhs (March 31, 2018: Rs.189.54 Lakhs))	1,470.19	1,342.36
c)	Disputed tax liabilities in respect of pending cases before Appellate Authorities (refer point (ii)) (Advance paid Rs.277.93 Lakhs (March 31,2018 Rs.264.27 Lakhs))	2,005.27	1,227.83
d)	Corporate guarantees (refer point (iii))	10,125.00	10,125.00
e)	Entry tax levied by the Government of West Bengal	25.36	25.37
f)	Custom duty saved on machinery imported under Zero duty EPCG Scheme (Export Promotion Capital Goods Scheme), for which company has undertaken export obligation worth six times of the duty saved. (refer point (v))	355.00	355.00
g)	Custom duty saved on Raw Material under Zero duty Advance Licence Scheme (refer point (vi)) (The Company is reasonably certain to meets its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any provision in its financial statements.)	39.37	39.37
h)	Demand raised by TDS Department (Tax Deduction at Source)	23.48	22.18
		<u>14,072.62</u>	<u>13,154.88</u>
<b>Notes:</b>			
(i)	A claim has been filed against the Company by a supplier for recovery which is pending before The VII Addl. City Civil Court, Chennai which had been decreed by the said court. The Company has filed appeal before Hon'ble High Court Chennai.	17.77	17.77
	A claim has been filed against the Company by a supplier for recovery which is pending before The District Judge,(Distt. West), Tis Hazari Courts, Delhi. The Company is contesting the same.	11.18	-
		<u>28.95</u>	<u>17.77</u>

(Amount in ₹ lakhs)

(ii) The various disputed tax litigations are as under :

Sl.	Description	Court / Authority	Financial year to which relates	Disputed Amount	
				As at March 31, 2019	As at March 31, 2018
<b>a)</b>	<b>Income Tax</b>				
(i)	The Tribunal deleted additions of Rs.190.92 Lakhs on account of disallowance of job work charges. The Income Tax department has filed an appeal before the Hon'ble High court of Delhi.	High Court of Delhi	2000-01	73.50	73.50
(ii)	The disputed tax liabilities in respect of various disallowance/ additions made by the Assessing Officer.	Income Tax Appellate Tribunal, Delhi	2013-14	456.12	456.12
(iii)	The disputed penalty levied in respect of various disallowance/ additions made by the Assessing Officer.	Income Tax Appellate Tribunal, Delhi	2009-10	1.86	1.86
(iv)	The disputed tax & interest liabilities in respect of various disallowance/ additions made by the Assessing Officer.	Commissioner of Income Tax (Appeals)	2006-07, 2007-08 & 2008-09	33.71	-
(v)	The disputed penalty levied in respect of various disallowance/ additions made by the Assessing Officer.	Commissioner of Income Tax (Appeals) Delhi	2013-14	651.61	-
<b>b)</b>	<b>Service tax</b>				
	Service Tax Liability (excluding interest and Penalty) on account of difference in interpretation about category of service in respect of Operation and Maintenance of Crumb Rubber Modified Bitumen (CRMB) Plant at Indian Oil Corporation Limited at Mathura. Central Excise & Service Tax Tribunal, Allahabad has decided the matter in favour of Company vide order dt.04.09.2018 Department has filed Appeal with Hon'ble High Court Allahabad and the matter is pending.	Hon'ble High Court Allahabad	01.04.2008 to 30.06.2012	50.12	50.12
<b>c)</b>	<b>Excise Duty</b>				
(i)	Excise Duty Liability (excluding interest and penalty) on account of differential duty on the intermediate goods transferred from Silvassa unit to Kala-amb for use in production.	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad	2010-11 to 2011-12	5.50	5.50
(ii)	Excise Duty Liability (excluding interest and penalty) on account of duty on exempted Goods	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad	May, 2010 to July, 2012	97.60	97.60

(Amount in ₹ lakhs)

Sl.	Description	Court / Authority	Financial year to which relates	Disputed Amount	
				As at March 31, 2019	As at March 31, 2018
(iii)	Excise Duty Liability (excluding interest and penalty) on account of differential duty on the machineries transferred from Mumbai unit to Panipat unit	Commissioner of Central Excise (Appeals), Mumbai	2011-12	1.45	1.45
(iv)	Excise Duty Liability (excluding interest and penalty) on account of recovery of excise duty and reversal of CENVAT credit for input and input services	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Chandigarh	2012-13 to 2013-14 (upto December 2014)	71.26	71.26
(v)	Interest and Penalty on Excise Duty Liability on account of recovery of excise duty and reversal of CENVAT credit for input and input services	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Chandigarh	2012-13 to 2013-14 (upto December 2014)	104.00	104.00
(vi)	Excise Duty & Service Tax Liability (Excluding Interest and Penalty on Excise Duty & Service Tax Liability) on account of reversal of CENVAT credit for input and input services	Commissioner (Appeals) Central Tax (C.E & GST)	2014-15	92.12	-
<b>d)</b>	<b>Custom Duty</b>				
(i)	Counter Vailing Duty (CVD) on Import of old used tyre scrap (refer point (vii))	Hon'ble High Court of Delhi	2013-14 2014-15 2015-16 2016-17 April 2017 to June 2017	40.61 110.97 113.22 85.48 6.14	40.61 110.97 113.22 85.48 6.14
(ii)	Redemption Fine and Penalty on import of Old Used Tyre Scrap	Customs, Excise & Service Tax Appellant Tribunal Allahabad	1 Sep 2015 to 31 Oct 2015	10.00	10.00
<b>Total</b>				<b>2,005.27</b>	<b>1,227.83</b>

Based on the opinion of the legal advisors, the Company does not expect any liability, hence no provision has been made.

(Amount in ₹ lakhs)

(iii) The Corporate Guarantees given by the Company are as under:

Sl.	Particulars	Purpose	As at March 31, 2019	As at March 31, 2018
a)	The Company has extended corporate guarantee for credit facility taken by TP Buildtech Private Limited (Associate company) from Syndicate Bank. The Company has extended 2nd charge (UREM) on land measuring 13,500 sq. metres situated at Gult No 113/2 and 114/2 Village Pali Taluka Wada, District Thane- Maharashtra towards credit facility sanctioned to TP Buildtech Private Limited.	For working capital limits	700.00	700.00
b)	The Company has extended corporate guarantee for credit facility taken by B.G.K. Infrastructure Developers Private Limited from ICICI Bank Limited.	For Term loan facility	1,565.00	1,565.00
c)	The Company has extended corporate guarantee for credit facility taken by Tinna Trade Limited from Syndicate Bank.	For working capital limits	3,000.00	3,000.00
d)	The Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from ICICI Bank Limited.	For working capital limits	2,500.00	2,500.00
e)	The Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from State Bank of India.	For working capital limits	2,000.00	2,000.00
f)	The Company has given corporate guarantee for credit facility taken by Fratelli Wines Private Limited, a related party from Syndicate Bank.	For working capital limits	360.00	360.00
<b>Total</b>			<b>10,125.00</b>	<b>10,125.00</b>

(iv) The Company had set up a plant at Panipat, Haryana on land measuring 34 kanals, 8 marlas. The land was notified as a part of Industrial area by Haryana State Industrial and Infrastructural Development Corporation Limited (HSIIDC) in the year 2006-07. In terms of applicable Government laws, the company filed an objection with the authority and land measuring 20 kanals and 12 marlas was released by HSIIDC which continues to be in possession of the company till date. However, HSIIDC has erroneously served a demand of Rs.373.27 lakhs for allotment of above land. The company has filed a writ petition in the High Court of Punjab and Haryana against demand served by HSIIDC and release and restoration of entire land which has been decided in favour of the Company vide order dated 27.10.2016 of the Hon'ble High Court of Punjab & Haryana. The Company is pursuing possession of remaining land.

(v) The Company is under obligation to export goods within the period of 6 years from the date of issue of EPCG licences issued in terms of Chapter 5 of the Foreign Trade Policy 2015-20 (Re: 2013). As on date of Balance Sheet, the Company is under obligation to export goods worth Rs. 2129.98 lakhs (March 31, 2018 Rs. 2129.98 lakhs) within the stipulated time as specified in the respective licences. Till the year end Company has fulfilled export obligation Rs. 1269.32 Lakhs (March 31, 2018 Rs. 663.76 lakhs)

(vi) The Company is under obligation to export goods within the period of 1.5 years from the date of issue of Advance licences issued in terms of Chapter 4 of the Foreign Trade Policy 2015-20 (Re: 2013). As on date of Balance Sheet, the

(Amount in ₹ lakhs)

Company is under obligation to export goods worth Rs. 1904.02 Lakhs (8675MT Crumb Rubber and 2500MT Ultrafine Rubber Compound) within the stipulated time as specified in the respective licences. Till the year end Company has fulfilled export obligation Rs.112.37 Lakhs (554MT Crumb Rubber and 20 MT Ultrafine Rubber Compound).

- (vii) The Company had paid under protest, countervailing duty (CVD) of Rs. 356.42 Lakhs on import of old used tyres scrap used for manufacturing of Crumb Rubber and other products. The Company had filed a Writ Petition with the Hon'ble High Court of Delhi which was been decided in favour of the Company vide order of the Hon'ble High Court dated 03.05.2017. Subsequent to the order of the Hon'ble High Court the company has availed input tax credit of the CVD amount. The Department has filed special Leave Petition before Hon'ble Supreme Court of India challenging the order of Hon'ble High Court. Hon'ble Supreme Court vide order dt. 23.07.2018 has directed fresh adjudication by Hon'ble High Court of Delhi. No provision for the same has been made since the company expects no liability on this account.

\*It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

## B Commitments

	As at March 31, 2019	As at March 31, 2018
(i) Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances Rs.68.45 Lakhs (March 31, 2018: Rs. 68.56 Lakhs)	130.56	231.66
(ii) Corporate social responsibility (refer note no. 33(11))	17.75	19.15

## C Leases

### Operating lease commitments - Company as lessee

- (a) The company has entered into operating leases for factory buildings and lands that are renewable on a periodic basis and cancelable at company's option. The company has not entered into sub-lease agreements in respect of these leases.

- (b) The total of future minimum lease payments under non cancellable leases are as follows:

	As at March 31, 2019	As at March 31, 2018
(i) not later than one year	40.46	61.41
(ii) later than one year and not later than five years	81.90	178.47
(iii) later than five years	-	-

<b>Total minimum lease payments</b>	<b>122.36</b>	<b>239.88</b>
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Lease payments recognised in the statement of profit and loss as rent expense for the year	62.53	83.67
--	-------	-------

- |                             |     |     |
|-----------------------------|-----|-----|
| (c) Unearned finance income | Nil | Nil |
|-----------------------------|-----|-----|

### Operating lease commitments - Company as lessor

- (a) The company has entered into a lease agreement to let a property situated at Gut No.113/2 & 114/2 Village- Pali, Taluka Wada, District-Thane, Maharashtra-421303. The lease agreement was executed for Dated 26/02/2017 to 25/02/2020.

(Amount in ₹ lakhs)

The said lease is for a term of 3 years for the purposes of setting up its manufacturing unit.

- (b) The company has entered into a lease agreement to let a land (Investment Property) situated at Village Satbari, Tehsil Saket, Delhi. The lease agreement was executed for a period from 01/09/2018 to 31/07/2019.

The said lease is for a term of 11 months for the purposes of using the land for agriculture activity.

- (c) Present value of minimum rentals receivable under non-cancellable operating leases at March 31, 2019 are as follows.

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(i) Within one year	0.63	0.01
(ii) After one year but not more than five years	0.01	0.01
(iii) more than five years	-	-
<b>Present Value of minimum lease payments</b>	<b><u>0.64</u></b>	<b><u>0.02</u></b>

Lease payments recognised in the statement of profit and loss as rent Income for the year

- |                             |     |     |
|-----------------------------|-----|-----|
| (d) Unearned finance income | Nil | Nil |
|-----------------------------|-----|-----|

### 33 OTHER NOTES ON ACCOUNTS

- 1
  - a) In the opinion of the Board, assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
  - b) Balance of unsecured short term borrowings from others, trade payables, other current liabilities, long and short term advances, other non-current and current assets and trade receivables are subject to reconciliation and confirmations.
- 2 The Company has given Corporate Guarantees to associate Company and other group Companies for credit facilities availed by them. The ability to repay the outstanding debt is primarily dependent on generation of cash flows from business operations. The Company's management believes that the associate Company and other group Companies have reasonable business forecast over the next few years and estimated that they will be able to refinance the outstanding debt, if required and meet the debt obligations as and when they fall due and hence they believe that the financial guarantee obligation of Rs.10,125 lakh is not required to be recognised in the financial statements and it has been disclosed as contingent liability. The auditors have included an Emphasis of Matter paragraph on the same in their report on standalone and consolidated financial results.
- 3 As per "Ind AS 28 - Investment in Associate and Joint Venture", TP Buildtech Private Limited has been recognised as Associate of Tinna Rubber and Infrastructure Limited on the basis of significant influence on the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies even if the voting power is less than 20%.
- 4
  - a) The Company has invested a sum of Rs. 11.01 lakh in Keerthi International Agro Private Limited towards 11,000 equity shares of Rs.100/- each holding 29% stake in the investee company. The Company by itself or through its Directors does not exercise any significant influence or the controls of decision of the investing "Ind AS 28 - Investments in Associates". Therefore the said investee company has not been treated as Associates in term of "Ind AS 28 - Investment in Associate and Joint Venture" in Consolidated Financial Statements (specified under section 133 of Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014).

- b) The Company had invested into 1,24,000 equity shares of Rs.10/- each fully paid up in M/s Puja Infratech Private Limited. The said Company was converted into Limited Liability Partnership (LLP) under the name of Puja Infratech LLP having LLP Identification No.: AAL-2641 vide Certificate of Registration on Conversion dated 29th November 2017 issued by Ministry of Corporate Affairs ("MCA"). The share of the Company as a designated partner in the total capital of the LLP is 12.41% which amounts to a capital contribution of Rs.12.40 lakhs. The name and share of other designated partners of the LLP are as under:

Name of Partner	% Shares of other partners	Capital contribution of other Partners
Mrs. Sobha Sekhri	2.40%	2.40
Mrs. Puja Sekhri	0.67%	0.67
Mr. Gaurav Sekhri	6.60%	6.60
Mr. Kapil Sekhri	5.30%	5.30
Mr. Madan Kukreja	38.01%	38.00
M/s Chin Min developers Private Limited	6.00%	6.00
M/s BGK Infratech Private Limited	28.61%	28.60

As per the agreement, the assets and liabilities stand transferred to the LLP as a going concern. Therefore, the fair value for the equity shares of the Company has been taken as the fair value of the Investment in LLP.

- 5 Disclosures pursuant to Ind AS - 19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 ) are given below:

#### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Defined Contribution Plan, recognised during the year are as under:-		
Employer's Contribution towards Provident Fund (PF) (including Administration Charges)	41.68	41.52
Employer's Contribution towards Pension Fund (PF)	52.04	48.90
Employer's Contribution towards Employee State Insurance (ESI)	48.61	33.82
	<u>142.33</u>	<u>124.24</u>
Less: Capitalised under tangible assets & restoration expenses charged to statement of profit and loss	0.02	-
	<u>142.31</u>	<u>124.24</u>

#### Defined Benefit Plan

##### Gratuity (Unfunded)

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



	(Amount in ₹ lakhs)	
	Year ended March 31,2019	Year ended March 31,2018
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of obligation at the beginning of the year	150.89	136.70
	<u>150.89</u>	<u>136.70</u>
Current Service Cost	38.78	33.02
Interest Cost	11.76	10.21
Actuarial (gain) /loss arising during the year	-2.15	-27.76
Past Service Cost	-	8.72
Benefit paid	-5.08	-10.00
Present value of obligation at the end of the year	<u>194.20</u>	<u>150.89</u>
Current Liability (Short Term)	23.77	22.13
Non-current Liability (Long Term)	170.43	128.76
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Return on plan assets excluding interest income	-	-
Benefits paid	-	-
Fair value of plan assets at year end	<u>-</u>	<u>-</u>
<b>c) Net Asset/ (Liability) recognised in the balance sheet</b>		
Fair value of plan assets	-	-
Present value of defined benefit obligation	194.20	-150.89
Amount recognised in Balance Sheet- Asset / (Liability)	<u>194.20</u>	<u>-150.89</u>
<b>d) Expense recognised in the Statement of profit and loss during the year</b>		
Current Service Cost	38.78	33.02
Interest Cost	11.76	10.21
Past Service Cost	-	8.72
	<u>50.54</u>	<u>51.95</u>
<b>e) Actuarial (Gain)/ Loss recognised in other comprehensive income during the year</b>		
- changes in financial assumptions	2.15	-6.92
- changes in experience adjustments	-4.30	-20.84
Recognised in other comprehensive income	-2.15	-27.76
<b>f) Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	NIL	NIL
<b>g) Actuarial Assumptions</b>		
Mortality Table (LIC)	100% of IALM 2006-08	100% of IALM 2006-08
Withdrawal Rate (per annum)	4.00%	4.00%
Discount Rate (per annum)	7.70%	7.80%
Rate of escalation in salary (per annum)	8.00%	8.00%

	(Amount in ₹ lakhs)	
	Year ended March 31,2019	Year ended March 31,2018
<b>h) Quantitative sensitivity analysis for significant assumptions is as below:</b>		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Impact of change in discount rate</b>		
Impact due to increase by 1%	-19.84	-15.20
Impact due to decrease by 1%	23.92	18.35
	-	-
<b>Impact of change in salary</b>		
Impact due to increase by 1%	23.61	18.13
Impact due to decrease by 1%	-19.96	-15.31
	-	-
<b>Impact of change in attrition rate</b>		
Impact due to increase by 1%	-2.99	-2.08
Impact due to decrease by 1%	3.42	2.32
	-	-
<b>i) Maturity profile of defined benefit obligation</b>		
Between 01 April 2019 to 31 March 2020	23.77	22.13
Between 01 April 2020 to 31 March 2024	52.64	31.28
Between 01 April 2024 to 31 March 2029	67.11	61.69
01 April 2029 onwards	473.14	372.13
Total expected payments	<u>616.66</u>	<u>487.23</u>
<b>j)</b> The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years.		
<b>k)</b> The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.		
<b>l)</b> Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.		
<b>m)</b> The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.		
<b>6</b> Interest and other borrowing costs amounting to Rs.Nil (March 31, 2018: Rs.Nil) have been capitalized to the carrying cost of fixed assets being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use, in accordance with Ind AS-23 "Borrowing Costs" read with Rule 7 of Companies (Accounts) Rules, 2015).		
<b>7</b> During the year, the Company has capitalised the following expenses of revenue nature to the tangible fixed assets, being pre-operative expenses related to projects. Consequently, expenses disclosed under the retrospective notes are net of amounts capitalised by the Company.		
Balance brought forward	50.16	46.06
Add: Expenses Incurred During the year		
Conveyance and travelling expenses	9.40	3.54
Personnel cost	11.32	0.56
Power	8.50	-
	<u>29.22</u>	<u>4.10</u>
Allocated to Property, Plant & Equipments	41.84	-
Balance carried forward	<u>37.54</u>	<u>50.16</u>

## 8 Segment Reporting

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

### Operating Segments

The Company's Managing Director and CFO has been identified as the Chief Operating Decision Maker ('CODM'), since Managing Director and CFO are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget and other key decisions.

Managing director reviews the operating results at the Company level to make decisions about the Company's performance. Accordingly, management has identified the business as single operating segment i.e. "Crumb Rubber, Crumb Rubber Modifier, Modified Bitumen & Bitumen Emulsion and Allied Products". Accordingly, there is only one Reportable Segment for the Company i.e. "Crumb Rubber, Crumb Rubber Modifier, Modified Bitumen & Bitumen Emulsion and Allied Products", hence no specific disclosures have been made.

#### a) Information about products and services

Please refer to note no. 23 of the financial statements.

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>b) Revenue as per Geographical Markets</b>		
Domestic Market	12,553.65	9,947.43
Overseas Market	417.34	269.55
<b>TOTAL</b>	<u>12,970.99</u>	<u>10,216.98</u>
	As at March 31, 2019	As at March 31, 2018
<b>c) Non-current assets (other than deferred tax assets and financial instruments) in Geographical Market</b>		
Within India	8,715.64	8,382.24
Outside India	7.23	8.05
<b>TOTAL</b>	<u>8,722.87</u>	<u>8,390.29</u>
	Year ended March 31, 2019	Year ended March 31, 2018
<b>d) Information about major customers</b>		
Customers contributing more than 10% of the Company's total revenue are as under:		
Indian Oil Corporation Limited	1,732.12	2,057.01
<b>e) Geographical Capital Expenditure</b>		
Domestic Market	469.59	150.60
Overseas Market	75.69	88.20
<b>TOTAL</b>	<u>545.28</u>	<u>238.80</u>

## 9 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:

### A Names of related parties and description of relationship:

#### Associate Company

TP Buildtech Private Limited

**B Names of other related parties with whom transactions have taken place during the year :****(i) Enterprises in which directors and relative of such directors are interested**

Tinna Trade Limited  
 B.G.K. Infrastructure Developers Private Limited  
 Fratelli Wines Private Limited  
 Gee Ess Pee Land Developers Private Limited  
 Green Range Farms Private Limited  
 B S Farms & Properties Private Limited  
 Kriti Estates Private Limited  
 Guru Infratech Private Limited  
 Aditya Farms & Nurseries  
 Puja Infratech LLP

**(ii) Key Management Personnel**

Mr. Bhupinder Kumar Sekhri (Managing Director)  
 Mrs. Promila Kumar (Director) (w.e.f. 24-11-2017)  
 Mr. Anand Kumar Singh (Director) (up to 17-12-2018)  
 Mr. Vivek Kohli (Independent Director)  
 Mr. Ashish Madan (Independent Director)  
 Mr. Ashok Kumar Sood (Independent Director)  
 Mr. Rajender Parashad Indoria (Independent Director)  
 Mr. Gaurav Sekhri (Director) (w.e.f. 03.10.2018)  
 Mr. Nirmal Jyoti Chatterjee (Director) (w.e.f. 11-01-2019)  
 Mr. Ravindra Chhabra (CFO)  
 Mr. Vaibhav Pandey (CS) (w.e.f. 08-02-2018)

**(iii) Relatives of Key Management Personnel**

Mrs. Shobha Sekhri  
 Mr. Gautam Sekhri  
 Mrs. Aarti Sekhri  
 Mrs. Puja Sekhri  
 Mr. Kapil Sekhri  
 Mr. Aditya Brij Sekhri

**C Transactions during the year:**

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>(i) Loans taken from</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Green Range Farms Private Limited	-	32.70
Kriti Estates Private Limited	150.00	623.75
Prasidh Estate Private Limited	-	60.00
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	378.23	685.25
	<u>528.23</u>	<u>1,401.70</u>
<b>(ii) Loans repaid</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Green Range Farms Private Limited	-	136.20

	(Amount in ₹ lakhs)	
	Year ended March 31,2019	Year ended March 31,2018
Kriti Estates Private Limited	150.00	623.75
Prasidh Estate Private Limited	-	60.00
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	<u>400.73</u>	<u>710.27</u>
	<b><u>550.73</u></b>	<b><u>1,530.22</u></b>
<b>(iii) Interest expense</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Green Range Farms Private Limited	-	4.96
Kriti Estates Private Limited	0.42	3.41
Prasidh Estate Private Limited	-	0.72
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	<u>2.79</u>	<u>6.58</u>
	<b><u>3.21</u></b>	<b><u>15.67</u></b>
<b>(iv) Rent received</b>		
<b>Associate Company</b>		
TP Buildtech Private Limited	0.01	0.01
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	<u>0.42</u>	<u>-</u>
	<b><u>0.43</u></b>	<b><u>0.01</u></b>
<b>(v) Reimbursement of expenses</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	<u>-</u>	<u>4.09</u>
	<b><u>-</u></b>	<b><u>4.09</u></b>
<b>(vi) Reimbursement received of expenses incurred</b>		
<b>Associate Company</b>		
TP Buildtech Private Limited	5.18	3.50
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	<u>48.64</u>	<u>38.15</u>
	<b><u>53.82</u></b>	<b><u>41.65</u></b>
<b>(vii) Loans and Advances Given</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	-	17.00
<b>Relatives of Key Management personnel</b>		
Mr. Gautam Sekhri	<u>3.50</u>	<u>-</u>
	<b><u>3.50</u></b>	<b><u>17.00</u></b>
<b>(viii) Repayment of loans given</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	-	17.00

		(Amount in ₹ lakhs)	
		Year ended March 31,2019	Year ended March 31,2018
<b>Key Management Personnel</b>			
	Mr. Nirmal Jyoti Chatterjee	0.20	-
	Relatives of Key Management personnel		
	Mr. Gautam Sekhri	0.20	-
		<u>0.40</u>	<u>17.00</u>
<b>(ix)</b>	<b>Service Received</b>		
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	B.G.K. Infrastructure Developers Private Limited	16.92	4.54
		<u>16.92</u>	<u>4.54</u>
<b>(x)</b>	<b>Interest received</b>		
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	Tinna Trade Limited	-	0.22
		<u>-</u>	<u>0.22</u>
<b>(xi)</b>	<b>Sale of equity shares</b>		
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	42,000 equity shares of B.G.K. Infratech Private Limited to Guru Infratech Private Limited	134.40	-
	41,500 equity shares of BGK Infratech Private Limited to Bhupinder Kumar Sekhri	-	132.80
	1,15,000 equity shares of Bee Gee Ess Farms & Property Private Limited to Bhupinder Kumar Sekhri	-	207.00
	44,000 equity shares of Gee Ess Pee Land Developers Private Limited to Gaurav Sekhri	-	118.80
		<u>134.40</u>	<u>458.60</u>
<b>(xii)</b>	<b>Purchases of gifts</b>		
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	Fratelli Wines Private Limited	0.30	0.04
		<u>0.30</u>	<u>0.04</u>
<b>(xiii)</b>	<b>Sale of Goods</b>		
	Associate Company		
	TP Buildtech Private Limited	105.34	35.28
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	Tinna Trade Limited	698.95	-
		<u>804.29</u>	<u>35.28</u>

	(Amount in ₹ lakhs)	
	Year ended March 31,2019	Year ended March 31,2018
<b>(xiv) Purchase of Goods</b>		
Enterprises in which directors and relative of such directors are interested		
Tinna Trade Limited	249.43	-
	<u>249.43</u>	<u>-</u>
<b>(xv) Purchase of Plantation</b>		
Enterprises in which directors and relative of such directors are interested		
Aditya Farms & Nurseries	1.50	-
	<u>1.50</u>	<u>-</u>
<b>(xvi) Advance given for Purchase of Land</b>		
Enterprises in which directors and relative of such directors are interested		
Aditya Farms & Nurseries	48.50	-
	<u>48.50</u>	<u>-</u>
<b>(xvii) Refund of Advance given for Purchase of Land</b>		
Enterprises in which directors and relative of such directors are interested		
Aditya Farms & Nurseries	48.50	-
	<u>48.50</u>	<u>-</u>
<b>(xviii) Compensation received for Cancellation of agreement for Purchase of Land</b>		
Enterprises in which directors and relative of such directors are interested		
Aditya Farms & Nurseries	4.90	-
	<u>4.90</u>	<u>-</u>
<b>(xix) Reimbursement of Exchange Fluctuation Gain:</b>		
Associate Company		
TP Buildtech Private Limited	4.54	-
	<u>4.54</u>	<u>-</u>
<b>(xx) Remuneration</b>		
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	83.60	83.60
Mr. Nirmal Jyoti Chatterjee	2.77	-
Mr. Ravindra Chhabra	24.30	20.70
Mr. KC Madan	-	7.22
Mr. Vaibhav Pandey	5.09	0.45
<b>Relatives of Key Management personnel</b>		
Mrs. Shobha Sekhri	28.75	2.79
Mr. Gautam Sekhri	30.00	24.00
Mr. Aditya Brij Sekhri	3.00	3.00
Mrs. Banani Chatterjee	1.85	-
	<u>179.36</u>	<u>141.76</u>

		(Amount in ₹ lakhs)	
		As at	As at
		March 31,2019	March 31,2018
<b>D</b>	<b>Balances at the year end</b>		
	<b>(i) Amount Receivables</b>		
	Associate Company		
	TP Buildtech Private Limited	99.98	-
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	Tinna Trade Limited	-	14.16
	<b>Key Management Personnel</b>		
	Mr. Bhupinder Kumar Sekhri	0.10	2.39
	Mr. Nirmal Jyoti Chatterjee	1.80	-
	Mr. Vaibhav Pandey	-	0.05
	<b>Relatives of key management personnel</b>		
	Mrs. Shobha Sekhri	0.10	-
	Mr. Gautam Sekhri	3.30	3.50
		<u>105.28</u>	<u>20.10</u>
	<b>(ii) Amount Payables</b>		
	<b>Enterprises in which directors and relative of such directors are interested</b>		
	Fratelli Wines Private Limited	-	0.93
	B.G.K. Infrastructure Developers Private Limited	8.38	3.88
	<b>Key Management Personnel</b>		
	Mr. Bhupinder Kumar Sekhri	24.50	51.88
	Mr. Gaurav Sekhri	-	2.75
	Mr. Ravindra Chhabra	1.54	1.29
	Mr. Nirmal Jyoti Chatterjee	0.93	-
	Mr. Vaibhav Pandey	0.35	0.24
	<b>Relatives of key management personnel</b>		
	Mrs. Shobha Sekhri	2.30	-
	Mr. Gautam Sekhri	1.39	1.61
	Mr. Aditya Brij Sekhri	0.25	0.25
	Mrs. Banani Chatterjee	0.67	-
		<u>40.31</u>	<u>62.83</u>

**Notes:**

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (other than borrowings taken by the Company) and settlement occurs in cash.

For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- b) (i) The Company has given a corporate guarantee of Rs. 700 lakhs (March 31,2018: Rs.700 lakhs) to TP Buildtech Private Limited ("Associate Company").
- (ii) The Company has given a corporate guarantee of Rs. 1,565 lakhs (March 31,2018: Rs.1,565 lakhs) to B.G.K. Infrastructure Developers Private Limited ("Enterprises in which directors and relative of such directors are interested").
- (iii) The Company has given a corporate guarantee of Rs. 7,500 lakhs (March 31,2018: Rs.7,500 lakhs) to Tinna Trade Limited ("Subsidiary Company" upto 31.03.2016).



- (iv) The Company has given a corporate guarantee of Rs.360 lakhs (March 31,2018: Rs.360 lakhs) to Fratelli Wines Private Limited ("Enterprises in which directors and relative of such directors are interested").
- c) All the liabilities for post retirement benefits being 'Gratuity' and 'Leave Encashment' are provided on an actuarial basis for the Company as a whole, the amount pertaining to Key management personnel are not included above.
- d) As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as "Key Managerial Person", however to comply with the disclosure requirements of Ind AS-24 on "Related party transactions" they have been disclosed as "Key Managerial Person".
- 10** The company is engaged in manufacture of Crumb Rubber Modifier, Crumb Rubber Modified Bitumen which are used in Infrastructure(Road) sector.Considering the downward trend in Infrastrcture , the company set up a plant to manufacture Crumb Rubber and allied products from Waste Tyre in 2012-13. The Company is a part of circular economy wherein the waste (tyre) is converted into Wealth(reusable products). The Company is among first in India to start production of micronised rubber and reclaim rubber in an environment friendly manner. In initial years the Company focused on plant set up and streamlining the quality production and elisting with reputed customers like CEAT,JK,Apollo etc who have stringent quality standards . During the year 2018-19, Company made rigorous efforts on marketing in domestic and international markets. Company first time participated as Sponsor in three Exhibitions i.e. Indian Road Congress, Nagpur- November 2018,Indian Rubber Expo, Mumbai- January 2019, Tire Technology Expo., Hannaover, Germany March 2019 in order to meet reputed customers at one platform. Company's executives have also done extensive travelling to Countries having potential of export ie Srilanka,Australia, Turkey,Thailand, Bangakok, Engalnd, Germnay. The benefit of these efforts in terms of sale in domestic and international market is expcted to be realised in next years. Keeping in view the future benefits, company has charged one third of the expenses to the statement of Profit and Loss and balance two third Rs. 53.62 Lakhs is carried forward and to be amortised in next two years.

Head wise break of the Product Development and Marketing Expenses is given below:

(Amount in ₹ lakhs)

Particulars	Total expenses in FY-2018-19	1/3 charged on Revenue of FY- 2018-19	2/3rd Carried Forward to be amortised in FY-2019-20 & FY-2020-21 equally
Seminar Sponsorship Fees	20.71	6.90	13.81
Travel Expenses	31.41	10.47	20.94
Marketing brochure & other expenses	14.18	4.73	9.45
Lab Test Expenses	14.13	4.71	9.42
<b>Total</b>	<b>80.43</b>	<b>26.81</b>	<b>53.62</b>

## 11 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has spent a sum of Rs. 1.40 lakh (March 31, 2018: Rs.Nil ). In view of Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by the Institute of Chartered Accountant of India, no provision for amount of Rs. 17.75 lakhs (March 31, 2018: Rs.19.15 lakhs) which is not spent i.e. any shortfall in the amount that was expected to be spent as per the provisions of the Act on CSR activities and the amount actually spent at the end of a reporting period, may be made in the financial statements. Accordingly, provision for unspent amount has not been made in the financial statements. The same shall be covered in the report to the Board of Directors as per the provisions of section 135(5) of the Compaies Act, 2013.

	(Amount in ₹ lakhs)	
	Year ended March 31,2019	Year ended March 31,2018
<b>Details of CSR Expenditure:</b>		
a) Amount yet to be spent at the beginning of the year	19.15	19.15
Gross amount required to be spent by the Company during the year (cummulative)	-	-
Less: Amount spent by the Company	1.40	-
Amount yet to be spent	<u>17.75</u>	<u>19.15</u>
b) Details of amount spent by the Company is as under:		
<b>Particulars</b>		
Contribution for Water Purifier Project	0.82	-
Installation of recycled Rubber mat at playground and dormitory for orphan	0.58	-
<b>Total Amount Spent</b>	<u>1.40</u>	<u>-</u>

12 The Company has entered into an agreement on 25.02.2010 with Riveria Builder Private Limited and Viki Housing Development Private Limited for sale of 89,993 equity shares of Rs.100/- each of Gautam Overseas Limited for Rs.90 lakhs. The Company has received the sales consideration of Rs.90 lakhs in the F.Y 2009-10 which has been duly accounted for. The Company Law Board has vide order dated 28.06.2010 restrained the Company for transfer of said shares, which has been upheld by the Hon'ble High Court of Delhi. The Company has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India, which is pending before the Hon'ble Court.

13 The Company has entered into an Agreement for Higher Education /Training with Mr Aditya Brij Sekhri (Trainee). The company has sponsored higher education of Trainee at USA for five years vide the agreement dated 1st July 2015 with object to have modern system and practice of management. The agreement provides working of minimum 5 years by the Trainee in company after completion of higher education.

14 The company had purchased land at Delhi in 2013-14 to carry on the activities of development of land, construction of houses, apartments etc. In the Master Plan for Delhi -2021(Notified in 2007 and amendments) the said land is notified as residential and eligible for Land Pooling for development of Public, semi public utility in order to accommodate additional population and planned development. The process of mutation of land, the land use conversion from agricultural to other use is yet to be done in accordance with the applicable Laws. The Company has filed petition with the Hon'ble High Court of Delhi to seek the benefit of Section 24(2) of the Right to Fair compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and to declare acquisition proceedings initiated as lapsed. The Hon'ble High Court of Delhi in Judgment dated 25 & 26 May 2015 and 9 February 2016 declared that acquisition process initiated deemed to have been lapsed. The Hon'ble Supreme Court of India pursuant to Appeal filed by Delhi Development Authority and Land & Building Authority of NCT of Delhi has also upheld that acquisition process initiated deemed to have been lapsed vide their orders dated 31.08.2016 and 04.05.2017. Subsequent to the order of the Hon'ble Supreme Court, the Company will get the land registered with appropriate authority, mutation and change of land use etc upon issue of requisite Notification by the Government. The Company has transferred the Land to Inventories as on 31.03.2018. However, the Company does not intend to do any business activities or development of property for the purpose of resale and intends to hold the land for long term capital appreciation and for rental yields. Lease Agreement has been entered into by the Company which is effective from 01.09.2018. Therefore, the said land has been transferred as Investment Property from Inventories during the year.

#### 15 Disclosure as per "Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors"

During the year ended, the Company reviewed the status of Reusable/standby spares which have a life longer than one year. These are items like blades/Cutters which require sharpening from time to time, Motors, Gear Box etc which requires rewinding/ other refurbishing to make it usable continuously. Also, these spares are generally expected to be used longer than one accounting period. In earlier years, these items were expensed off when put to use. The same have been treated as prior period in accordance with Ind As- 8 "Accounting Policies, Change in Accounting Estimates and Errors" and the effect of the same on financial statements are as under:-

(Amount in ₹ lakhs)

	As at 01.04.2017 (Earlier Reported Period)	Year Ended 31st March 2018
The effect of the above on financial statements is as under:		
(i) Increase in Fixed Assets/ Reduction in Maintenance Expenses	92.04	13.77
(ii) Increase in Depreciation	19.83	10.22
(iii) Net Increase/ (Decrease) in the Reserve & Surplus/ Profit and Loss	72.21	3.55

For the financial year 2017-18, the said adjustment has also resulted in decrease in earning per share (Basic & Diluted) by Rs.0.04/- per equity share of Nominal value of Rs.10/- each.

- 16** Ind As 115 "Revenue from Contracts with Customers" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind As related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earnings as at April 01, 2018. Also the application of Ind As-115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements for the year ended 31st March, 2019.
- 17** Under the previous GAAP, the Company had adjusted the government grant received in from of EPCG License from the cost of Property, Plant and Equipments. Under Ind AS, the government grants are classified as deferred revenue which are amortised over the useful life of the Property, plant and equipments in accordance with "Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance". This resulted in an increase in Property, plant and equipments by Rs.181.76 lakhs, Rs. 345.57 lakhs and Rs.355 Lakhs as at April 1, 2016, March 31, 2017 and March 31, 2018 and corresponding increase in Deferred income under Other liabilities (non-current and current)
- 18 Fair value measurements**  
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category	Carrying Value		(Amount in ₹ lakhs) Fair Value	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial assets at amortized cost</b>				
Investment in Property	530.39	-	1,122.05	-
Investments (non-current)	2,351.69	2,486.09	2,351.69	2,486.09
Loans and advances (non current)	5.10	4.73	5.10	4.73
Other financial assets (non-current)	149.90	144.04	149.90	144.04
Investments (current)	6.05	5.25	6.05	5.25
Trade receivables (current)	2,359.15	2,735.85	2,359.15	2,735.85
Cash and cash equivalents	16.42	12.82	16.42	12.82
Other bank balances	213.48	202.54	213.48	202.54
Loans and advances (current)	13.58	5.24	13.58	5.24
Other financial assets (current)	116.93	110.92	116.93	110.92
	5,762.69	5,707.48	6,354.35	5,707.48
<b>Financial Liabilities at amortized cost</b>				
Borrowings (non-current)	3,148.87	3,097.16	3,148.87	3,097.16
Borrowings (current)	3,995.88	4,473.87	3,995.88	4,473.87
Trade payables (current)	874.13	775.36	874.13	775.36
Other financial liabilities (current)	1,451.89	1,613.42	1,451.89	1,613.42
	9,470.77	9,959.81	9,470.77	9,959.81
(*excluding investments in associates)				

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- 1) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- 2) The fair values of the Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.
- 3) Long-term receivables/ payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 4) The significant unobservable inputs used in the fair value measurement categorized within Level 1 and Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at end of each year, are as shown below:

#### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

**Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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

Carrying Value	Fair Value (Amount in ₹ lakhs)		
	Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>			
Investment Property	530.39	-	1,122.05
Investments (non-current)	2,351.69	-	2,351.69
Loans and advances (non current)	5.10	-	5.10
Other financial assets (non-current)	149.90	-	149.90
Investments (current)	6.05	6.05	-
Trade receivables (current)	2,359.15	-	2,359.15
Cash and cash equivalents	16.42	-	16.42
Other bank balances	213.48	-	213.48
Loans and advances (current)	13.58	-	13.58
Other financial assets (current)	116.93	-	116.93

#### Liabilities carried at amortized cost for which fair value are disclosed

(Amount in ₹ lakhs)				
Borrowings (non-current)	3,148.87	-	-	3,148.87
Borrowings (current)	3,995.88	-	-	3,995.88
Trade payables (current)	874.13	-	-	874.13
Other financial liabilities (current)	1,451.89	-	-	1,451.89

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018**

	Carrying Value	(Amount in ₹ lakhs)		
		Fair Value		
		Level 1	Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investments (non-current)	2,486.09	-	-	2,486.09
Loans and advances (non current)	4.73	-	-	4.73
Other financial assets (non-current)	144.04	-	-	144.04
Investments (current)	5.25	5.25	-	-
Trade receivables (current)	2,735.85	-	-	2,735.85
Cash and cash equivalents	12.82	-	-	12.82
Other bank balances	202.54	-	-	202.54
Loans and advances (current)	5.24	-	-	5.24
Other financial assets (current)	110.92	-	-	110.92
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (non-current)	3,097.16	-	-	3,097.16
Borrowings (current)	4,473.87	-	-	4,473.87
Trade payables (current)	775.36	-	-	775.36
Other financial liabilities (current)	1,613.42	-	-	1,613.42

**Note:**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**19 Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

**(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2019. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD & Euro exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Currency	Currency Symbol	March 31, 2019		Gain/ (loss) Impact on profit/ (loss) before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Change in United States Dollar Rate	\$				
Export trade receivables		1.40	96.56	0.97	-0.97
Other receivables		0.09	6.23	0.06	-0.06
Capital Advances		0.79	54.74	0.55	-0.55
Advances against material and services		2.37	163.88	1.64	-1.64
Trade payables		3.04	210.03	2.10	-2.10
Change in Euro Rate	€				
Trade payables		0.59	45.61	-0.46	0.46

Currency	Currency Symbol	March 31, 2018		Gain/ (loss) Impact on profit/ (loss) before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
Change in United States Dollar Rate	\$				
Export trade receivables		1.46	94.86	0.95	-0.95
Other receivables		0.09	5.85	0.06	-0.06
Bank accounts (EEFC)		0.01	0.65	0.01	-0.01
Capital Advances		0.89	57.87	0.58	-0.58
Advances against material and services		3.55	231.18	2.31	-2.31
Trade payables		3.18	207.10	-2.07	2.07
Creditors for capital goods		0.32	20.67	-0.21	0.21
Buyer's credit		9.50	617.63	-6.18	6.18

**(ii) Commodity Price Risk**

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. To counter raw material risk, the Company works with various suppliers working in domestic and international market with the objective to moderate raw material cost, enhance application flexibility and increased product functionality and also invests in product development and innovation. To counter finished goods risk, the Company deals with wide range of vendors and manages these risks through inventory management and proactive vendor development practices. The Company also passes on the Commodity price hike in case of several customers when Company have fixed price contracts. Fixed price contracts are entered into after due consideration of the Commodity price volatility during the delivery / contract period.

**(b) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Out of that, the Company has 10 customers that owed the Company approx. Rs.914.97 lakhs (March 31, 2018: Rs.1131.50 lakhs) and accounted for 38.78% (March 31, 2018: 40.85%) of total trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	(Amount in ₹ lakhs)	
	As at	As at
	March 31, 2019	March 31, 2018
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Loans and advances (non current)	5.10	4.73
Other financial assets (non-current)	149.90	144.04
Cash and cash equivalents	16.42	12.82

	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Other bank balances	213.48	202.54
Loans and advances (current)	13.58	5.24
Other financial assets (current)	116.93	110.92
	<u>515.41</u>	<u>480.29</u>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade receivables (current)	2,403.90	2,769.95
	<u>2,403.90</u>	<u>2,769.95</u>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

(i) **The ageing analysis of trade receivables has been considered from the date the invoice falls due**

<b>Particulars</b>		
Neither past due nor impaired	1,166.86	1,173.66
0 to 365 days due past due date	670.01	956.65
More than 365 days past due date	567.03	639.64
<b>Total Trade Receivables</b>	<u>2,403.90</u>	<u>2,769.95</u>

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

	(Amount in ₹ lakhs)	
<b>Particulars</b>	Year ended March 31, 2019	Year ended March 31, 2018
As at the beginning of year	34.09	22.27
Provision during the year	13.72	11.83
Reversal of earlier provision credited to other Income (Excess Provision written back)	-3.06	-
<b>As at the end of year</b>	<u>44.75</u>	<u>34.10</u>

(c) **Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to below:

**Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

<b>As at March 31, 2019</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Borrowings (non-current)	-	3,148.87	3,148.87
Borrowings (current)	3,995.88	-	3,995.88
Trade payables (current)	874.13	-	874.13
Other financial liabilities (current)	1,451.89	-	1,451.89



(Amount in ₹ lakhs)

As at March 31, 2019	Less than 1 year	More than 1 year	Total
Borrowings (non-current)	-	3,097.16	3,097.16
Borrowings (current)	4,473.87	-	4,473.87
Trade payables (current)	775.36	-	775.36
Other financial liabilities (current)	1,613.42	-	1,613.42

**(d) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowings obligations in the form of cash credit carrying floating interest rates.

(Amount in ₹ lakhs)

	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowing	1,541.27	3,673.39
Variable rate borrowing	6,271.87	4,594.82
	<u>7,813.14</u>	<u>8,268.21</u>

**Sensitivity analysis:** For floating rates liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

(Amount in ₹ lakhs)

**Sensitivity on variable rate borrowings**

**Impact on statement of profit and loss**

	Year ended March 31, 2019	Year ended March 31, 2018
Interest rate increase by 0.25%	-13.58	-12.19
Interest rate decrease by 0.25%	13.58	12.19

**(e) Equity Price Risk**

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 2,351.69 lakhs as on 31 March 2019 (March 31, 2018: Rs.2,536.76 lakhs).

**20 The Following Table summarises movemnt in indebtedness as on the reporting date :**

**Change in Liabilities arising from financing activities**

(Amount in ₹ lakhs)

Particulars	As on April 1, 2018	Net Cashflow	Foreign Exchange Management	Transfer	Change in fair values	As on April 1, 2019
<b>LONG TERM BORROWINGS</b>						
<b>Secured</b>						
Term loan from Bank	1,732.27	-467.85	-	150.91	-	1,415.33
Buyer's Credit Facility from Bank	149.98	-	0.93	-150.91	-	-
Finance Lease Obligations						
From Banks	79.92	75.45	-	-	-	155.37
From Others	16.12	-8.95	-	-	-	7.17
<b>Unsecured</b>						
Term loans from others parties	1,816.05	423.34	-	-	-	2,239.39
<b>SHORT TERM BORROWINGS</b>						
<b>Secured</b>						
Cash credit facility from bank	2,241.26	375.90	-	-	-	2,617.16
Buyer's credit facility from bank	471.31	-471.31	-	-	-	-
<b>Unsecured</b>						
Loan from Related Parties	45.33	-24.98	-	-	-	20.35
Loan from others	1,715.97	-357.61	-	-	-	1,358.36
	<u>8,268.21</u>	<u>-456.01</u>	<u>0.93</u>	<u>-</u>	<u>-</u>	<u>7,813.13</u>

Change in Liabilities arising from financing activities					(Amount in ₹ lakhs)	
Particulars	As on April 1, 2017	Net Cashflow	Foreign Exchange Management	Transfer	Change in fair values	As on April 1, 2019
<b>LONG TERM BORROWINGS</b>						
<b>Secured</b>						
Term loan from Bank	1,558.42	-605.99	-	779.84	-	1,732.27
Buyer's Credit Facility from Bank	925.31	-	4.51	-779.84	-	149.98
Finance Lease Obligations						
From Banks	163.22	-83.29	-	-	-	79.92
From Others	24.31	-8.18	-	-	-	16.12
<b>Unsecured</b>						
Term loans from others parties	1,934.85	-118.79	-	-	-	1,816.05
<b>SHORT TERM BORROWINGS</b>						
<b>Secured</b>						
Cash credit facility from bank	2,302.38	-61.12	-	-	-	2,241.26
Buyer's credit facility from bank	370.66	92.39	5.55	-	2.70	471.31
<b>Unsecured</b>						
Loan from Related Parties	189.18	-143.85	-	-	-	45.33
Loan from others	1,891.04	-175.07	-	-	-	1,715.97
	<b>9,359.37</b>	<b>-1,103.90</b>	<b>10.06</b>	<b>-</b>	<b>2.70</b>	<b>8,268.21</b>

## 21 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The calculation of the capital for the purpose of capital management is as below:

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Borrowings	7,813.14	8,268.21
Cash and cash equivalents	-16.42	-12.82
<b>Net Debt</b>	<b>7,796.72</b>	<b>8,255.39</b>
Equity share capital	856.48	856.48
Other equity	6,390.07	6,403.83
<b>Total Capital</b>	<b>7,246.55</b>	<b>7,260.31</b>
<b>Capital and Net Debt</b>	<b>15,043.27</b>	<b>15,515.70</b>
<b>Gearing Ratio (Net Debt/Capital and Debt)</b>	<b>51.83%</b>	<b>53.21%</b>

Additional Explanatory Information forming part of the financial statement for the period ended 31st March, 2019

(Amount in ₹ lakhs)

<b>22 CIF Value of Imports (excluding Goods in transit)</b>		
Raw Material	1,272.42	1,250.66
Traded goods	328.93	34.58
Capital goods	45.28	78.78
Spares parts for capital goods	21.25	25.35
	<u>1,667.88</u>	<u>1,389.37</u>
<b>23 Earnings in Foreign Currency</b>		
F.O.B Value of Exports		
Sale of Crumb Rubber	289.12	214.15
Sale of Ultrafine Crumb Rubber	93.74	33.52
	<u>382.86</u>	<u>247.67</u>
<b>24 Expenditure in Foreign Currency</b>		
Foreign Travelling	50.35	19.12
Interest on Buyers Credit	0.23	29.38
Training Expenses	42.42	33.97
Commission	7.03	-
Business promotion, Seminar and marketing expenses	4.87	-
	<u>104.90</u>	<u>82.47</u>

**25 Earnings per share**

(Amount in ₹ lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
<b>a) Basic Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	(15.35)	(491.87)
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	85,64,750	85,64,750
Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.)	(0.18)	(5.74)
<b>b) Diluted Earnings per share</b>			
Numerator for earnings per share			
Profit/ (loss) after taxation	(Rs.)	(15.35)	(491.87)
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	85,64,750	85,64,750
Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.)	(0.18)	(5.74)

Note: There are no instruments issued by the Company which have effect of dilution of basic earning per share.

## 26 Dividend on Equity Shares

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Dividend on equity shares declared and paid during the year</b>		
Final dividend of Rs.Nil per share (March 31, 2018: Rs. Nil per share)	-	-
<b>Proposed dividend on equity shares not recognised as liability</b>		
Final dividend of Rs.Nil per share (March 31, 2018: Rs. Nil per share)	-	-
<b>Dividend payout ratio</b>	-	-

## 27 Dividend Received

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Dividend received on equity shares held as non trade, non current investments	-	-
Dividend received on equity shares held as trade, current investments	0.02	0.03
	<u>0.02</u>	<u>0.03</u>

## 28 Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013:

## (i) Particulars of Investments made:

(Amount in ₹ lakhs)

Sr. No	Name of the Investee	Opening Balance	Investment Made	Impact of Fair value	Investment Sold	Outstanding Balance
1	TP Buidtech Private Limited	341.25	-	-	-	341.25
2	Keerthi International Agro Private Limited	11.01	-	-	-	11.01
3	BGK Infratech Private Limited	2,184.50	-	-	-134.40	2,050.10
4	Puja Infratech LLP	170.59	-	-	-	170.59

## (ii) Particulars of Loan given:

(Amount in ₹ lakhs)

Sr. No	Name of the Entity	Year ended March 31, 2019		Year ended March 31, 2018	
		Loan Given	Outstanding Balance (including interest)	Loan Given	Outstanding Balance (including interest)
1	Tinna Trade Limited	-	-	17.00	-

**(iii) Particulars of Corporate guarantee outstanding:**
**(Amount in ₹ lakhs)**

Sl.	Particulars	Purpose	As at	As at
			March 31, 2019	March 31, 2018
a)	The Company has extended corporate guarantee for credit facility taken by TP Buildtech Private Limited (Associate company) from Syndicate Bank. The Company has extended 2nd charge (UREM) on land measuring 13,500 sq. metres situated at Gult No 113/2 and 114/2 Village Pali Taluka Wada, District Thane-Maharashtra towards credit facility sanctioned to TP Buildtech Private Limited.	For working capital limits	700.00	700.00
b)	The Company has extended corporate guarantee for credit facility taken by B.G.K. Infrastructure Developers Private Limited from ICICI Bank Limited.	For Term loan facility	1,565.00	1,565.00
c)	The Company has extended corporate guarantee for credit facility taken by Tinna Trade Limited from Syndicate Bank.	For working capital limits	3,000.00	3,000.00
d)	The Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from ICICI Bank Limited.	For working capital limits	2,500.00	2,500.00
e)	The Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from State Bank of India.	For working capital limits	2,000.00	2,000.00
f)	The Company has given corporate guarantee for credit facility taken by Fratelli Wines Private Limited, a related party from Syndicate Bank.	For working capital limits	360.00	360.00
<b>Total</b>			<b>10,125.00</b>	<b>10,125.00</b>

29 Amounts in the financial statements are presented in Indian Rupees in lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

30 Note No. 1 to 33 form integral part of the balance sheet and statement of profit and loss.

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

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

**Rajan Bansal**

Partner

M. No.: 93591

**Bhupinder Kumar Sekhri**

Managing Director

DIN: 00087088

**Promila Kumar**

Director

DIN: 07998889

Place: New Delhi

Date: 29/05/2019

**Vaibhav Pandey**

Company Secretary

M. No.: A-53653

**Ravindra Chhabra**

CFO & G.M. Accounts

## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**TINNARUBBERANDINFRASTRUCTURE LIMITED**  
Tinna House,  
No. 6, Sultanpur (Mandi Road)  
Mehrauli, Delhi-110030

### **Report on the Consolidated Ind AS Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of **TINNA RUBBER AND INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Parent Company") and its associate (the Parent Company and its associate are together referred to as "the group"), which comprises the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the basis of Qualified Opinion section of our report, the aforesaid consolidated Ind AS financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the group as at March 31, 2019, consolidated loss and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

- a) The Parent Company has not provided interest amounting to Rs. 4.04 lakhs for the year ended March 31, 2019 as required under the provisions of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006 in respect of delayed payments to suppliers covered under the said Act. Consequently, the net loss and total comprehensive income for the year ended March 31, 2019 is understated to that extent.
- b) The Parent Company has incurred marketing promotion expenses, and other expenses, amounting to Rs 80.43 lakhs which has been amortised over a period a three years as is more appropriately referred in note no. 33(10) of the accompanying consolidated financial

statements. The same is not in accordance with provisions of Ind AS 38 "Intangible Assets" (para 69). Consequently, the net loss and total comprehensive income for the year ended 31st March, 2019 is understated by Rs 53.62 lakhs, and other non-current assets and other current assets are overstated by Rs. 26.81 lakhs each.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Emphasis of Matter**

We draw attention to Note No. 33(2) of accompanying statements, in relation to accounting of financial guarantee provided by the Parent Company in respect of borrowings availed by one of its associate and other group companies based in India and disclosure of the same as contingent liability and is more fully described therein. Our report is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the

consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<p>Principal Audit Procedures</p> <p>We assessed the Parent Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p>
	The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re performance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contract and performed the following procedures: <ul style="list-style-type: none"> <li>• Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul>

2.	<p><b><i>Evaluation of uncertain tax positions</i></b></p> <p>The Parent Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note no. 32(A)(c) and to the Consolidated Financial Statements</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
3.	<p><b>Taxation</b></p> <p>Significant judgments are required in determining provision of income taxes, both current and deferred, as well as the assessment of provision for uncertain tax position including estimates of interest and penalties where appropriate.</p> <p>The effective tax rate for the Group is 26%</p>	<p>We evaluated the design and implementation of controls in respect of provision for current tax and the recognition and recoverability of deferred tax assets.</p> <p>We discussed with management the adequate implementation of policies and control regarding current and deferred tax.</p> <p>We examined the procedure in place for the current and deferred tax calculation for completeness and valuation and audited the related tax computation and estimates in the light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist.</p> <p>We performed the assessment of the material components impacting the tax expenses, balance and exposures. We reviewed and challenged the information reported by components with the support of our own tax specialist, where appropriate.</p> <p>In respect of deferred tax assets and liabilities, we assess the appropriateness of management's assumptions and estimates to support deferred tax assets for tax losses carried forward and related disclosures in financial statements. Based on the procedure performed above, we obtained sufficient audit evidence to corroborate management's estimates regarding current and deferred tax balances.</p>

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

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

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

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

### **Responsibilities of Management and Those Charges with Governance for the Consolidated Ind AS Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the

consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

#### **Other Matter**

We did not audit the financial Statements and other financial information of the associate company included in these consolidated financial results, whose financial statements include share in profit of Rs.11.63 lakhs and other comprehensive income of Rs. (0.73) lakhs for the year ended on that date. These financial statements other financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial results, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate are based solely on the reports of such other auditors.

Our opinion on the consolidated Ind AS financial results report on Other Legal and Regulatory Requirements below is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors and the financial statements and other financial information certified by the management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associates, as noted in the 'other

matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company, and on the basis of written representation received from the Directors of Associate Company as on March 31, 2019 and taken on report by the Board of Directors of Associate Company, none of the Directors of the Parent Company and its Associate Company are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Parent Company, refer to our separate Report in "Annexure A" to this report. In case of Associate Company, Clause (i) of section 143(3), with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable pursuant to notification G.S.R 583(E) dated June 13, 2017;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the Associate Company incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Parent Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. No managerial remuneration has been paid/Provided by the Associate Company;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated Ind AS financial statement has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
- (ii) Provision has been made in the consolidated Ind AS financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- (iii) There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Group.

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

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

Place: Delhi  
Dated: 29th May, 2019

## ANNEXURE-A TO THE AUDITOR'S REPORT

### Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

To the Members of TINNA RUBBER AND INFRASTRUCTURE LIMITED

We have audited the internal financial controls over financial reporting of TINNA RUBBER AND INFRASTRUCTURE LIMITED (“hereinafter referred to as the Parent Company”) as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the group for the year ended on that date. The requirements of Internal financial Controls are not applicable to Associate Company, since the associate company is a private company and is exempted from reporting vide clause 9A of notification dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India.

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

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal controls over financial reporting with reference to these consolidated financial statements.

#### Meaning of Internal Financial Controls over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

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

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

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

Place: Delhi  
Dated: 29th May, 2019

**Consolidated Balance Sheet As At March 31st, 2019**

(Amount in ₹ lakhs)

	Notes	As at March 31,2019	As at March 31,2018
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	7,634.88	7,699.21
Capital work-in-progress	3	113.54	261.97
Investment Property	4	530.39	-
Other intangible assets	5	0.82	2.45
Investments in associates	6	223.42	212.52
Financial assets	7		
(i) Investments		2,351.69	2,486.09
(ii) Loans and advances		5.10	4.73
(iii) Others		149.90	144.04
Deferred tax assets (Net)	8	527.52	545.29
Other non-current assets	9	101.98	85.41
		<b>11,639.24</b>	<b>11,441.71</b>
<b>2 Current assets</b>			
Inventories	10	2,475.00	2,694.28
Financial assets	11		
(i) Investments		6.05	5.25
(ii) Trade receivables		2,359.14	2,735.85
(iii) Cash and cash equivalents		16.42	12.82
(iv) Other bank balances		213.48	202.54
(v) Loans and advances		13.58	5.24
(vi) Others		116.93	110.92
Current tax assets (Net)	12	-	22.39
Other current assets	13	723.15	820.51
		<b>5,923.75</b>	<b>6,609.80</b>
<b>Total Assets</b>		<b>17,562.99</b>	<b>18,051.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
Equity share capital	14	856.48	856.48
Other equity	15	6,272.23	6,275.09
		<b>7,128.71</b>	<b>7,131.57</b>
<b>2 LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities	16		
Borrowings		3,148.87	3,097.16
Provisions	17	226.54	169.64
Other non-current liabilities	18	238.71	269.03
		<b>3,614.12</b>	<b>3,535.83</b>
<b>Current liabilities</b>			
Financial liabilities	19		
(i) Borrowings		3,995.88	4,473.88
(ii) Trade payables			
Total outstanding dues of micro and small enterprises		5.76	37.05
Total outstanding dues of creditors other than micro and small enterprises		868.37	738.31
(iii) Other financial liabilities		1,451.89	1,613.42
Other current liabilities	20	433.54	487.02
Provisions	21	38.81	34.43
Current tax liabilities (Net)	22	25.91	-
		<b>6,820.16</b>	<b>7,384.11</b>
<b>Total Equity and Liabilities</b>		<b>17,562.99</b>	<b>18,051.51</b>
Summary of significant accounting policies	2		
Contingent liabilities, commitments and litigations	32		
Other notes on accounts	33		

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**
**For V.R. Bansal & Associates**  
 Chartered Accountants  
 ICAI Firm Registration No.: 016534N

**Rajan Bansal**  
 Partner  
 M. No.: 93591  
 Place: New Delhi  
 Date:29/05/2019

**For and on behalf of the Board of Directors**
**Bhupinder Kumar Sekhri**  
 Managing Director  
 DIN: 00087088

**Vaibhav Pandey**  
 Company Secretary  
 M. No.: A-53653

**Promila Kumar**  
 Director  
 DIN: 07998889

**Ravindra Chhabra**  
 CFO & G.M. Accounts

## Consolidated Statement Of Profit And Loss For The Year Ended March 31st, 2019

(Amount in ₹ lakhs)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>I INCOME</b>			
Revenue from operations	23	12,970.99	10,216.98
Other income	24	261.88	126.92
<b>Total Income</b>		<b>13,232.87</b>	<b>10,343.90</b>
<b>II EXPENSES</b>			
Cost of materials consumed	25	5,270.43	3,612.12
Purchase of traded goods	26	907.13	34.58
Change in inventories of finished goods, traded goods and work in progress	27	(110.99)	984.42
Excise duty on sale of goods		-	191.86
Employee benefits expenses	28	2,089.19	1,684.39
Finance costs	29	1,031.74	982.04
Depreciation and amortisation expenses	30	728.57	719.29
Other expenses	31	3,282.20	2,718.35
<b>Total Expenses</b>		<b>13,198.27</b>	<b>10,927.05</b>
<b>III Profit/(Loss) before share of profit/ (loss) of an associate, exceptional items and tax from continuing operations</b>		<b>34.60</b>	<b>(583.15)</b>
Share of profit/(loss) of an associate (net of tax)		11.63	(7.93)
<b>IV Profit /(loss) before exceptional items and tax from continuing operations</b>		<b>46.23</b>	<b>(591.08)</b>
Add : Exceptional items		-	-
<b>V Profit/(loss) before tax</b>		<b>46.23</b>	<b>(591.08)</b>
<b>VI Tax expenses</b>			
Current tax		32.74	-
MAT credit entitlement		(13.36)	-
Deferred tax liability /(asset)		30.57	(91.28)
<b>Income tax expense</b>		<b>49.95</b>	<b>(91.28)</b>
<b>VII Net profit/(loss) for the year from continuing operations</b>		<b>(3.72)</b>	<b>(499.80)</b>
<b>VIII Profit/(loss) for the year</b>		<b>(3.72)</b>	<b>(499.80)</b>
<b>IX Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
i) Re-measurement gains on defined benefit plans		2.15	27.76
ii) Re-measurement gains on Investments [FVTOCI]		-	1,459.98
iii) Gains on sale of Investments [FVTOCI]		-	104.75
iv) Income tax effect		(0.56)	(7.22)
Share of other Comprehensive Income in Associates		(0.73)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>0.86</b>	<b>1,585.27</b>
<b>X Total comprehensive income/ (loss) for the year, net of tax</b>		<b>(2.86)</b>	<b>1,085.47</b>

		(Amount in ₹ lakhs)	
	Notes	Year ended March 31,2019	Year ended March 31, 2018
<b>XI Earnings per equity share from continuing operations (nominal value of share Rs.10/-)</b>			
Basic (Rs.)		(0.04)	(5.84)
Diluted (Rs.)		(0.04)	(5.84)
<b>XII Earnings per equity share from discontinued operations (nominal value of share Rs.10/-)</b>			
Basic (Rs.)		-	-
Diluted (Rs.)		-	-
<b>XIII Earnings per equity share from continuing and discontinued operations (nominal value of share Rs.10/-)</b>			
Basic (Rs.)		(0.04)	(5.84)
Diluted (Rs.)		(0.04)	(5.84)
Summary of significant accounting policies	<b>2</b>		
Contingent liabilities, commitments and litigations	<b>32</b>		
Other notes on accounts	<b>33</b>		

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

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

**Rajan Bansal**

Partner

M. No.: 93591

**Bhupinder Kumar Sekhri**

Managing Director

DIN: 00087088

**Promila Kumar**

Director

DIN: 07998889

Place: New Delhi

Date:29/05/2019

**Vaibhav Pandey**

Company Secretary

M. No.: A-53653

**Ravindra Chhabra**

CFO & G.M. Accounts

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

(Amount in ₹ lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before income tax	46.23	(591.08)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	728.57	719.29
Loss on fair valuation of current investments [FVTPL]	0.23	0.47
Loss/(Gain) on disposal of Property, plant and equipment	10.42	0.22
Share of profit/ (loss) of an associate (net of tax)	(11.63)	7.93
Dividend received	(0.02)	(0.03)
Impairment allowance	13.72	11.83
Finance cost	1,031.74	982.04
Rental Income	(1.52)	-
Profit on sale of Investments	(1.07)	-
Interest income	(22.64)	(21.38)
Amortisation of Grant Income	(29.53)	(28.79)
<b>Operating Profit before working capital changes</b>	<b>1,764.50</b>	<b>1,080.50</b>
Movement in working capital		
(Increase)/ Decrease in loans and advances	(8.72)	(2.17)
(Increase)/ Decrease in inventories	(311.11)	706.93
(Increase)/ Decrease in trade receivables	362.99	(867.19)
(Increase)/ Decrease in other financial assets	(6.00)	308.78
(Increase)/ Decrease in other non-financial assets	90.74	(71.16)
Increase/ (Decrease) in trade payables	98.77	428.03
Increase/ (Decrease) in other financial liabilities	7.74	134.80
Increase/ (Decrease) in other non financial liabilities	(54.27)	(69.32)
Increase/ (Decrease) in provisions	63.43	36.92
<b>Cash generated from operations</b>	<b>2,008.07</b>	<b>1,686.12</b>
Income tax paid (net of refunds)	(8.73)	(140.18)
<b>Net Cash flow from Operating Activities (A)</b>	<b>1,999.34</b>	<b>1,545.94</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and CWIP (net of creditors for capital goods and capital advances)	(562.91)	(320.51)
Proceeds from sale of property, plant and equipments	20.64	10.14
Investment in equity shares of associate	-	(146.25)
Proceeds from sale of equity shares non-current investment	134.40	831.60
Proceeds from sale current investments	0.04	(3.29)
Rental Income	1.52	-
Dividend received	0.02	0.03
Interest Received	22.64	-
Proceeds from fixed deposits (Net)	(4.48)	(17.11)
<b>Net Cash flow from/(used) in Investing Activities (B)</b>	<b>(388.13)</b>	<b>354.61</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long term borrowings	21.99	(787.66)
Proceeds of short term borrowings	(478.00)	(153.63)
Interest Paid	(1,151.60)	(981.93)
<b>Net Cash Flow from/(used) in Financing Activities (C)</b>	<b>(1,607.61)</b>	<b>(1,923.22)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3.60</b>	<b>(22.67)</b>
Cash and cash equivalents at the beginning of the year	12.82	35.49
<b>Cash and Cash Equivalents at the end of the year</b>	<b>16.42</b>	<b>12.82</b>



**Notes :**

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

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>Cash and cash equivalents</b>		
Balances with banks		
Current accounts	9.94	7.10
Cash on hand	6.48	5.72
	<u>16.42</u>	<u>12.82</u>

**As per our report of even date**
**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

**For and on behalf of the Board of Directors**
**Rajan Bansal**

Partner

M. No.: 93591

**Bhupinder Kumar Sekhri**

Managing Director

DIN: 00087088

**Promila Kumar**

Director

DIN: 07998889

Place: New Delhi

Date:29/05/2019

**Vaibhav Pandey**

Company Secretary

M. No.: A-53653

**Ravindra Chhabra**

CFO &amp; G.M. Accounts

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

### (A) Equity Share Capital

Particulars	Nos.	Amount in Rs. Lakhs
<b>As at March 31, 2017</b>	<b>85,64,750</b>	<b>8,56,47,500</b>
Add: Change in equity shares during the year	-	-
<b>As at March 31, 2018</b>	<b>85,64,750</b>	<b>8,56,47,500</b>
Add: Change in equity shares during the year	-	-
<b>As at March 31, 2019</b>	<b>85,64,750</b>	<b>8,56,47,500</b>

### (B) Other Equity

(Amount in ₹ lakhs)

Particulars	Reserves and surplus			Equity instruments through Other Comprehensive Income	Total
	Securities Premium Account	General Reserve	Retained Earnings		
<b>As at April 1, 2017</b>	<b>1,156.61</b>	<b>169.68</b>	<b>3,288.34</b>	<b>574.99</b>	<b>5,189.62</b>
Net profit /(loss) for the year	-	-	(499.80)	-	(499.80)
<b>Other comprehensive income for the year</b>					
Re-measurement gains on defined benefit plans (net of tax)	-	-	20.54	-	20.54
Re-measurement gains on Investments [FVTOCI]	-	-	-	1,459.98	1,459.98
Gains on de-recognition of Investments [FVTOCI]	-	-	-	104.75	104.75
<b>As at March 31, 2018</b>	<b>1,156.61</b>	<b>169.68</b>	<b>2,809.08</b>	<b>2,139.72</b>	<b>6,275.09</b>
Net profit /(loss) for the year	-	-	(3.72)	-	(3.72)
<b>Other comprehensive income for the year</b>					
Re-measurement gains on defined benefit plans (net of tax)	-	-	0.86	-	0.86
<b>As at March 31, 2019</b>	<b>1,156.61</b>	<b>169.68</b>	<b>2,806.22</b>	<b>2,139.72</b>	<b>6,272.22</b>

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	32
Other notes on accounts	33

The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

**For V.R. Bansal & Associates**

Chartered Accountants

ICAI Firm Registration No.: 016534N

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

**Rajan Bansal**

Partner

M. No.: 93591

**Bhupinder Kumar Sekhri**

Managing Director

DIN: 00087088

**Promila Kumar**

Director

DIN: 07998889

Place: New Delhi

Date: 29/05/2019

**Vaibhav Pandey**

Company Secretary

M. No.: A-53653

**Ravindra Chhabra**

CFO & G.M. Accounts

## Notes to Standalone Financial Statements for the year ended March 31, 2019

### 1 CORPORATE INFORMATION

Tinna Rubber and Infrastructure Limited (the Company) was incorporated on 4th March 1987. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is listed on BSE Limited. The Company is primarily engaged in the conversion of used Tyres into Crumb Rubber and Steel wires obtained in the process. The Company manufactures Crumb Rubber Modifier (CRM), Crumb Rubber Modified Bitumen (CRMB), Polymer Modified Bitumen (PMB), Bitumen Emulsion, Reclaimed Rubber/ Ultrafine Crumb Rubber Compound, Cut Wire Shots etc. The products are primarily used for making/ repair of road, tyres and auto part industry. The Company's manufacturing units are located at Panipat in Haryana, Wada in Maharashtra, Haldia in West Bengal, Gummidipundi in Tamil Nadu, Kala Amb in Himachal Pradesh.

The Consolidated Financial Statements were authorised by the board of directors for issue in accordance with resolution passed on May 29, 2019.

The Company along with its associate has been collectively hereinafter referred to as "the group".

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.01 Statement of Compliance

The Consolidated Financial Statements of the Company and its Associate have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods including the year ended 31 March 2017, the group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Consolidated Financial Statements were authorised for issue by the Company's Board of Directors on 29th May, 2019.

#### 2.02 Basis of Consolidation

The Consolidated Financial Statements of the group comprise the financial statements of Tinna Rubber and Infrastructure Limited ('the Parent Company'), and its associate namely M/s TP Buildtech Private Limited as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

### 2.03 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

These Consolidated Financial Statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- (a) Certain financial assets and liabilities that is measured at fair value.
- (b) Assets held for sale-measured at fair value less cost to sell.

The amendments to Ind AS 7 requires disclosures of change in liabilities arising from financing activities which has been appropriately disclosed in the statement of cash flow. The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs (INR 00,000) upto two decimal places, except when otherwise indicated.

### 2.04 Use of estimates and judgments

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

### 2.05 Changes in Accounting Policies & Disclosures

#### Ind AS-115 Revenue from Contract with Customer

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

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

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

- (ii) Step 2: Identify the performance obligation in contract
- (iii) Step 3: Determine the transaction price
- (iv) Step 4: Allocate the transaction price to the performance obligations in the contract
- (v) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

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

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

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

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

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

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

### **2.06 Current versus non-current classification**

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

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (b) Held primarily for purpose of trading
- (c) Expected to be realized within twelve months after the reporting period, or

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

All other assets are classified as non-current.

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non current.

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

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

## 2.07 Consolidation Procedures :

### (A) Subsidiaries:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) "Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 ""Income Taxes"" applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions."

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ii) Derecognises the carrying amount of any noncontrolling Interests
- iii) Derecognises the cumulative translation differences recorded in equity

- iv) Recognises the fair value of the consideration Received
- v) Recognises the fair value of any investment retained
- vi) Recognises any surplus or deficit in profit or loss
- vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

#### **(B) Investment in associates**

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

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The group discontinues the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate held for sale at the lower of its carrying amount and fair value less cost to sell.

#### **(C) Business combination and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the

aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. In respect to the business combination for acquisition of subsidiary, the Group has opted to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter:

- (i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.
- (ii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.
- (iii) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale" and Discontinued Operations are measured in accordance with that standard.
- (iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

#### **(D) Change in ownership interest**

The group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

#### **(E) Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

## 2.08 Property, plant and equipment

"Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met."

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful lives are as follows:

Assets	Useful life (in years)
Office Building	30
Factory Building	30
Leasehold Improvements	10
Fence Well, Tube Wells	5
Carpeted Road- Other than RCC	5
Plant and Machinery	15
Electric Fittings and Equipments	15
Generators	15
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5
Computers	3

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

Lease hold improvements are depreciated on straight line basis over their initial agreement period.

Plant and Machinery, Tools and Equipment and Electrical fittings and installations in Crumb Rubber Plant, Steel Plant and Cut Wire Shot Plant are depreciated over the estimated useful life of 12 years, which are different than those indicated in Schedule II of Companies Act, 2013. Based on technical assessment, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets.

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

## 2.09 (i) Intangible assets

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

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

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

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

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized on a straight line basis over the estimated useful economic life which generally does not exceed 6 years.

### **Type of assets**

Tally and other software

### **Basis**

Straight line basis over a period of six years.

## (ii) Research and Development Costs (Product Development)

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the group can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- (b) Its intention to complete and its ability and intention to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

## 2.10 Financial instruments

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

### I Financial Assets

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

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

#### Initial recognition and measurement

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

#### Subsequent measurement

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

- (a) Debt instruments at amortized cost
- (b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (c) Debt instruments at fair value through profit and loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- (e) Equity instruments measured at fair value through profit and loss (FVTPL)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model

in which the investment is held. For investment in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

#### **Debt instruments at amortized cost**

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

- (i) **Business Model Test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) **Cashflow Characteristics Test:** Contractual terms of asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade, other receivables, loans and other financial assets.

#### **Debt instruments at fair value through OCI**

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

- (i) **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) **Cashflow Characteristics Test:** The asset's contractual cash flows represent SPPI.

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

#### **Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

#### **Equity investments of other entities**

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

### **Derecognition**

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

- (a) The right to receive cash flows from the assets have expired, or
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
  - (i) the Group has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. Where it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Group continues to recognise the transferred assets to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### **Impairment of financial assets**

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

- (a) Financial assets measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance;
- (b) Financial assets measured at fair value through other comprehensive income(FVTOCI);
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- (d) Financial guarantee contracts which are not measured at FVTPL

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

- (a) Trade receivables or contract revenue receivables;
- (b) All lease receivables resulting from the transactions within the scope of IND AS 17

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (a) **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- (b) **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## II Financial liabilities:

### Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through statement of profit or loss, loans and borrowings, and payables, as appropriate.

All financial liabilities are recognised initially at fair value and in case of loans, borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Trade Payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

#### Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the group may transfer the cumulative gain or loss within

equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

### **Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### **Reclassification of financial assets:**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Groups's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

<b>Original classification</b>	<b>Revised classification</b>	<b>Accounting treatment</b>
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date become its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is

		recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

#### Offsetting of financial instruments:

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

## 2.11 Inventories

### (a) Basis of valuation

- (i) Raw Materials, Packing Materials and Stores and Spare parts are valued at lower of cost and net realizable value. Materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Raw Material, Packing Materials, Stores and Spares & and Raw Material contents of work in progress are valued by using the first in first out (FIFO) method.
- (ii) Finished goods, traded goods and work in progress are valued at cost or net realizable value whichever is lower.
- (iii) Inventory of scrap materials have been valued at net realizable value.

### (b) Method of Valuation

- (i) Cost of raw materials has been determined by using FIFO (first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on weighted average basis.
- (iii) Cost of traded goods has been determined by using FIFO (first-in-first-out) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



## 2.12 Business Combinations

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (c) The financial information in the Consolidated financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

## 2.13 Past Business Combinations

The Group has elected not to apply IND AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1st, 2016. Consequently,

- (a) The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- (b) The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would not qualify for recognition in accordance with IND AS in the separate balance sheet of the acquiree;
- (c) The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under IND AS;
- (d) The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- (e) The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in IND AS 103.

## 2.14 Provisions and Contingent Liabilities

### Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of time value of money is material, provisions are discounted using a current pre - tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the Consolidated financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## **2.15 Taxes**

Tax expense for the year comprises of direct tax and indirect tax.

### **Direct Tax**

#### **(a) Current Tax**

- i) Current income tax, assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India as per Income Computation and Disclosure Standards (ICDS) where the Group operates and generates taxable income.
- ii) Current income tax relating to items recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in statement of profit and loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **(b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no

longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Indirect Tax

Goods and Service Tax has been accounted for in respect of the goods cleared. The Group is providing Goods and Service tax liability in respect of finished goods. GST has been also accounted for in respect of services rendered. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

### 2.16 Revenue From Contracts with Customers

Revenue is recognised upon transfer of control of promised good or services to customer in an amount that reflects the consideration the Group expects to receive in exchange of those goods or services. The group uses a five-step model to account for revenue arising from contracts with customers. The group generates its revenue from manufacturing Crumb Rubber Modified Bitumen (CRMB), Polymer Modified Bitumen (PMB), Bitumen Emulsion, Reclaimed Rubber/ Ultrafine Crumb Rubber Compound, Cut Wire Shots etc. The products are primarily used for making/ repair of road, tyres and auto part industry. The goods and services are sold both on their own in separate identified contracts with customers. Effective 1 April, 2018, the group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contract and related interpretation. The Group plans to adopt the new standard on the required effective date using modified retrospective application. Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Accordingly revenue is reported net of GST.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Goods and service tax and net of returns, trade discounts, rebates and amount collected on behalf of third parties. (w.e.f. 1st July, 2017 GST has been implemented. All the taxes like Excise Duty, Value Added Tax, etc. are subsummed in Goods and Service Tax.)

"The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. the Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:"

**(a) Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. On adoption of Ind AS 115 Group does not expect the impact to have any material impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, which is generally on delivery of the goods.

"Revenue is usually recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold."

**i) Variable Consideration:**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

**ii) Contract Assets:**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**(b) Rendering of Services**

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

**(c) Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight- line basis over the lease terms and is included in other income in the statement of profit or loss due to its non-operating nature.

**(d) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**(e) Dividend from investment in Shares**

Dividend Income is recognized when the right to receive the payment is established which is generally when shareholders approve the dividend.

**(f) Claims**

Claims are recognised when there exists reasonable certainty with regard to the amounts to be realised and the ultimate collection thereof.

**2.17 Retirement and other Employee benefits**

Short-term employee benefits and defined contribution plans

All employee benefits payable/ available within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related services.

**Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

**Gratuity (Unfunded)**

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The group recognises termination benefit as a liability and an expense when the Group has present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on governments bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the planned assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (a) The date of the plan amendment or curtailment, and
- (b) The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (a) Service costs comprising current service costs, past service costs, gains and losses on curtailments and

- (b) Net interest expenses or income

### **Compensated Absences**

Accumulated leave, which is expected to be utilised within next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Re-measurement, comprising of actuarial gains and losses, are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### **2.18 Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective, interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

### **2.19 Government Grants**

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

### **2.20 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

### **2.21 Impairment of non- financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of

disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publically traded companies or other available fair value indicators.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

## **2.22 Segment accounting:**

Based on "Management Approach" as defined in Ind AS 108- Operating Segments, the executive Management Committee evaluates the Groups's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated financial statements of the Group as a whole.

## **2.23 Foreign currencies**

The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

### **Measurement of foreign currency items at the balance sheet date**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### **Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of profit and loss in the period in which they arise.

### **Bank Guarantee and Letter of Credit**

Bank Guarantee and Letter of Credits are recognised at the point of negotiation with Banks and covered at the rates prevailing on the date of Negotiation. However, outstanding at the period end are recognised at the rate prevailing as on that date and total sum is considered as contingent liability.

### **2.24 Dividend Distributions**

The Group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Group and is declared by the shareholders . A corresponding amount is recognized directly in equity.

### **2.25 Fair value measurement**

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted(unadjusted) market prices in active markets for identical assets or liabilities

**Level 2**- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3**- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization ( based on the lowest level input that is significant to fair value measurement as a whole ) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



## 2.26 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements into prior to April 1, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

### Group as a lessee

#### Finance Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Group's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### Operating leases

Operating lease payments are recognized as an expense in the Statement of Profit or Loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

## 2.27 Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Consolidated financial statements.

#### (a) Operating lease commitments — Group as lessee

The Group has taken various commercial properties on leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### (b) Assessment of lease contracts

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the

Group, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **a) Revenue from contracts with customers**

The group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from operation, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

#### **(b) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **(c) Defined Benefit Plans**

The cost of defined benefit plans (i.e. Gratuity benefit) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans operated in India, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about the assumptions used, including a sensitivity analysis, are given in note no. 32(6)(h).

**(d) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note no. 32(16) for further disclosures.

**(e) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(f) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**(g) Impairment of Goodwill**

Determining whether goodwill is impaired requires an estimation of value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the direction to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**(h) Expected Credit Loss**

The Group has used a practical expedient by computing the expected credit loss allowances for trade receivables based on a provision matrix that takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates are given in the provision matrix.

## 2.28 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash & cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts as they are considered as integral part of Group's cash management.

## 2.29 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

### (a) Ind AS 116 Leases

Ind AS 116 Leases was issued on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. IND AS 116 is effective for annual periods beginning on or after 1st April, 2019 and set out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees - leases of 'low-value assets and short term leases (12 months or less).

The Group intends to adopt standards from 1st April, 2019. As the Group does not have any material leases, therefore the adoption is not likely to have a material impact in its Consolidated Financial Statements.

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

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following: 1. Whether an entity considers uncertain tax treatments separately 2. The assumptions an entity makes about the examination of tax treatments by taxation authorities 3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates 4. How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. The Group is evaluating the impact and it will account for it when it adopt amendments in Ind AS 12 during the year ending March 31, 2020.

### (c) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives

reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the Consolidated financial statements of the Group.

**d) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to: Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset). The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

**(e) Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its Consolidated financial statements.

3. Property, plant and equipment

Particulars	Land	Buildings					Plant and Equipment	Electric Fittings & Equipments	Generators	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total	Capital Work in progress	
		Office Building	Other than RCC Frame	Factory Building	Leasehold Improvements	Fence, Well Tube Wells										Carpeted Road Other Than RCC
Gross Block (At cost)																
At April 01, 2017	192.66	15.51	-	2,551.15	98.63	23.36	39.90	6,610.23	651.91	54.71	76.73	375.55	73.78	41.56	10,805.68	176.23
Additions	-	-	5.16	-	-	-	-	73.86	62.97	-	1.44	-	4.53	5.12	153.08	88.24
Disposals	-	-	-	-	-	-	11.54	-	-	-	-	6.36	-	-	17.90	2.50
At March 31, 2018	192.66	15.51	5.16	2,551.15	98.63	23.36	39.90	6,672.55	714.88	54.71	78.17	369.19	78.31	46.68	10,940.86	261.97
Additions	-	-	-	107.47	-	-	-	488.35	63.40	3.40	1.90	16.65	9.93	2.59	693.69	132.08
Disposals	-	-	-	-	-	-	46.51	-	-	-	-	13.44	0.61	-	60.56	280.51
At March 31, 2019	192.66	15.51	5.16	2,658.62	98.63	23.36	39.90	7,114.39	778.28	58.11	80.07	372.40	87.63	49.27	11,573.99	113.54
<b>Depreciation</b>																
At April 01, 2017	-	2.89	-	307.15	18.61	10.49	25.51	1,585.68	194.98	30.32	56.38	214.63	49.60	35.33	2,531.57	-
Charge for the year	-	1.03	0.02	92.95	0.54	3.84	8.27	494.43	56.08	2.97	3.27	41.67	10.03	2.51	717.61	-
Disposals	-	-	-	-	-	-	-	2.69	-	-	-	4.84	-	-	7.53	-
At March 31, 2018	-	3.92	0.02	400.10	19.15	14.33	33.78	2,077.42	251.06	33.29	59.65	251.46	59.63	37.84	3,241.65	-
Charge for the year	-	1.03	0.16	93.80	0.54	3.68	4.13	510.57	61.00	2.91	3.32	33.39	9.29	3.12	726.94	-
Disposals	-	-	-	-	-	-	-	15.97	-	-	-	13.04	0.47	-	29.48	-
At March 31, 2019	-	4.95	0.18	493.90	19.69	18.01	37.91	2,572.02	312.06	36.20	62.97	271.81	68.45	40.96	3,939.11	-

Net carrying amount

At March 31, 2018	192.66	11.59	5.14	2,151.05	79.48	9.03	6.12	4,595.13	463.82	21.42	18.52	117.73	18.68	8.84	7,699.21	261.97
At March 31, 2019	192.66	10.56	4.98	2,164.72	78.94	5.35	1.99	4,542.37	466.22	21.91	17.10	100.59	19.18	8.31	7,634.88	113.54

Notes: -

(i) Depreciation has been provided prorate basis on straight line method using the useful lives and in the manner as prescribed under Schedule II of the Companies Act, 2013, except in the following Cases where depreciation has been provided using the useful lives lower than mentioned under Schedule II, on the basis of technical assessment conducted by the company. (Refer accounting policies no.2.08)

Particulars of assets

Plant and Machinery and Electrical Fittings Located at Crumb Rubber, Steel Wire, Cut Wire Shots, Reclaim Rubber, Ultrafine Rubber Compound Manufacturing Unit.

Useful Life (In year)  
12

(ii) Leasehold improvements are amortized on straight line method on the basis of their tenure as per their respective agreements. The Company's plant at Panipat has been notified to be covered under the industrial area of HSHDC, Panipat and the procedural implementation of acquisition/subsequent release is in progress. (Refer note 32(A)(iv))

(iii) Interest during construction paid during the year amounting to Rs. Nil/-(March 31, 2018; Rs. Nil/-) has been capitalised.

(iv) Adjustment in Capital work in progress is in respect of Panipat and Gummidiundi units completed during the year which has been transferred under the following heads:

Particulars	2018-19	2017-18
Factory Building	1.72	-
Plant and Machinery	266.67	-
Electrical Fittings and Installations	12.11	-
<b>Total</b>	<b>280.50</b>	<b>-</b>

(v) During the year, the Parent Company reviewed the status of Reusable/Standby Spares which have a life longer than one year. These are items like Baldes/ Cutters which require sharpening from time to time, Motors, Gear Box etc which requires rewinding/other refurbishing to make it usable continuously. Also, these spares are generally expected to be used longer than one accounting period. In earlier years, these items were expensed off when first put to use. The same have been treated as prior period items in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the effect of the same on financial statements are as under:

Particulars	(Rs. in Lakhs)		
	As at 01/04/2017 (Earliest reported period)	Year ended 31st March, 2018	Total
Increase in Fixed Assets/Reduction in Maintenance Expenses	92.04	13.77	105.81
Increase in Depreciation	19.83	10.22	30.05
<b>Net Increase/(decrease) in the Reserve &amp; Surplus/Profit and Loss</b>	<b>72.21</b>	<b>3.55</b>	<b>75.76</b>

- (vi) Vehicles taken on finance lease are as under:-  
Gross Block: Rs.229.92lakhs (March 31, 2018: Rs.247.86 lakhs)  
Net Block: Rs.81.06 lakhs (March 31, 2018: Rs.90.73 lakhs)
- (vii) Impairment losses recognised in Statement of profit or loss in accordance with the Ind AS 36 are Rs.Nil (March 31, 2018: Nil).
- (viii) (a) Property, plant and equipment pledged as security towards liabilities as on March 31, 2019 and March 31, 2018 are as under (refer note no. 16.1):
- 1) First charge on Plant and machinery, furniture and fixture, generators, office equipments and computers and work in progress and Unregistered equitable mortgage (UREM) of land and building at Wada and Chennai (Gummidipundi) and Kala-amb plants of the Parent Company.
  - 2) Equitable mortgage of Land and Building at:
    - i) Land and Building located at Refinery Road, Village Rajapur, Tehsil and District Panipat- 132103
    - ii) Land and Building located at Tirlokpur Road, Village Rampur Jattan, Industrial Estate, Kala-Amb, Nahan District Sirmour (H.P)
    - iii) Farm House at No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi- 110030.
    - iv) Land and Building located at Village Pali, Taluka Wada, District-Thane, Maharashtra.
    - v) Land and Building located at No.17 Chithur Natham Village, Gummidipundi Taluk, Thiruvallur Dist, Tamilnadu.
  - 3) Negative lien on the property in Delhi at Khasara No.-1020,1031& 1069, 1070, 1072 & 1072/1, Village Satbari Tehsil Saket, New Delhi.
  - 4) The Parent Company has also extended second charge (UREM) on land measuring 14,000 sq. metres situated at Gult No. 113/2 and 114/2, Village Pali, Taluka Wada, District Thane, Maharashtra towards credit facility sanctioned to TP Buildtech Private Limited.
- (b) The amount of expenditure of revenue nature (excluding borrowing costs capitalised) recognised in the carrying amount of an item of property, plant and equipment in the course of its construction is Rs.29.22 lakhs for the period ended March 31, 2019 and Rs.4.09 lakhs for the period ended March 31, 2018 (refer note no 33(7)).
- (c) The amount of contractual commitments for the acquisition of Property, plant and equipment Rs.130.56 lakhs as on March 31, 2019 Rs.231.66 lakhs March 31, 2018 respectively (refer note 32(B)(i)).

## 4. INVESTMENT PROPERTY (AT COST)

(Amount in ₹ lakhs)

	At at March 31, 2019	At at March 31, 2018
<b>Gross Carrying Amount</b>		
Opening Balance	-	-
Transferred from Inventories (refer note 2 below)	530.39	-
Addition during the year	-	-
<b>Closing balance</b>	<b>530.39</b>	-
<b>Accumulated Depreciation</b>		
Opening Balance	-	-
Depreciation for the year	-	-
<b>Closing balance</b>	-	-
Net Carrying Amount	<b>530.39</b>	-
<b>Amount recognised in the statement of Profit and Loss for Investment Property</b>		
Rental Income derived from Investment Property	1.09	-
Direct operating expenses (Including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from Investment property before depreciation</b>	1.09	-
Less: Depreciation for the year	-	-
<b>Profit arising from Investment property</b>	1.09	-
<b>Fair value of Investment Property (refer note 3 below)</b>	1,122.05	-

**Notes:**

- Investment Property represents Land at Village Satbari, Tehsil Saket, Delhi, given on lease w.e.f. 1st September, 2018.
- The Parent Company has transferred Land from Inventories to Investment properties during the year since the Company does not intend to do any business activities or development of property for the purpose of resale and intends to hold the land for long term capital appreciation and for rental yields. Lease Agreement has been entered into by the Parent Company which is effective from 01.09.2018.
- The Parent Company has obtained independent valuation from certified valuer for its investment property as at 31st March 2019 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an assets of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and willing seller or equity or both. The valuation by the valuer assumes that the company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where' basis. All resulting fair value estimates for the investment property are included in Level 3 and disclosed on note no. (33(18)(4))
- There is no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance and enhancement thereof and there are no restriction on remittance of income and proceeds of disposal.
- The investment property is land purchased through Assignment Deed. The formalities of Registration of Sale Deed and mutation are pending.



**5 Intangible assets**
**(Amount in ₹ lakhs)**

	<b>Computer Software</b>
<b>Gross Block (At cost)</b>	
At April 01, 2017	51.28
Additions	
Disposals	-
<b>At March 31, 2018</b>	<u>51.28</u>
Additions	
Disposals	
<b>At March 31, 2019</b>	<u>51.28</u>
<b>Amortization</b>	
At April 01, 2017	47.15
Charge for the year	1.68
Disposals	-
<b>At March 31, 2018</b>	<u>48.83</u>
Charge for the year	1.63
Disposals	
<b>At March 31, 2019</b>	<u>50.46</u>
<b>Net carrying amount</b>	
At March 31, 2018	<u><u>2.45</u></u>
At March 31, 2019	<u><u>0.82</u></u>

**Notes:**

- (i) The Parent Company has elected to measure all its intangibles at the previous GAAP carrying amount i.e. 31st March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind As i.e 1st April 2016.
- (ii) Impairment losses recognised in profit or loss in accordance with the Ind AS 36 are Rs.Nil (March 31, 2018: Nil).
- (iii) Refer accounting policy 2.09 (i) for amortization of intangible assets.

		(Amount in ₹ lakhs)	
		As at	As at
6	INVESTMENTS IN ASSOCIATES	March 31,2019	March 31,2018
	<b>Investments in equity instruments (unquoted) non-trade, (valued at cost)</b>		
	<b>Investments in Associate Company</b>		
	TP Buildtech Private Limited	341.25	341.25
	34,12,500 (48.75%) (March 31, 2018: 34,12,500 (48.75%))		
	equity shares of Rs.10/- each fully paid up		
	Add: Accumulated reserves upto 31.03.2018	(128.73)	(120.81)
		<u>212.52</u>	<u>220.44</u>
	Add: Share in profit / (loss) for the year ended	11.63	(7.93)
	Add: Share in other comprehensive income for the year ended	(0.73)	0.00
	<b>Aggregate amount of unquoted investments in associates</b>	<u>223.42</u>	<u>212.52</u>
	<b>Aggregate amount of impairment on value of investments</b>	<u>-</u>	<u>-</u>

**Notes:**

Management is of the opinion that the fair value of the unquoted equity share of TP Buildtech Private Limited exceed the amount of investment made and hence there is no impairment in the value of investment.

**7 NON-CURRENT FINANCIAL ASSETS****7.1 INVESTMENTS****(a) Investments in equity instruments (unquoted), non trade  
Valued at Fair Value through Other Comprehensive Income [FVTOCI]**

Keerthi International Agro Private Limited {refer note 33(4)(a)} 11,000 (March 31, 2018: 11,000 ) equity shares of Rs.100/- each fully paid up	11.01	11.01
BGK Infratech Private Limited 6,40,656 (March 31, 2018: 6,82,656 ) equity shares of Rs.10/- each fully paid up	2,050.10	2,184.50
	<u>2,061.11</u>	<u>2,195.51</u>

**Note:**

The Parent Company has sold 42000 equity shares of BGK Infrastructure Private Limited costing Rs. 42.18 Lakhs for a consideration of Rs. 134.40 Lakhs and realised profit of Rs. 92.22 Lakhs . The amount of profit is already included in financial statement in the Other Comprehensive Income through fair value measurement in the year ended on 31.03.2018/earlier years.

**(b) Investments in preference instruments (unquoted), non trade  
Valued at Amortised Cost**

Indo Enterprises Private Limited 40,000 (Previous Year 40,000) 6% Non-Cumulative redeemable nominal value of Rs.10/- each optionally convertible preference shareholders at a premium of Rs. 90/- each.	40.00	40.00
80,000 (Previous Year 80,000) 8% Non-Cumulative redeemable nominal value of Rs.10/- each optionally convertible preference shareholders at a premium of Rs. 90/- each.	80.00	80.00
	<u>120.00</u>	<u>120.00</u>

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>(c) Other investments-Investments in Limited Liability Partnership Valued at Fair Value through Other Comprehensive Income [FVTOCI]</b>		
Puja Infratech LLP (refer note no.33(4)(b) 12.41% share as a designated partner (March 31, 2018: 12.41%) Capital contribution Rs.12.40/-lakhs	170.58	170.58
	<u>170.58</u>	<u>170.58</u>
<b>Aggregate amount of investments</b>	<u>2,351.69</u>	<u>2,486.09</u>
<b>Aggregate amount of unquoted investments [FVTOCI]</b>	<u>2,231.69</u>	<u>2,366.09</u>
<b>Aggregate amount of unquoted investments [Amortised cost]</b>	<u>120.00</u>	<u>120.00</u>
<b>7.2 LONG TERM LOANS AND ADVANCES (Valued at amortised cost) (Unsecured, considered good)</b>		
Loans and Advances to related parties	2.58	-
Other Loans and Advances	2.52	4.73
	<u>5.10</u>	<u>4.73</u>
Amount due by director and relatives of director are as under:-		
Gautam Sekhri	0.60	-
Nirmal Jyoti Chatterjee	1.98	-
	<u>2.58</u>	<u>-</u>
No loans and advances are due from firms or private companies respectively in which any director is a partner, a director or a member or other officers of the Parent company either severally or jointly with any other person.		
<b>7.3 OTHER NON-CURRENT FINANCIAL ASSETS (Valued at amortised cost) (Unsecured, considered good)</b>		
Fixed deposits held as margin money against bank guarantees having remaining maturity period of more than twelve months	-	3.40
Security deposits	149.90	140.64
	<u>149.90</u>	<u>144.04</u>
<b>Notes:</b>		
(i) Security deposits includes deposits against rent, electricity, telephone, shipping lines and vendors etc.		
(ii) The deposits maintained by the group with banks comprise of time deposits of varying periods of more than twelve months and earn interest at the respective deposit rates.		
<b>8 DEFERRED TAX ASSETS (NET)</b>		
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	32.74	-
MAT credit entitlement	(13.36)	-
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	30.57	(91.28)
Income tax expense reported in the statement of profit or loss	<u>49.95</u>	<u>(91.28)</u>
<b>(b) Other Comprehensive Income</b>		
Re-measurement (gains)/losses on defined benefit plans	(0.56)	(7.22)
Tax expense related to items recognized in OCI during the year	<u>(0.56)</u>	<u>(7.22)</u>

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Accounting Profit before tax	46.23	(591.08)
Applicable tax rate	26.00%	26.00%
Computed Tax Expense	12.02	(153.68)
Difference in tax rate	-	3.40
Income not considered for tax purpose	(4.10)	1.88
Expense not allowed for tax purpose	20.31	5.82
Ind AS effect not allowed for tax purpose (net)	(12.25)	61.00
Additional allowances for tax purpose	(15.02)	(9.70)
Capital Gain exempted earlier years,taxable in current year	19.39	-
Prior period incomes	27.51	-
Brought forward losses adjusted	(11.27)	-
Additional Tax as per MAT	13.36	-
<b>Income tax charged to Statement of Profit and Loss at effective rate of 108.05% (March 31, 2018: 15.44%)</b>	<b>49.95</b>	<b>(91.28)</b>

	Balance Sheet		Statement of profit & loss	
	As at March 31,2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>(d) Deferred tax assets comprises:</b>				
Accelerated Depreciation for Tax purposes	(616.29)	(607.67)	(8.62)	137.31
Expenses allowable on payment basis	69.68	80.92	(11.24)	(25.43)
For loss and unabsorbed depreciation carried forward under the Income Tax Act	551.48	562.75	(11.27)	(27.81)
	4.87	36.00	(31.13)	84.07
MAT Credit entitlement	522.65	509.29	-	-
	<b>527.52</b>	<b>545.29</b>	<b>(31.13)</b>	<b>84.07</b>

<b>(e) Reconciliation of deferred tax assets (net)</b>		
Opening balance	545.29	461.22
Tax expense recognised in the statement of profit and loss during the year	(30.57)	91.29
MAT Credit entitlement	13.36	-
Tax expense recognised in other comprehensive income during the year	(0.56)	(7.22)
<b>Closing balance</b>	<b>527.52</b>	<b>545.29</b>

**Notes:**

- (i) Effective tax rate has been calculated on profit before tax and exceptional items.
- (ii) No deferred tax asset/liability has been recognized on fair value effect of investment in OCI due to uncertainty of tax involved.
- (iii) The Parent 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.
- (iv) There are carried forward business losses amounting to Rs.491.37 lakhs as on 31.03.2019, which have expiry in financial year 2024-25.
- (v) There is carried forward unabsorbed depreciation of Rs.1629.71 lakhs as on 31.03.2019 which can be carried forward for infinite period.
- (vi) There is carried forward MAT Credit of Rs.522.65 lakhs as on 31.03.2019, out of which Rs.442.44 lakhs relates to financial year 2013-14 having expiry in financial year 2028-29 and Rs.66.85 lakhs relates to financial year 2015-16 having expiry in financial year 2030-31 and Rs.13.36 lakhs relates to financial year 2018-19 having expiry in financial year 2033-34.
- (vii) Deferred tax asset on the carried forward business losses, unabsorbed depreciation and MAT credit entitlement has been recognised in view of probability that sufficient taxable profit will be available against which the said losses and MAT credit can be utilised.

	(Amount in ₹ lakhs)	
	As at	As at
	March 31,2019	March 31,2018

**9 OTHER NON CURRENT ASSETS  
(Unsecured, considered good)**

Capital advances	68.45	68.57
Capital advances		
Advances other than capital advances	0.45	4.45
Deposits with Statutory/ Government authorities		
Others	3.71	8.81
Prepaid expenses	26.81	
Deferred Expenses (Refer Note No.33(10) )	2.56	3.58
Deferred rent expenses	<u>101.98</u>	<u>85.41</u>

**Notes:**

- (i) No amounts are due from directors or other officers of the Parent Company either severally or jointly with any other person. Nor amounts are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) Deposits with Statutory/ Government authorities includes deposits with Electricity Department, VAT department of different states and other miscellaneous deposits with government authorities.

**10 INVENTORIES**

**(Valued at lower of cost and net realisable value unless otherwise stated)**

Raw materials	807.35	644.61
Work in progress.	622.73	803.11
Finished goods	661.14	369.10
Stock in Trade (Traded Goods)	10.51	0.27
Stores and spares	283.09	258.28
Packing materials	70.68	58.11
Steel scrap	19.50	30.41
Land at Delhi (Refere note no.33(14))	-	530.39
	<u>2,475.00</u>	<u>2,694.28</u>

**Notes:**

- (i) The above includes goods in transit as under:
- |               |               |               |
|---------------|---------------|---------------|
| Raw materials | <b>228.26</b> | <b>183.89</b> |
|---------------|---------------|---------------|
- (ii) Inventories are hypothecated with the bankers against working capital limits. (refer note no. 19.1(i)(a))
- (iii) During the year ended March 31, 2019: Rs.11.07 lakhs (March 31, 2018: Rs.11.06 lakhs) was recognised as an expense/(income) for inventories carried at net realisable value.
- (iv) Refer accounting policy no. 2.11 for mode of valuation of Inventories.

**11 CURRENT FINANCIAL ASSETS**

**11.1 INVESTMENTS**

**Trade investments (at fair value through profit and loss) [FVTPL]**

**Quoted equity instruments**

HSIL Limited	1.25	-
500 (March 31, 2018: NIL) equity shares of Rs.2/- each		
Hindustan Construction Company Limited	0.30	0.45
2000 (March 31, 2018: 2000) equity shares of Re.1/- each		
Ashiana Housing Limited	0.12	0.16
100 (March 31, 2018: 100) equity shares of Rs.2/- each		

	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Escorts Limited Nil (March 31, 2018: 230) equity shares of Rs.10/- each	-	1.88
Transport Corporation of India Limited Nil (March 31, 2018: 1000) equity shares of Rs.2/- each	-	2.66
Jaiprakash Associates Limited 500 (March 31, 2018: 500) equity shares of Rs.2/- each	0.03	0.10
Ashok Leyland Limited 200 (March 31, 2018: Nil) equity shares of Rs.1/- each	0.18	-
Somani Ceramics Limited 296 (March 31, 2018: Nil) equity shares of Rs.2/- each	1.25	-
PI Industries Limited 200 (March 31, 2018: Nil) equity shares of Rs.1/- each	2.06	-
Tata Motors Limited 493 (March 31, 2018: Nil) equity shares of Rs.2/- each	0.86	-
<b>Aggregate amount of quoted investments (Fair Value)</b>	<u><b>6.05</b></u>	<u><b>5.25</b></u>
<b>Aggregate amount of quoted investments (Cost)</b>	<u><b>6.69</b></u>	<u><b>5.66</b></u>
<b>11.2 TRADE RECEIVABLES</b>		
(a) Trade Receivables considered good-Secured	-	-
(b) Trade Receivables considered good-Unsecured	2,359.14	2,735.85
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables -Credit impaired	44.75	34.10
	<u><b>2,403.89</b></u>	<u><b>2,769.95</b></u>
Less: Impairment allowance for trade receivables	44.75	34.10
	<u><b>2,359.14</b></u>	<u><b>2,735.85</b></u>
<b>Notes:</b>		
(i) Trade receivables are usually non-interest bearing and are on trade terms of 0 to 90 days.		
(ii) No trade receivables are due from directors or other officers of the Parent company either severally or jointly with any other person. Trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member are as under:		
TP Buildtech Private Limited	94.80	-
(iii) The movement in impairment allowance as per ECL model is as under:		
(refer note no.33(19)(b)(i))		
Balance as at beginning of the year	34.10	22.27
Impairment allowance during the year	13.72	11.83
Reversal of earlier provision credited to Other Income ( excess provision written back )	(3.07)	-
<b>Balance as at end of the year</b>	<u><b>44.75</b></u>	<u><b>34.10</b></u>

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>11.3 CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
Current accounts	9.94	7.10
Cash on hand	6.48	5.72
	<u>16.42</u>	<u>12.82</u>

**Notes:**

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period.

**11.4 OTHER BANK BALANCES**

Unpaid Dividend	18.49	15.43
Fixed deposits held as margin money against bank guarantees having a original maturity period of more than three months but less than twelve months	193.90	186.14
Fixed deposits pledged with government departments having a original maturity period of more than three months but less than twelve months	1.09	0.97
	<u>213.48</u>	<u>202.54</u>

**Notes:**

- (i) The group can utilize the balance only towards settlement of unclaimed dividend.
- (ii) The deposits maintained by the group with banks comprise of time deposits made of varying periods between three months to twelve months and earn interest at the respective short term deposit rates.
- (iii) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances. (refer note no.7.3)

**11.5 SHORT TERM LOANS AND ADVANCES**

(Valued at amortised cost)

(Unsecured, considered good)

Loans and Advances to related parties	2.14	-
Other Loans and Advances	11.44	5.24
	<u>13.58</u>	<u>5.24</u>

Amount due by director and relatives of director are as under:-

Gautam Sekhri	1.02	-
Nirmal Jyoti Chatterjee	1.12	-
	<u>2.14</u>	<u>-</u>

No loans and advances are due from firms or private companies respectively in which any director is a partner, a director or a member or other officers of the parent company either severally or jointly with any other person.

**11.6 OTHER CURRENT FINANCIAL ASSETS**

(Valued at amortised cost)

(Unsecured, considered good, unless otherwise stated)

Security deposits	19.87	18.65
Interest accrued on security deposits	5.56	6.13
Other receivables	91.50	86.14
	<u>116.93</u>	<u>110.92</u>

**Notes:**

- (i) Security deposits include deposits with material suppliers.
- (ii) Other receivables include receivables from insurance company and TDS recoverable from parties, Incentives and other miscellaneous receivable

	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
(iii) No amounts are due to directors or other officers of the Parent Company or any of them either severally or jointly with any other person. Amounts are due to firms or private Companies respectively in which any director is a partner or a director or a member are as under:		
Tinna Trade Limited	-	14.16
<b>12 CURRENT TAX ASSETS (NET)</b>		
Advance Tax and TDS Recoverable	-	22.39
	<u>-</u>	<u>22.39</u>
<b>13 OTHER CURRENT ASSETS</b>		
<b>(Unsecured, considered good,unless otherwise stated)</b>		
Advances other than capital advances		
Advances to related parties	5.38	5.94
Advances against materials and services	269.73	377.67
Balance with Statutory/ Government authorities:		
Goods and Service Tax (GST)	27.63	82.84
Pre-deposits with Government departments under protest	277.93	264.27
Refund due from Statutory /Government authorities:	45.37	26.16
Prepaid Expenses	29.40	19.75
Deferred Expenses (refer note no.33(10))	26.81	-
Other advances		
- Considered Good	40.90	43.88
- Considered Doubtful	2.00	2.00
	<u>725.15</u>	<u>822.51</u>
Less : Provision for Impairment allowance (refer note no.33 (19)(b)(i))	2.00	2.00
	<u><b>723.15</b></u>	<u><b>820.51</b></u>
<b>Notes:</b>		
(i) Advances to Related Parties are as under:		
Bhupinder Kumar Sekhri ,Director	0.10	2.39
Shobha Sekhri , Relative of Director	0.10	-
Gautam Sekhri ,Relative of Director	-	3.50
Vaibhav Pandey ,Company Secretary	-	0.05
TP Buildtech Private Limited ,Associate Company	5.18	-
	<u><b>5.38</b></u>	<u><b>5.94</b></u>
(ii) Other receivables include outstanding balance in staff imprest accounts,unamortised portion of deferred rent,GST credit yet to be availed ,unused travel booking and other miscellaneous receivables.		
<b>14 EQUITY SHARE CAPITAL</b>		
a) <b>Authorized</b>		
100,00,000 equity shares of Rs.10/- each		
(March 31,2018:100,00,000 equity shares of Rs.10/- each)	1,000.00	1,000.00
<b>Issued, subscribed and fully paid up</b>		
85,64,750 equity shares of Rs.10/- each		
(March 31, 2018: 85,64,750 equity shares of Rs.10/- each)	856.48	856.48



**b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	<b>March 31, 2019</b>		<b>March 31, 2018</b>	
	<b>No. of shares</b>	<b>Amount in Rs.</b>	<b>No. of shares</b>	<b>Amount in Rs.</b>
At the beginning of the year	85,64,750	856.48	85,64,750	856.48
Add: Equity shares issued under ESPP	-	-	-	-
At the end of the year	<u>85,64,750</u>	<u>856.48</u>	<u>85,64,750</u>	<u>856.48</u>

**c) Terms/rights attached to equity shares**

The Parent Company has only one class of equity shares having a par value of Rs.10/- per share (March 31,2018 : Rs.10/- per share). Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividend in Indian rupees. Dividend proposed by the Parent Company is subject to the approval by the share holders in Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

<b>Name of Shareholders</b>	<b>As at March 31, 2019</b>		<b>As at March 31, 2018</b>	
	<b>No. of shares</b>	<b>% holding</b>	<b>No. of shares</b>	<b>% holding</b>
Mrs. Puja Sekhri	17,49,160	20.42	17,49,160	20.42
Mrs. Shobha Sekhri	16,36,343	19.11	16,36,343	19.11
Mrs. Aarti Sekhri	15,11,347	17.65	15,11,347	17.65

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**e) Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:**

	<b>As at March 31,2019 No. of shares</b>	<b>As at March 31,2018 No. of shares</b>
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash.	Nil	Nil
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium and general reserve.	Nil	Nil
Equity shares bought back	Nil	Nil

		(Amount in ₹ lakhs)	
		As at	As at
		March 31,2019	March 31,2018
<b>15 OTHER EQUITY</b>			
Securities Premium		1,156.61	1,156.61
General reserve		169.68	169.68
Retained earnings		2,806.22	2,809.08
Equity instruments through Other Comprehensive Income		2,139.72	2,139.72
		<u>6,272.23</u>	<u>6,275.09</u>
<b>Notes:</b>			
<b>(a) Securities Premium</b>			
Opening Balance		1,156.61	1,156.61
		<u>1,156.61</u>	<u>1,156.61</u>
<b>(b) General reserve</b>			
Opening Balance		169.68	169.68
		<u>169.68</u>	<u>169.68</u>
<b>(c) Retained earnings</b>			
As per the last balance sheet		2,809.08	3,288.34
Net profit /(loss) for the year		(3.72)	(499.80)
<b>Items of other comprehensive income recognised directly in retained earnings</b>			
Re-measurement gains /(losses) on defined benefit plans (net of tax)		0.86	20.54
		<u>2,806.22</u>	<u>2,809.08</u>
<b>(d) Equity instruments through Other Comprehensive Income</b>			
Opening Balance		2,139.72	574.99
Re-mesurement gains on Investments [FVTOCI]		-	1,459.98
Gains on de-recognition of Investments [FVTOCI]		-	104.75
		<u>2,139.72</u>	<u>2,139.72</u>

		Non-Current		Current Maturities	
		As at	As at	As at	As at
		March 31,2019	March 31, 2018	March 31,2019	March 31, 2018

**16 NON CURRENT FINANCIAL LIABILITIES****16.1 LONG TERM BORROWINGS****SECURED****a) Term loan from Bank**

Syndicate Bank	918.88	1,270.33	496.44	461.94
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**b) Buyer's Credit Facility from Bank**

Syndicate Bank		109.29		40.69
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**c) Finance Lease Obligations****From Banks**

HDFC Bank Limited	42.87	-	28.17	-
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ICICI Bank Limited	46.19	26.25	38.15	53.67
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**From Others**

Toyota Financial Services India Limited	-	7.15	7.17	8.97
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(Amount in ₹ lakhs)

**UNSECURED**
**a) Term loans from Banks**

Indiabulls Commercial Credit Limited	2,140.93	1,684.14	98.46	97.47
Magma Fincorp Limited	-	-	-	9.48
Capital First Limited	-	-	-	24.96
	<u>3,148.87</u>	<u>3,097.16</u>	<u>668.39</u>	<u>697.18</u>

**Notes:**
**A) Term Loan from Bank (Secured)**

**I** The Parent Company has been sanctioned term loan Rs.2400.00 Lakhs/- from Syndicate Bank for the expansion/capital expenditure programme at Panipat, Wada, Gummidipundi and Kala-Amb divisions of the Company.

**II Primary security**

The term loans are secured by way of first charge on the plant and machinery, furniture fixture, generator, office equipment and computers and work in progress at Panipat, Wada, Haldia and Chennai (Gummidipundi) and Kala-Amb plants of the Company and Unregistered equitable mortgage (UREM) of land and building at Wada and Chennai (Gummidipundi) and Kala-amb plants of the Company.

**Collateral securities**

The term loan is further secured by way of equitable mortgage of land and building at:

- i) Land and Building located at Refinery Road, Village Rajapur, Tehsil and District Panipat- 132103
- ii) Land and Building located at Tirlokpur Road, Village Rampur Jattan, Industrial Estate, Kala-Amb, Nahan District Sirmour (H.P)
- iii) Farm House at No.6, Sultanpur, Mandi Road, Mehrauli, New Delhi- 110030.
- iv) Land and Building located at Village Pali, Taluka Wada, District-Thane, Maharashtra
- v) Land and Building located at No.17 Chithur Natham Village, Gummidipundi Taluk, Thiruvallur Dist, Tamilnadu

**Other Properties**

- i) Plant and Machinery, Furniture and Fixture, Generator, Office Equipment, Computers and Work In Progress.
- ii) Negative lien on the property in Delhi at Khasara No.-1020, 1031 & 1069, 1070, 1072 & 1072/1, Village Satbari Tehsil Saket, New Delhi.

**III Terms of Repayments:**

Term loan of Rs.2400.00 Lakhs :- Outstanding Balance payable Rs.1415.33 Lakhs- as on 31st March, 2019 repayable in 34 monthly installments including interest.

	Non-Current		Current Maturities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>IV</b> Aggregate amount of Term Loans secured by way of personal guarantees of Shri Bhupinder Kumar and Gaurav Sekhri, Directors of the Parent Company and Kapil Sekhri (Relative of Director).	918.88	1,270.33	496.44	461.94

**V** There are no defaults of repayments of principal and interest during the year.

(Amount in ₹ lakhs)

**B) Buyer's Credit Facility from Bank**

The Parent Company had availed buyer's credit facility for purchase of capital goods amounting to Rs.Nil- (previous year Rs. 149.98 lakhs) as on the date of balance sheet which is a sub limit facility to Term loan referred to above. Therefore the securities furnished are the same as mentioned for Term loans above. The buyer's credit facility is due for payment after 6 months from the date of availment with a rollover permissible for another six months and so on upto a maximum period of 3 years, subject to consent of the bankers. The Parent Company had already disclosed its intent to avail the facility for 3 years and adequately represented to the bankers. The Buyer's Credit facility was converted into Rupee Term Loan during the year 2018-19.

	Non-Current		Current Maturities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>I</b> Aggregate amount of buyer's credit facility secured by way of personal guarantees of Shri Bhupinder Kumar Sekhri and Gaurav Sekhri, Directors of the Parent Company and Kapil Sekhri (Relative of Director)	-	109.29	-	40.69

**C) Finance Lease Obligations**

Long term maturities of finance lease obligations are secured against hypothecation of respective vehicles under finance lease. The details are as under:-

Name of Lendor	Nature of Lease	Terms of repayments (Including Interest)
<b>From banks:</b>		
ICICI Bank Limited	Finance Lease	Repayable in 60 monthly instalments which include first 59 instalments of Rs.2.14 lakhs and last instalment of Rs.2.13 lakhs all including interest, commencing from 10th March 2015.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs.0.71 Lakhs, next 12 instalment of Rs.0.48 Lakhs/-, next 11 instalment of Rs.0.28Lakhs and last instalment of Rs.0.19 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs.0.38 Lakhs, next 12 instalment of Rs.0.26 Lakhs, next 11 instalment of Rs.0.15 Lakhs and last instalment of Rs.0.10 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs0.17 Lakhs, next 12 instalment of Rs.0.11 Lakhs, next 11 instalment of Rs.0.06 Lakhs and last instalment of Rs.0.05 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in total 36 monthly instalments which include first 12 instalment of Rs.0.42 Lakhs, next 12 instalment of Rs.0.29 Lakhs, next 11 instalment of Rs.0.17 Lakhs and last instalment of Rs.0.12 Lakhs all including interest commencing from 1st June 2016.
ICICI Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.42 Lakhs including interest, commencing from 10th April 2019
ICICI Bank Limited	Finance Lease	Repayable in total 48 equal monthly equal instalments Rs.1.31Lakhs including interest, commencing from 10th Feb 2019.
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.13 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.13 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.25 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.48 Lakhs all including interest, commencing from 5th August 2018

HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.1.21 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.12 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.52 Lakhs all including interest, commencing from 5th August 2018
HDFC Bank Limited	Finance Lease	Repayable in 36 monthly equal instalments Rs.0.11 Lakhs all including interest, commencing from 5th August 2018
<b>From other parties:</b>		
Toyota Financial Services	Finance Lease	Repayable in 36 monthly instalments which include first 35 instalments of Rs.0.83 Lakhs and last instalment of Rs.0.75 Lakhs all including interest, commencing from 20th January 2017.

There are no defaults of repayments of principal and interest during the year.

## D) Unsecured Loans

### I From Indiabulls Housing Finance Limited

- 1 a. The Parent Company had been sanctioned three unsecured loans of Rs.500 Lakhs, Rs.963.98 Lakhs & Rs. 500 Lakhs by India Bulls Housing Finance Limited for its business needs. The Company has not furnished any security. However, property at Chin Min Farms 448-451, Satbari, Mehrauli, New Delhi-110074 belonging to M/s Chin Min Developers Private Limited, an associate Company has been charged against the said loan. The balance in said loans as on 31.08.2018 of Rs. 1780.04 Lakhs have been merged into one loan of Rs. 1796.20 Lakhs including the fresh loan of Rs. 16.16 Lakhs and the lender has assigned the loan to their associate India Bulls Commercial Credit Limited.

b. Further, during the year, the Parent Company has been sanctioned an unsecured loan of Rs.500 Lakhs by India Bulls Commercial Credit Limited for its business needs. The Company has not furnished any security. However, property at Chin Min Farms 448-451, Satbari, Mehrauli, New Delhi-110074 belonging to M/s Chin Min Developers Private Limited, an associate Company has been charged against the said loan.

#### 2 Terms of Repayment

- a Term Loan Rs.1796.20 lakhs  
The Term loan is repayable in 149 monthly instalments of Rs.24.69 Lakhs each including interest commencing from 5th October 2018.
- b Term Loan Rs.500.00 lakhs  
The Term loan is repayable in 163 monthly instalments of Rs.6.64 Lakhs each including interest commencing from 5th October 2018.

### II From Magma Fincorp Limited

- 1 The Parent Company had been sanctioned an unsecured loan of Rs.50.00 lakhs by Magma Fincorp Limited for its business needs. The Parent Company has not furnished any security. The loan is secured by the Personal Guarantee of Mr Bhupinder Kumar Sekhri, Managing Director.
- 2 **Terms of Repayment**  
The loan is repayable in 24 monthly instalments of Rs.2.42 lakhs including interest, calculated on 16.12% on Effective Interest Rate (EIR) method commencing from 7th August 2016.
- 3 Term Loan has been repaid during the year.

### III From Capital First Limited

- 1 The Parent Company had been sanctioned an unsecured loan of Rs.50.00 lakhs by Capital First Limited for its business needs. The Company has not furnished any security. The loan is secured by the Personal Guarantee of Mr Bhupinder Kumar Sekhri, Managing Director.
- 2 **Terms of Repayment**  
The loan is repayable in 24 monthly instalments of Rs.2.45 lakhs including interest, calculated on 18.01% on Effective Interest Rate (EIR) method commencing from 5th March 2017.
- 3 Term Loan has been repaid during the year.

	Non-Current		Current Maturities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
IV Aggregate amount of Term Loans secured by way of personal guarantees of Shri Bhupinder Kumar Managing Director, Shri Gaurav Sekhri Director, Shri Kapil Sekhri, Smt Shobha Sekhri, Smt Aarti Sekhri and Smt Puja Sekhri (Relatives of Director) and Chin Min Developers Private Limited, associate Company.	2,140.93	1,684.14	98.46	131.91
V There are no defaults of repayments of principal and interest during the year.				
			(Amount in ₹ lakhs)	
			As at March 31,2019	As at March 31,2018
<b>17 NON CURRENT PROVISIONS</b>				
Provision for employee benefits				
Gratuity (refer note no.33 (5))			170.42	128.76
Leave encashment			56.12	40.88
			<b>226.54</b>	<b>169.64</b>
<b>18 OTHER NON-CURRENT LIABILITIES</b>				
Deferred Grant Income (refer note no.33(17))			238.71	269.03
			<b>238.71</b>	<b>269.03</b>
<b>19 CURRENT FINANCIAL LIABILITIES</b>				
<b>19.1 SHORT TERM BORROWINGS</b>				
<b>SECURED (at amortised cost)</b>				
<b>Repayable on Demand</b>				
Cash Credit facility			2,617.16	2,241.26
Buyer's Credit Facility			-	471.31
			<b>2,617.16</b>	<b>2,712.57</b>
<b>UNSECURED (at amortised cost)</b>				
<b>(a) Loan from Related Parties</b>				
Loans and Advances from related parties			20.35	45.33
<b>(b) Others</b>				
Inter corporate loans			1,358.37	1,715.98
			<b>1,378.72</b>	<b>1,761.31</b>
			<b>3,995.88</b>	<b>4,473.88</b>

**Notes:**

- (i) (a) The Parent Company has availed working capital limits of Rs.2200 Lakhs (previous year Rs.2200 Lakhs) from Syndicate Bank which is secured by hypothecation of stocks and book debts of the Company. In addition to above non fund based limit is inter changeable as fund based working capital loans specifically for import to the extent of Rs. 500 Lakhs. The working capital limit is further secured by collateral securities as mentioned under term loan from Syndicate Bank. (Refer point 16.1 (A) above).
- (b) Aggregate amount of Working capital limits secured by way of personal guarantees of Shri Bhupinder Kumar and Shri Gaurav Sekhri, Directors of the Company and Shri Kapil Sekhri (Relative of Director). 2,617.16                      2,712.57
- (c) Working capital limits from bank include cheques issued but not presented as on the Balance Sheet date amounting to Rs.215/35 lakhs(Previous year Rs. 93/48lakhs)
- (ii) Unsecured loans from related parties and companies are repayable on demand. Repayment of interest has been made as per stipulations, which varies from 6% to 18% per Annum
- (iii) The balances in working capital limit from bank are within the sanctioned limits plus Ten percent(10%) adhoc limits within the powers of the bank.
- (iv) Buyer's credit facility is under letter of undertaking issued by the Parent companies banker to the other bank on behalf of the Parent Company.(refer note no. 16.1(B))
- (v) Amounts due to related parties are as under:
- |   |       |       |
|---|-------|-------|
| Bhupinder Kumar Sekhri (Director)   | 20.35 | 45.33 |
| (v) There are no defaults in the repayment of borrowings and interests during the year. | 20.35 | 45.33 |

**19.2 TRADE PAYABLES**

Total outstanding dues of micro and small enterprises	5.76	37.05
Total outstanding dues of creditors other than micro and small enterprises	868.37	738.31
	<b>874.13</b>	<b>775.36</b>

**Notes:**

- \* Trade payables includes due to related parties Rs.0.42/- lakhs (March 31, 2018: Nil)
- \* The amounts are unsecured and are usually paid within 120 days of recognition.
- \* Trade payables are usually non- interest bearing .In few cases ,where the trade payables are interest bearing, the interest is settled on quarterly basis.
- (i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Parent Company.

(i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: Principal	5.76	37.05
(ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

- (ii) The information in respect of parties determined under the MSMED Act 2006, has been identified on the basis of information available with the Parent Company.
- (iii) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period ware at Rs.Nil (March 31, 2018 : Rs.35.35 lakhs)
- (iv) No provision of interest payable in terms of Section 16 of MSMED Act has been made.

	(Amount in ₹ lakhs)	
	As at	As at
	March 31,2019	March 31,2018
<b>19.3 OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long-term borrowings (refer note no. 16.1)	594.90	634.54
Current maturities of finance lease obligation (refer note no.16.1)	73.49	62.65
Interest accrued and due on borrowings	-	125.76
Unpaid dividend (refer note no.(i) below)	18.45	15.38
Others		
Creditors for capital goods	46.34	64.12
Creditors /provision for expenses payable	541.18	558.74
Employee Benefit Expenses	168.05	140.00
Other payables	9.48	12.23
	<u>1,451.89</u>	<u>1,613.42</u>

**Notes:**

- (i) Investor education and protection fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Parent Company has transferred Rs.Nil (March 31,2018: Nil) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act,2013.
- (ii) Interest accrued and due is in respect of unsecured loans taken by the Company (refer note no. 19.1).
- (iii) Employees benefit expenses include payable to directors. 5.08 6.55
- (iv) Other payables are in respect of staff imprest and other miscellaneous liabilities payable.
- (v) Creditor for expenses includes due to related party as under:
- |   |      |      |
|---|------|------|
| BGK Infrastructure Developers Private Limited | 7.97 | 3.88 |
|---|------|------|

**20 OTHER CURRENT LIABILITIES****Revenue received in advance**

Advance payments from customers	10.93	33.14
Statutory dues	-	-
Goods and Service Tax (GST)	180.76	113.02
Others statutory dues (refer note (i) below)	59.64	140.00
Deferred Government Grant (refer note no. 33(17))	29.58	28.80
Other liabilities (refer note (ii) below)	152.63	172.06
	<u>433.54</u>	<u>487.02</u>

**Notes:**

- (i) Other Statutory dues are in respect of TDS, TCS, PF, ESI, WCT and Professional tax payable.
- (ii) Other liabilities are in respect of deposits against C Forms, interest on statutory dues and other miscellaneous liabilities.

**21 CURRENT PROVISIONS****Provision for employee benefits**

Gratuity	23.77	22.13
Leave encashment	15.04	12.30
	<u>38.81</u>	<u>34.43</u>

**Notes:**

- (i) Provisions are recognized for Gratuity and Leave encashment. The provisions are recognized on the basis of past events and probable settlements of the present obligations as a result of the past events, in accordance with Indian Accounting Standard-37 issued by the Institute of Chartered Accountants of India.

**The movement of provisions are as under:-****At the beginning of the year**

Gratuity (Long term Rs.128.76/- lakhs)	150.89	136.69
Leave encashment (Long term Rs.40.88/-lakhs)	53.18	58.21



	(Amount in ₹ lakhs)	
	As at March 31,2019	As at March 31,2018
<b>Arising during the year</b>		
Gratuity (Includes items of OCI)	48.39	24.19
Leave encashment	18.35	-
<b>Utilised during the year</b>		
Gratuity	5.08	10.00
Leave encashment	0.38	2.00
<b>Unused amount reversed</b>		
Gratuity	-	-
Leave encashment	-	3.03
<b>At the end of the year</b>		
Gratuity (Long term Rs.170.42/-lakhs)	194.20	150.88
Leave encashment (Long term Rs.56.12/-lakhs)	71.15	53.18
<b>22 CURRENT TAX LIABILITIES (NET)</b>		
Income Tax (Net of advance tax and TDS of Rs.8.73 Lakhs)	25.91	-
	<u>25.91</u>	<u>-</u>
	<b>Year ended March 31,2019</b>	<b>Year ended March 31, 2018</b>
<b>23 REVENUE FROM OPERATIONS</b>		
Sale of Products (refer note below)		
Finished goods	11,433.70	9,641.47
Traded goods	1,108.54	35.28
Sale of services	268.66	424.52
Other operating revenues	160.09	115.71
	<u>12,970.99</u>	<u>10,216.98</u>
<b>Notes:</b>		
<b>a) Sale of finished goods:</b>		
Crumb rubber modifier (CRM)	1,583.19	2,099.86
Crumb rubber modified bitumen (CRMB)	0.33	-
Emulsion	1,070.40	382.94
Crumb rubber -Domestic	2,643.32	2,331.45
Crumb rubber -Export	317.68	234.43
Cut Wire Shot	797.59	1,205.49
Steel scrap	1,447.99	845.06
Reclaimed Rubber / Ultrafine Rubber Compound	3,433.87	2,499.51
Reclaimed Rubber / Ultrafine Rubber Compound-Export	99.66	35.11
Others	39.67	7.62
	<u>11,433.70</u>	<u>9,641.47</u>
<b>b) Sale of traded goods:</b>		
Aqualoc	105.34	35.28
Steel scrap (Imported)	98.89	-
Old Tyre Scrap	275.70	-
Steel Shots	628.61	-
	<u>1,108.54</u>	<u>35.28</u>

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>c) Sale of services:</b>		
Manufacturing charges/Service Income	266.12	418.38
Equipment rental income	2.54	6.14
	<u>268.66</u>	<u>424.52</u>
<b>d) Other operating revenues:</b>		
Freight on sales recovered	160.09	115.71
	<u>160.09</u>	<u>115.71</u>

**Note:**

According to the requirements of Ind AS 18 - "Revenue", sale of products for the period April 01, 2017 to June 30, 2017 are reported inclusive of Excise Duty of Rs.191.86 lakhs. Effective July 01, 2017, the Government of India has implemented Goods and Service Tax ("GST") replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per Ind AS 18, the revenue for the current year and for the period from July 2017 to March 2018 are reported net of GST and hence is not comparable with previous year.

**24 OTHER INCOME**

Interest received on financial assets carried at amortised cost:

From bank	12.64	11.83
From others	9.99	9.55
Other non-operating income	-	-
Dividend received on Investments	0.02	0.03
Rental income	1.52	0.01
Foreign Currency Exchange Fluctuations (Net)	7.45	6.11
Profit on sale of current investments	1.07	0.74
Excess Provisions and unclaimed liability written back	161.50	40.95
Government grant and assistance	58.66	49.56
Miscellaneous income	9.03	8.14
	<u>261.88</u>	<u>126.92</u>

**25 COST OF MATERIALS CONSUMED**

Natural asphalt	108.77	116.67
Crumb rubber	51.40	10.55
Bitumen	642.97	236.35
Used old tyre	3,641.92	2,281.27
Packing materials	205.30	154.67
Others	620.07	812.61
	<u>5,270.43</u>	<u>3,612.12</u>

**26 PURCHASE OF STOCK IN TRADE (TRADED GOODS)**

Steel Scrap (Imported)	99.34	-
Aqualoc	101.76	34.58
Steel shots	428.91	-
Old Tyre scrap	277.12	-
	<u>907.13</u>	<u>34.58</u>

(Amount in ₹ lakhs)

**27 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

	Year ended March 31,2019	Year ended March 31, 2018	(Increase)/ Decrease
Inventories at the end of the year			
Semi-finished goods	622.73	803.11	180.38
Finished goods	661.14	369.10	(292.04)
Traded goods	10.51	0.27	(10.24)
Steel scrap	19.50	30.41	10.91
	<u>1,313.88</u>	<u>1,202.89</u>	<u>(110.99)</u>
<b>Inventories at the beginning of the year</b>			
Semi-finished goods	803.11	1,631.33	828.22
Finished goods	369.10	579.05	209.95
Traded goods	0.27	17.96	17.69
Steel scrap	30.41	22.34	(8.07)
	<u>1,202.89</u>	<u>2,250.68</u>	<u>1,047.79</u>
Increase/ (Decrease) in stocks	<u>(110.99)</u>	<u>1,047.79</u>	
Excise duty on increase/ (decrease) of finished goods	-	(63.37)	
(Increase)/ Decrease in stocks	<u>(110.99)</u>	<u>984.42</u>	
<b>Details of inventories at the end of the year</b>			
<b>a) Semi Finished Goods</b>			
Crumb rubber	204.87	236.06	31.19
Modified bitumen	1.42	1.70	0.28
Emulsion	1.48	13.86	12.38
Cut wire shots	174.21	247.03	72.82
Ultrafine Crumb Rubber	208.39	134.14	(74.25)
Rubber Compound	1.29	6.46	5.17
Steel Shots	-	145.51	145.51
Old Tyre Steel Ring	31.07	18.35	(12.72)
	<u>622.73</u>	<u>803.11</u>	<u>180.38</u>
<b>b) Finished Goods</b>			
Crumb rubber modifier	508.62	203.14	(305.48)
Micronise Crumb rubber	139.80	-	(139.80)
Emulsion	6.79	9.87	3.08
DE-Vulcanised Rubber Compound	5.93	-	(5.93)
Cut wire shots	-	130.90	130.90
Steel Scrap Bale	-	4.53	4.53
Ultra Fine Crumb Rubber	-	20.66	20.66
	<u>661.14</u>	<u>369.10</u>	<u>(292.04)</u>
<b>c) Traded Goods</b>			
Steel Scrap	0.28	-	(0.28)
Steel Shots	10.23	-	(10.23)
Rubber Activator	-	0.27	0.27
	<u>10.51</u>	<u>0.27</u>	<u>(10.24)</u>
<b>d) Scrap</b>			
Steel scrap	19.50	30.41	10.91
	<u>19.50</u>	<u>30.41</u>	<u>10.91</u>

(Amount in ₹ lakhs)

## Details of inventories at the beginning of the year

<b>a) Semi Finished Goods</b>			
Crumb rubber	236.07	772.70	536.63
Modified bitumen	1.70	1.70	-
Emulsion	13.86	2.03	(11.83)
Scrap Wire	18.35	24.39	6.04
Cut wire shots	247.03	509.07	262.04
Ultrafine Crumb Rubber	134.14	262.82	128.68
Rubber Compound	6.45	49.79	43.34
Steel Shots	145.51	-	(145.51)
Bitumen Additive	-	8.83	8.83
	<b>803.11</b>	<b>1,631.33</b>	<b>828.22</b>
<b>b) Finished Goods</b>			
Crumb rubber modifier	203.14	259.23	56.09
Emulsion	9.87	-	(9.87)
Fine crumb rubber	-	7.61	7.61
Cut wire shots	130.90	210.33	79.43
Steel Scrap Bale	4.53	4.54	0.01
Ultra Fine Crumb Rubber	20.66	97.34	76.68
	<b>369.10</b>	<b>579.05</b>	<b>209.95</b>
<b>c) Traded Goods</b>			
Rubber Activator	0.27	15.00	14.73
Steel scrap	-	2.95	2.96
	<b>0.27</b>	<b>17.95</b>	<b>17.69</b>
<b>d) Scrap</b>			
Steel scrap	30.41	22.34	(8.07)
	<b>30.41</b>	<b>22.34</b>	<b>(8.07)</b>

(Amount in ₹ lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
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**28 EMPLOYEE BENEFITS EXPENSES**

Salary, Wages, Bonus and other benefits	1,733.78	1,401.17
Contribution towards PF and ESI	142.31	124.25
Gratuity and Leave encashment	68.89	51.95
Staff welfare expenses	144.21	107.02
	<b>2,089.19</b>	<b>1,684.39</b>

Employee benefits expense include managerial remuneration as detailed below:

Salary	86.38	83.60
Contribution towards PF	5.02	3.18

**29 FINANCE COSTS**

Interest expense	1,008.21	973.36
Other borrowing costs	11.55	-
Exchange difference to the extent considered as an adjustment to borrowing cost	11.98	8.68
	<b>1,031.74</b>	<b>982.04</b>

**30 DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation on tangible assets	726.94	717.61
Amortisation of intangible assets	1.63	1.68
	<b>728.57</b>	<b>719.29</b>

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>31 OTHER EXPENSES</b>		
Consumption of stores and spare parts	45.96	42.00
Power and fuel	1,384.49	1,200.32
Job work charges	63.31	41.49
Rent	62.53	83.67
Repairs to buildings	25.71	24.72
Repairs to machinery	386.79	314.87
Repairs others	40.92	19.63
Insurance	23.88	24.70
Rates and taxes	22.64	25.82
Professional and consultancy charges	73.96	45.79
Travel, Conveyance and vehicle maintenance	214.94	204.69
Telephone, Internet, Postage and courier	24.62	23.79
Impairment allowance for Trade Receivables considered doubtful	13.72	11.83
Bad debts and sundry balances written off	77.45	36.18
Loss on sale of tangible assets	10.42	18.98
Audit fee*	12.55	14.55
Commission	28.80	15.95
Transportation expenses and Export Expenses	509.47	353.47
Business promotion and marketing expenses	49.47	39.37
Lab expenses/Research and development	11.84	16.92
Diminution in value of investments (FVTPL)	0.23	0.47
Bank charges	33.51	22.50
Miscellaneous expenses	164.99	136.64
	<b><u>3,282.20</u></b>	<b><u>2,718.35</u></b>
* Payment to Auditors		
Audit fee	10.00	10.00
Tax audit fee	2.00	2.00
Certificate & Other Charges	0.55	2.55
	<b><u>12.55</u></b>	<b><u>14.55</u></b>

		(Amount in ₹ lakhs)	
		As at March 31,2019	As at March 31,2018
<b>32</b>	<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>A</b>	<b>Contingent liabilities (to the extent not provided for)</b>		
a)	Claims /Suits filed against the Parent Company not acknowledged as debts (Advance paid Rs.Nil (March 31, 2018: Rs.Nil)) (refer point (i))	28.95	17.77
b)	Bank guarantees obtained from banks (Margin money Rs.193.90 Lakhs (March 31, 2018: Rs.189.54 Lakhs))	1,470.19	1,342.36
c)	Disputed tax liabilities in respect of pending cases before Appellate Authorities (refer point (ii)) (Advance paid Rs.277.93 Lakhs (March 31,2018 Rs.264.27 Lakhs))	2,005.27	1,227.83
d)	Corporate guarantees (refer point (iii))	10,125.00	10,125.00
e)	Entry tax levied by the Government of West Bengal	25.36	25.37
f)	Custom duty saved on machinery imported under Zero duty EPCG Scheme (Export Promotion Capital Goods Scheme), for which Parent Company has undertaken export obligation worth six times of the duty saved. (refer point (v))	355.00	355.00
g)	Custom duty saved on Raw Material under Zero duty Advance Licence Scheme (refer point (vi)) (The Parent Company is reasonably certain to meets its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any provision in its financial statements.)	39.37	39.37
h)	Demand raised by TDS Department (Tax Deduction at Source)	23.48	22.18
		<u>14,072.62</u>	<u>13,154.88</u>
<b>Notes:</b>			
(i)	A claim has been filed against the Parent Company by a supplier for recovery which is pending before The VII Addl. City Civil Court, Chennai which had been decreed by the said court. The Parent Company has filed appeal before Hon'ble High Court Chennai.	17.77	17.77
	A claim has been filed against the Parent Company by a supplier for recovery which is pending before The District Judge,(Distt. West), Tis Hazari Courts, Delhi. The Parent Company is contesting the same.	11.18	-
		<u>28.95</u>	<u>17.77</u>

(Amount in ₹ lakhs)

(ii) The various disputed tax litigations are as under :

Sl.	Description	Court / Authority	Financial year to which relates	Disputed Amount	
				As at March 31, 2019	As at March 31, 2018
<b>a)</b>	<b>Income Tax</b>				
(i)	The Tribunal deleted additions of Rs.190.92 Lakhs on account of disallowance of job work charges. The Income Tax department has filed an appeal before the Hon'ble High court of Delhi.	High Court of Delhi	2000-01	73.50	73.50
(ii)	The disputed tax liabilities in respect of various disallowance/ additions made by the Assessing Officer.	Income Tax Appellate Tribunal, Delhi	2013-14	456.12	456.12
(iii)	The disputed penalty levied in respect of various disallowance/ additions made by the Assessing Officer.	Income Tax Appellate Tribunal, Delhi	2009-10	1.86	1.86
(iv)	The disputed tax & interest liabilities in respect of various disallowance/ additions made by the Assessing Officer.	Commissioner of Income Tax (Appeals)	2006-07, 2007-08 & 2008-09	33.71	-
(v)	The disputed penalty levied in respect of various disallowance/ additions made by the Assessing Officer.	Commissioner of Income Tax (Appeals) Delhi	2013-14	651.61	-
<b>b)</b>	<b>Service tax</b>				
	Service Tax Liability (excluding interest and Penalty) on account of difference in interpretation about category of service in respect of Operation and Maintenance of Crumb Rubbber Modified Bitumen (CRMB) Plant at Indian Oil Corporation Limited at Mathura. Central Excise & Service Tax Tribunal, Allahabad has decided the matter in favour of Company vide order dt.04.09.2018 Department has filed Appeal with Hon'ble High Court Allahabad and the matter is pending.	Hon'able High Court Allahabad	01.04.2008 to 30.06.2012	50.12	50.12
<b>c)</b>	<b>Excise Duty</b>				
(i)	Excise Duty Liability (excluding interest and penalty) on account of differential duty on the intermediate goods transferred from Silvassa unit to Kala-amb for use in production.	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad	2010-11 to 2011-12	5.50	5.50
(ii)	Excise Duty Liability (excluding interest and penalty) on account of duty on exempted Goods	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad	May, 2010 to July, 2012	97.60	97.60

(Amount in ₹ lakhs)

Sl.	Description	Court / Authority	Financial year to which relates	Disputed Amount	
				As at March 31, 2019	As at March 31, 2018
(iii)	Excise Duty Liability (excluding interest and penalty) on account of differential duty on the machineries transferred from Mumbai unit to Panipat unit	Commissioner of Central Excise (Appeals), Mumbai	2011-12	1.45	1.45
(iv)	Excise Duty Liability (excluding interest and penalty) on account of recovery of excise duty and reversal of CENVAT credit for input and input services	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Chandigarh	2012-13 to 2013-14 (upto December 2014)	71.26	71.26
(v)	Interest and Penalty on Excise Duty Liability on account of recovery of excise duty and reversal of CENVAT credit for input and input services	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Chandigarh	2012-13 to 2013-14 (upto December 2014)	104.00	104.00
(vi)	Excise Duty & Service Tax Liability (Excluding Interest and Penalty on Excise Duty & Service Tax Liability) on account of reversal of CENVAT credit for input and input services	Commissioner (Appeals) Central Tax (C.E & GST)	2014-15	92.12	-
<b>d)</b>	<b>Custom Duty</b>				
(i)	Counter Vailing Duty (CVD) on Import of old used tyre scrap (refer point (vii))	Hon'ble High Court of Delhi	2013-14 2014-15 2015-16 2016-17 April 2017 to June 2017	40.61 110.97 113.22 85.48 6.14	40.61 110.97 113.22 85.48 6.14
(ii)	Redemption Fine and Penalty on import of Old Used Tyre Scrap	Customs, Excise & Service Tax Appellant Tribunal Allahabad	1 Sep 2015 to 31 Oct 2015	10.00	10.00
<b>Total</b>				<b>2,005.27</b>	<b>1,227.83</b>

Based on the opinion of the legal advisors, the Parent Company does not expect any liability, hence no provision has been made.



(Amount in ₹ lakhs)

(iii) The Corporate Guarantees given by the Parent Company are as under:

Sl.	Particulars	Purpose	As at March 31, 2019	As at March 31, 2018
a)	The Parent Company has extended corporate guarantee for credit facility taken by TP Buildtech Private Limited (Associate company) from Syndicate Bank. The Parent Company has extended 2nd charge (UREM) on land measuring 13,500 sq. metres situated at Gult No 113/2 and 114/2 Village Pali Taluka Wada, District Thane-Maharashtra towards credit facility sanctioned to TP Buildtech Private Limited.	For working capital limits	700.00	700.00
b)	The Parent Company has extended corporate guarantee for credit facility taken by B.G.K. Infrastructure Developers Private Limited from ICICI Bank Limited.	For Term loan facility	1,565.00	1,565.00
c)	The Parent Company has extended corporate guarantee for credit facility taken by Tinna Trade Limited from Syndicate Bank.	For working capital limits	3,000.00	3,000.00
d)	The Parent Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from ICICI Bank Limited.	For working capital limits	2,500.00	2,500.00
e)	The Parent Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from State Bank of India.	For working capital limits	2,000.00	2,000.00
f)	The Parent Company has given corporate guarantee for credit facility taken by Fratelli Wines Private Limited, a related party from Syndicate Bank.	For working capital limits	360.00	360.00
<b>Total</b>			<b>10,125.00</b>	<b>10,125.00</b>

(iv) The Parent Company had set up a plant at Panipat, Haryana on land measuring 34 kanals, 8 marlas. The land was notified as a part of Industrial area by Haryana State Industrial and Infrastructural Development Corporation Limited (HSI IDC) in the year 2006-07. In terms of applicable Government laws, the Parent company filed an objection with the authority and land measuring 20 kanals and 12 marlas was released by HSI IDC which continues to be in possession of the company till date. However, HSI IDC has erroneously served a demand of Rs.373.27 lakhs for allotment of above land. The Parent company has filed a writ petition in the High Court of Punjab and Haryana against demand served by HSI IDC and release and restoration of entire land which has been decided in favour of the Company vide order dated 27.10.2016 of the Hon'ble High Court of Punjab & Haryana. The Company is pursuing possession of remaining land.

(v) The Parent Company is under obligation to export goods within the period of 6 years from the date of issue of EPCG licences issued in terms of Chapter 5 of the Foreign Trade Policy 2015-20 (Re: 2013). As on date of Balance Sheet, the Parent Company is under obligation to export goods worth Rs. 2129.98 lakhs (March 31, 2018 Rs. 2129.98 lakhs) within the stipulated time as specified in the respective licences. Till the year end Parent Company has fulfilled export obligation Rs. 1269.32 Lakhs (March 31, 2018 Rs. 663.76 lakhs)

(Amount in ₹ lakhs)

- (vi) The Parent Company is under obligation to export goods within the period of 1.5 years from the date of issue of Advance licences issued in terms of Chapter 4 of the Foreign Trade Policy 2015-20 (Re: 2013). As on date of Balance Sheet, the Parent Company is under obligation to export goods worth Rs. 1904.02 Lakhs (8675MT Crumb Rubber and 2500MT Ultrafine Rubber Compound) within the stipulated time as specified in the respective licences. Till the year end Company has fulfilled export obligation Rs.112.37 Lakhs (554MT Crumb Rubber and 20 MT Ultrafine Rubber Compound).
- (vii) The Parent Company had paid under protest, countervailing duty (CVD) of Rs. 356.42 Lakhs on import of old used tyres scrap used for manufacturing of Crumb Rubber and other products. The Parent Company had filed a Writ Petition with the Hon'ble High Court of Delhi which was been decided in favour of the Company vide order of the Hon'ble High Court dated 03.05.2017. Subsequent to the order of the Hon'ble High Court the company has availed input tax credit of the CVD amount. The Department has filed special Leave Petition before Hon'ble Supreme Court of India challenging the order of Hon'ble High Court. Hon'ble Supreme Court vide order dt. 23.07.2018 has directed fresh adjudication by Hon'ble High Court of Delhi. No provision for the same has been made since the company expects no liability on this account.

\*It is not possible to predict the outcome of the pending litigations with accuracy, the group believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the group.

## B Commitments

	As at March 31, 2019	As at March 31, 2018
(i) Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances Rs.68.45 Lakhs (March 31, 2018: Rs. 68.56 Lakhs)	130.56	231.66
(ii) Corporate social responsibility (refer note no. 33(11))	17.75	19.15

## C Leases

### Operating lease commitments - Parent Company as lessee

- (a) The Parent company has entered into operating leases for factory buildings and lands that are renewable on a periodic basis and cancelable at company's option. The company has not entered into sub-lease agreements in respect of these leases.

- (b) The total of future minimum lease payments under non cancellable leases are as follows:

	As at March 31, 2019	As at March 31, 2018
(i) not later than one year	40.46	61.41
(ii) later than one year and not later than five years	81.90	178.47
(iii) later than five years	-	-
<b>Total minimum lease payments</b>	<b>122.36</b>	<b>239.88</b>
Lease payments recognised in the statement of profit and loss as rent expense for the year	62.53	83.67
(c) Unearned finance income	Nil	Nil

(Amount in ₹ lakhs)

**Operating lease commitments - Parent Company as lessor**

- (a) The Parent Company has entered into a lease agreement to let a property situated at Gut No.113/2 & 114/2 Village-Pali, Taluka Wada, District-Thane, Maharashtra-421303. The lease agreement was executed for Dated 26/02/2017 to 25/02/2020.

The said lease is for a term of 3 years for the purposes of setting up its manufacturing unit.

- (b) The Parent Company has entered into a lease agreement to let a land (Investment Property) situated at Village Satbari, Tehsil Saket, Delhi. The lease agreement was executed for a period from 01/09/2018 to 31/07/2019.

The said lease is for a term of 11 months for the purposes of using the land for agriculture activity.

- (c) Present value of minimum rentals receivable under non-cancellable operating leases at March 31, 2019 are as follows.

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(i) Within one year	0.63	0.01
(ii) After one year but not more than five years	0.01	0.01
(iii) more than five years	-	-
<b>Present Value of minimum lease payments</b>	<b><u>0.64</u></b>	<b><u>0.02</u></b>

Lease payments recognised in the statement of profit and loss as rent Income for the year

1.10                      0.01

- (d) Unearned finance income Nil                      Nil

**33 OTHER NOTES ON ACCOUNTS**

- 1 a) In the opinion of the Board, assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- b) Balance of unsecured short term borrowings from others, trade payables, other current liabilities, long and short term advances, other non-current and current assets and trade receivables are subject to reconciliation and confirmations.
- c) Group Information  
The Consolidated Financial Statement of the group includes Associates companies as mentioned below

Name of the Entity	Country of Incorporation	Nature	Ownership Interest	Year ended	Net assets i.e. total assets minus total liabilities	
					As % of consolidated net assets	Amount (in Lakhs)
<b>Parent</b>						
Tinna Rubber And Infrastructure Limited	India	Parent Company		March 31, 2019	100.00%	7,128.71
				March 31, 2018	100.00%	7,131.57
<b>Associate</b>						
T.P. Buildtech Private Limited	India	Associate Company	48.75%	March 31, 2019	-	-
			48.75%	March 31, 2018	-	-

(Amount in ₹ lakhs)

Share in Profit or Loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
As % of consolidated profit or loss	Amount (in Lakhs)	As % of consolidated Other Comprehensive Income	Amount (in Lakhs)	As % of consolidated Other Comprehensive Income	Amount (in Lakhs)
<b>Parent</b>					
412.63%	(15.35)	184.88%	1.59	481.12%	(13.76)
98.41%	(491.87)	100.00%	1,585.27	100.73%	1,093.40
<b>Associate</b>					
-312.63%	11.63	-84.88%	(0.73)	-381.12%	10.90
1.59%	(7.93)	0.00%	-	-0.73%	(7.93)

- 2 The Parent Company has given Corporate Guarantees to Associate Company and other group Companies for credit facilities availed by them. The ability to repay the outstanding debt is primarily dependent on generation of cash flows from business operations. The Parent Company's management believes that the associate Company and other group Companies have reasonable business forecast over the next few years and estimated that they will be able to refinance the outstanding debt, if required and meet the debt obligations as and when they fall due and hence they believe that the financial guarantee obligation of Rs.10,125 lakh is not required to be recognised in the financial statements and it has been disclosed as contingent liability. The auditors have included an Emphasis of Matter paragraph on the same in their report on standalone and consolidated financial results.
- 3 As per "Ind AS 28 - Investment in Associate and Joint Venture", TP Buildtech Private Limited has been recognised as Associate of Tinna Rubber and Infrastructure Limited on the basis of significant influence on the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies even if the voting power is less than 20%.
- 4 a) The Parent Company has invested a sum of Rs. 11.01 lakh in Keerthi International Agro Private Limited towards 11,000 equity shares of Rs.100/- each holding 29% stake in the investee company. The Company by itself or through its Directors does not exercise any significant influence or the controls of decision of the investing "Ind AS 28 - Investments in Associates". Therefore the said investee company has not been treated as Associates in term of "Ind AS 28 - Investment in Associate and Joint Venture" in Consolidated Financial Statements (specified under section 133 of Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014).
- b) The Parent Company had invested into 1,24,000 equity shares of Rs.10/- each fully paid up in M/s Puja Infratech Private Limited. The said Company was converted into Limited Liability Partnership (LLP) under the name of Puja Infratech LLP having LLP Identification No.: AAL-2641 vide Certificate of Registration on Conversion dated 29th November 2017 issued by Ministry of Corporate Affairs ("MCA"). The share of the Company as a designated partner in the total capital of the LLP is 12.41% which amounts to a capital contribution of Rs.12.40 lakhs. The name and share of other designated partners of the LLP are as under:

Name of Partner	% Shares of other partners	Capital contribution of other Partners
Mrs. Sobha Sekhri	2.40%	2.40
Mrs. Puja Sekhri	0.67%	0.67
Mr. Gaurav Sekhri	6.60%	6.60
Mr. Kapil Sekhri	5.30%	5.30
Mr. Madan Kukreja	38.01%	38.00
M/s Chin Min developers Private Limited	6.00%	6.00
M/s BGK Infratech Private Limited	28.61%	28.60

As per the agreement, the assets and liabilities stand transferred to the LLP as a going concern. Therefore, the fair value for the equity shares of the Company has been taken as the fair value of the Investment in LLP.

- 5 Disclosures pursuant to Ind AS - 19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below:

#### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	(Amount in ₹ lakhs)	
	Year ended	Year ended
	March 31, 2019	March 31, 2018
Contribution to Defined Contribution Plan, recognised during the year are as under:-		
Employer's Contribution towards Provident Fund (PF) (including Administration Charges)	41.68	41.52
Employer's Contribution towards Pension Fund (PF)	52.04	48.90
Employer's Contribution towards Employee State Insurance (ESI)	48.61	33.82
	<u>142.33</u>	<u>124.24</u>
Less: Capitalised under tangible assets & restoration expenses charged to statement of profit and loss	0.02	-
	<u>142.31</u>	<u>124.24</u>

#### Defined Benefit Plan

##### Gratuity (Unfunded)

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	(Amount in ₹ lakhs)	
	Year ended	Year ended
	March 31, 2019	March 31, 2018
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of obligation at the beginning of the year	150.89	136.70
	<u>150.89</u>	<u>136.70</u>
Current Service Cost	38.78	33.02
Interest Cost	11.76	10.21
Actuarial (gain) /loss arising during the year	-2.15	-27.76
Past Service Cost	-	8.72
Benefit paid	-5.08	-10.00
Present value of obligation at the end of the year	<u>194.20</u>	<u>150.89</u>
Current Liability (Short Term)	23.77	22.13
Non-current Liability (Long Term)	170.43	128.76
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Return on plan assets excluding interest income	-	-
Benefits paid	-	-
Fair value of plan assets at year end	<u>-</u>	<u>-</u>

		(Amount in ₹ lakhs)	
<b>c) Net Asset/ (Liability) recognised in the balance sheet</b>			
Fair value of plan assets		-	-
Present value of defined benefit obligation		194.20	-150.89
Amount recognised in Balance Sheet- Asset / (Liability)		<u>194.20</u>	<u>-150.89</u>
<b>d) Expense recognised in the Statement of profit and loss during the year</b>			
Current Service Cost		38.78	33.02
Interest Cost		11.76	10.21
Past Service Cost		-	8.72
		<u>50.54</u>	<u>51.95</u>
<b>e) Actuarial (Gain)/ Loss recognised in other comprehensive income during the year</b>			
- changes in financial assumptions		2.15	-6.92
- changes in experience adjustments		-4.30	-20.84
Recognised in other comprehensive income		<u>-2.15</u>	<u>-27.76</u>
<b>f) Broad categories of plan assets as a percentage of total assets</b>			
Insurer managed funds		NIL	NIL
<b>g) Actuarial Assumptions</b>			
Mortality Table (LIC)		100% of IALM	100% of IALM
		2006-08	2006-08
Withdrawal Rate (per annum)		4.00%	4.00%
Discount Rate (per annum)		7.70%	7.80%
Rate of escalation in salary (per annum)		8.00%	8.00%
<b>h) Quantitative sensitivity analysis for significant assumptions is as below:</b>			
Increase / (decrease) on present value of defined benefits obligations at the end of the year			
<b>Impact of change in discount rate</b>			
Impact due to increase by 1%		-19.84	-15.20
Impact due to decrease by 1%		23.92	18.35
		-	-
<b>Impact of change in salary</b>			
Impact due to increase by 1%		23.61	18.13
Impact due to decrease by 1%		-19.96	-15.31
<b>Impact of change in attrition rate</b>			
Impact due to increase by 1%		-2.99	-2.08
Impact due to decrease by 1%		3.42	2.32
		-	-
<b>i) Maturity profile of defined benefit obligation</b>			
Between 01 April 2019 to 31 March 2020		23.77	22.13
Between 01 April 2020 to 31 March 2024		52.64	31.28
Between 01 April 2024 to 31 March 2029		67.11	61.69
01 April 2029 onwards		473.14	372.13
Total expected payments		<u>616.66</u>	<u>487.23</u>
<b>j)</b>	The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years.		
<b>k)</b>	The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.		

- l) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- m) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- 6 Interest and other borrowing costs amounting to Rs.Nil (March 31, 2018: Rs.Nil) have been capitalized to the carrying cost of fixed assets being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use, in accordance with Ind AS-23 "Borrowing Costs" read with Rule 7 of Companies (Accounts) Rules, 2015.
- 7 During the year, the Parent Company has capitalised the following expenses of revenue nature to the tangible fixed assets, being pre-operative expenses related to projects. Consequently, expenses disclosed under the retrospective notes are net of amounts capitalised by the Parent Company.

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Balance brought forward	50.16	46.06
Add: Expenses Incurred During the year		
Conveyance and travelling expenses	9.40	3.54
Personnel cost	11.32	0.56
Power	8.50	-
	<u>29.22</u>	<u>4.10</u>
Allocated to Property, Plant & Equipments	41.84	-
Balance carried forward	<u>37.54</u>	<u>50.16</u>

## 8 Segment Reporting

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the group's management and internal reporting structure.

### Operating Segments

The group's Managing Director and CFO has been identified as the Chief Operating Decision Maker ('CODM'), since Managing Director and CFO are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget and other key decisions.

Managing director reviews the operating results at the group level to make decisions about the Company's performance. Accordingly, management has identified the business as single operating segment i.e. "Crumb Rubber, Crumb Rubber Modifier, Modified Bitumen & Bitumen Emulsion and Allied Products". Accordingly, there is only one Reportable Segment for the group i.e. "Crumb Rubber, Crumb Rubber Modifier, Modified Bitumen & Bitumen Emulsion and Allied Products", hence no specific disclosures have been made.

#### a) Information about products and services

Please refer to note no. 23 of the financial statements.

#### b) Revenue as per Geographical Markets

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Domestic Market	12,553.65	9,947.43
Overseas Market	417.34	269.55
<b>TOTAL</b>	<u>12,970.99</u>	<u>10,216.98</u>

(Amount in ₹ lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>c) Non-current assets (other than deferred tax assets and financial instruments) in Geographical Market</b>		
Within India	8,715.64	8,382.24
Outside India	7.23	8.05
<b>TOTAL</b>	<u>8,722.87</u>	<u>8,390.29</u>
	Year ended March 31, 2019	Year ended March 31, 2018
<b>d) Information about major customers</b>		
Customers contributing more than 10% of the Company's total revenue are as under:		
Indian Oil Corporation Limited	1,732.12	2,057.01
<b>e) Geographical Capital Expenditure</b>		
Domestic Market	469.59	150.60
Overseas Market	75.69	88.20
<b>TOTAL</b>	<u>545.28</u>	<u>238.80</u>

**9 Related party transactions**

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:

**A Names of related parties and description of relationship:****Associate Company**

TP Buildtech Private Limited

**B Names of other related parties with whom transactions have taken place during the year :****(i) Enterprises in which directors and relative of such directors are interested**

Tinna Trade Limited  
 B.G.K. Infrastructure Developers Private Limited  
 Fratelli Wines Private Limited  
 Gee Ess Pee Land Developers Private Limited  
 Green Range Farms Private Limited  
 B S Farms & Properties Private Limited  
 Kriti Estates Private Limited  
 Guru Infratech Private Limited  
 Aditya Farms & Nurseries  
 Puja Infratech LLP

**(ii) Key Management Personnel**

Mr. Bhupinder Kumar Sekhri (Managing Director)  
 Mrs. Promila Kumar (Director) (w.e.f. 24-11-2017)  
 Mr. Anand Kumar Singh (Director) (up to 17-12-2018)  
 Mr. Vivek Kohli (Independent Director)  
 Mr. Ashish Madan (Independent Director)  
 Mr. Ashok Kumar Sood (Independent Director)  
 Mr. Rajender Parashad Indoria (Independent Director)  
 Mr. Gaurav Sekhri (Director) (w.e.f. 03.10.2018)  
 Mr. Nirmal Jyoti Chatterjee (Director) (w.e.f. 11-01-2019)



Mr. Ravindra Chhabra (CFO)  
Mr. Vaibhav Pandey (CS) (w.e.f. 08-02-2018)

**(iii) Relatives of Key Management Personnel**

Mrs. Shobha Sekhri  
Mr. Gautam Sekhri  
Mrs. Aarti Sekhri  
Mrs. Puja Sekhri  
Mr. Kapil Sekhri  
Mr. Aditya Brij Sekhri

**C Transactions during the year:**

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>(i) Loans taken from Enterprises in which directors and relative of such directors are interested</b>		
Green Range Farms Private Limited	-	32.70
Kriti Estates Private Limited	150.00	623.75
Prasidh Estate Private Limited	-	60.00
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	378.23	685.25
	<u>528.23</u>	<u>1,401.70</u>
<b>(ii) Loans repaid Enterprises in which directors and relative of such directors are interested</b>		
Green Range Farms Private Limited	-	136.20
Kriti Estates Private Limited	150.00	623.75
Prasidh Estate Private Limited	-	60.00
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	400.73	710.27
	<u>550.73</u>	<u>1,530.22</u>
<b>(iii) Interest expense Enterprises in which directors and relative of such directors are interested</b>		
Green Range Farms Private Limited	-	4.96
Kriti Estates Private Limited	0.42	3.41
Prasidh Estate Private Limited	-	0.72
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	2.79	6.58
	<u>3.21</u>	<u>15.67</u>
<b>(iv) Rent received</b>		
Associate Company		
TP Buildtech Private Limited	0.01	0.01
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	0.42	-
	<u>0.43</u>	<u>0.01</u>

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>(v) Reimbursement of expenses</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	-	4.09
	<u>-</u>	<u>4.09</u>
<b>(vi) Reimbursement received of expenses incurred</b>		
<b>Associate Company</b>		
TP Buildtech Private Limited	5.18	3.50
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	48.64	38.15
	<u>53.82</u>	<u>41.65</u>
<b>(vii) Loans and Advances Given</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	-	17.00
<b>Relatives of Key Management personnel</b>		
Mr. Gautam Sekhri	3.50	-
	<u>3.50</u>	<u>17.00</u>
<b>(viii) Repayment of loans given</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	-	17.00
<b>Key Management Personnel</b>		
Mr. Nirmal Jyoti Chatterjee	0.20	-
<b>Relatives of Key Management personnel</b>		
Mr. Gautam Sekhri	0.20	-
	<u>0.40</u>	<u>17.00</u>
<b>(ix) Service Received</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
B.G.K. Infrastructure Developers Private Limited	16.92	4.54
	<u>16.92</u>	<u>4.54</u>
<b>(x) Interest received</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	-	0.22
	<u>-</u>	<u>0.22</u>
<b>(xi) Sale of equity shares</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
42,000 equity shares of B.G.K. Infratech Private Limited to Guru Infratech Private Limited	134.40	-

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
41,500 equity shares of BGK Infratech Private Limited to Bhupinder Kumar Sekhri	-	132.80
1,15,000 equity shares of Bee Gee Ess Farms & Property Private Limited to Bhupinder Kumar Sekhri	-	207.00
44,000 equity shares of Gee Ess Pee Land Developers Private Limited to Gaurav Sekhri	-	118.80
	<u>134.40</u>	<u>458.60</u>
<b>(xii) Purchases of gifts</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Fratelli Wines Private Limited	0.30	0.04
	<u>0.30</u>	<u>0.04</u>
<b>(xiii) Sale of Goods</b>		
<b>Associate Company</b>		
TP Buildtech Private Limited	105.34	35.28
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	698.95	-
	<u>804.29</u>	<u>35.28</u>
<b>(xiv) Purchase of Goods</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	249.43	-
	<u>249.43</u>	<u>-</u>
<b>(xv) Purchase of Plantation</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Aditya Farms & Nurseries	1.50	-
	<u>1.50</u>	<u>-</u>
<b>(xvi) Advance given for Purchase of Land</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Aditya Farms & Nurseries	48.50	-
	<u>48.50</u>	<u>-</u>
<b>(xvii) Refund of Advance given for Purchase of Land</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Aditya Farms & Nurseries	48.50	-
	<u>48.50</u>	<u>-</u>

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>(xviii) Compensation received for Cancellation of agreement for Purchase of Land Enterprises in which directors and relative of such directors are interested</b>		
Aditya Farms & Nurseries	4.90	-
	<u>4.90</u>	<u>-</u>
<b>(xix) Reimbursement of Exchange Fluctuation Gain: Associate Company</b>		
TP Buildtech Private Limited	4.54	-
	<u>4.54</u>	<u>-</u>
<b>(xx) Remuneration</b>		
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	83.60	83.60
Mr. Nirmal Jyoti Chatterjee	2.77	-
Mr. Ravindra Chhabra	24.30	20.70
Mr. KC Madan	-	7.22
Mr. Vaibhav Pandey	5.09	0.45
<b>Relatives of Key Management personnel</b>		
Mrs. Shobha Sekhri	28.75	2.79
Mr. Gautam Sekhri	30.00	24.00
Mr. Aditya Brij Sekhri	3.00	3.00
Mrs. Banani Chatterjee	1.85	-
	<u>179.36</u>	<u>141.76</u>
	<b>As at 31-Mar-19</b>	<b>As at March 31, 2018</b>
<b>D Balances at the year end</b>		
<b>(i) Amount Receivables</b>		
<b>Associate Company</b>		
TP Buildtech Private Limited	99.98	-
<b>Enterprises in which directors and relative of such directors are interested</b>		
Tinna Trade Limited	-	14.16
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	0.10	2.39
Mr. Nirmal Jyoti Chatterjee	1.80	-
Mr. Vaibhav Pandey	-	0.05
<b>Relatives of key management personnel</b>		
Mrs. Shobha Sekhri	0.10	-
Mr. Gautam Sekhri	3.30	3.50
	<u>105.28</u>	<u>20.10</u>
<b>(ii) Amount Payables</b>		
<b>Enterprises in which directors and relative of such directors are interested</b>		
Fratelli Wines Private Limited	-	0.93
B.G.K. Infrastructure Developers Private Limited	8.38	3.88

	(Amount in ₹ lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Key Management Personnel</b>		
Mr. Bhupinder Kumar Sekhri	24.50	51.88
Mr. Gaurav Sekhri	-	2.75
Mr. Ravindra Chhabra	1.54	1.29
Mr. Nirmal Jyoti Chatterjee	0.93	-
Mr. Vaibhav Pandey	0.35	0.24
<b>Relatives of key management personnel</b>		
Mrs. Shobha Sekhri	2.30	-
Mr. Gautam Sekhri	1.39	1.61
Mr. Aditya Brij Sekhri	0.25	0.25
Mrs. Banani Chatterjee	0.67	-
	<b>40.31</b>	<b>62.83</b>

**Notes:**

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (other than borrowings taken by the group) and settlement occurs in cash.

For the year ended March 31, 2019, the group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- b) (i) The Parent Company has given a corporate guarantee of Rs. 700 lakhs (March 31, 2018: Rs. 700 lakhs) to TP Buildtech Private Limited ("Associate Company").
- (ii) The Parent Company has given a corporate guarantee of Rs. 1,565 lakhs (March 31, 2018: Rs. 1,565 lakhs) to B.G.K. Infrastructure Developers Private Limited ("Enterprises in which directors and relative of such directors are interested").
- (iii) The Parent Company has given a corporate guarantee of Rs. 7,500 lakhs (March 31, 2018: Rs. 7,500 lakhs) to Tinna Trade Limited ("Subsidiary Company" upto 31.03.2016).
- (iv) The Parent Company has given a corporate guarantee of Rs. 360 lakhs (March 31, 2018: Rs. 360 lakhs) to Fratelli Wines Private Limited ("Enterprises in which directors and relative of such directors are interested").
- c) All the liabilities for post retirement benefits being 'Gratuity' and 'Leave Encashment' are provided on an actuarial basis for the Parent Company as a whole, the amount pertaining to Key management personnel are not included above.
- d) As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as "Key Managerial Person", however to comply with the disclosure requirements of Ind AS-24 on "Related party transactions" they have been disclosed as "Key Managerial Person".

- 10** The Parent Company is engaged in manufacture of Crumb Rubber Modifier, Crumb Rubber Modified Bitumen which are used in Infrastructure (Road) sector. Considering the downward trend in Infrastructure, the company set up a plant to manufacture Crumb Rubber and allied products from Waste Tyre in 2012-13. The Company is a part of circular economy wherein the waste (tyre) is converted into Wealth (reusable products). The Company is among first in India to start production of micronised rubber and reclaim rubber in an environment friendly manner. In initial years the

(Amount in ₹ lakhs)

Company focused on plant set up and streamlining the quality production and elisting with reputed customers like CEAT,JK,Apollo etc who have stringent quality standards . During the year 2018-19, Company made rigorous efforts on marketing in domestic and international markets. The Company first time participated as Sponsor in three Exhibitions i.e. Indian Road Congress, Nagpur- November 2018,Indian Rubber Expo, Mumbai- January 2019, Tire Technology Expo., Hannaover, Germany March 2019 in order to meet reputed customers at one platform. Company's executives have also done extensive travelling to Countries having potential of export ie Srilanka,Australia, Turkey,Thailand, Bangkok, Engalnd, Germnay. The benefit of these efforts in terms of sale in domestic and international market is expected to be realised in next years. Keeping in view the future benefits,Company has charged one third of the expenses to the statement of Profit and Loss and balance two third Rs. 53.62 Lakhs is carried forward and to be amortised in next two years.

Head wise break of the Product Development and Marketing Expenses is given below:

(Amount in ₹ lakhs)

Particulars	Total expenses in FY-2018-19	1/3 charged on Revenue of FY- 2018-19	2/3rd Carried Forward to be amortised in FY-2019-20 & FY-2020-21 equally
Seminar Sponsorship Fees	20.71	6.90	13.81
Travel Expenses	31.41	10.47	20.94
Marketing brochure & other expenses	14.18	4.73	9.45
Lab Test Expenses	14.13	4.71	9.42
<b>Total</b>	<b>80.43</b>	<b>26.81</b>	<b>53.62</b>

## 11 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Parent Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Parent Company has spent a sum of Rs. 1.40 lakh (March 31, 2018: Rs.Nil ). In view of Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by the Institute of Chartered Accountant of India, no provision for amount of Rs. 17.75 lakhs (March 31, 2018: Rs.19.15 lakhs) which is not spent i.e. any shortfall in the amount that was expected to be spent as per the provisions of the Act on CSR activities and the amount actually spent at the end of a reporting period, may be made in the financial statements. Accordingly, provision for unspent amount has not been made in the financial statements. The same shall be covered in the report to the Board of Directors as per the provisions of section 135(5) of the Compaiaes Act, 2013.

(Amount in ₹ lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Details of CSR Expenditure:</b>		
a) Amount yet to be spent at the beginning of the year	19.15	19.15
Gross amount required to be spent by the Parent Company during the year (cummulative)	-	-
Less: Amount spent by the Parent Company	1.40	-
Amount yet to be spent	<u>17.75</u>	<u>19.15</u>
b) Details of amount spent by the Parent Company is as under:		
<b>Particulars</b>		
Contribution for Water Purifier Project	0.82	-
Installation of recycled Rubber mat at playground and dormitory for orphan	0.58	-
Total Amount Spent	<u>1.40</u>	<u>-</u>

- 12 The Parent Company has entered into an agreement on 25.02.2010 with Riveria Builder Private Limited and Viki Housing Development Private Limited for sale of 89,993 equity shares of Rs.100/- each of Gautam Overseas Limited for Rs.90 lakhs. The Company has received the sales consideration of Rs.90 lakhs in the F.Y 2009-10 which has been duly accounted for. The Company Law Board has vide order dated 28.06.2010 restrained the Company for transfer of said shares, which has been upheld by the Hon'ble High Court of Delhi. The Company has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India, which is pending before the Hon'ble Court.
- 13 The Parent Company has entered into an Agreement for Higher Education /Training with Mr Aditya Brij Sekhri (Trainee). The company has sponsored higher education of Trainee at USA for five years vide the agreement dated 1st July 2015 with object to have modern system and practice of management. The agreement provides working of minimum 5 years by the Trainee in company after completion of higher education.
- 14 The Parent Company had purchased land at Delhi in 2013-14 to carry on the activities of development of land, construction of houses, apartments etc. In the Master Plan for Delhi -2021(Notified in 2007 and amendments) the said land is notified as residential and eligible for Land Pooling for development of Public, semi public utility in order to accommodate additional population and planned development. The process of mutation of land, the land use conversion from agricultural to other use is yet to be done in accordance with the applicable Laws. The Company has filed petition with the Hon'ble High Court of Delhi to seek the benefit of Section 24(2) of the Right to Fair compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and to declare acquisition proceedings initiated as lapsed. The Hon'ble High Court of Delhi in Judgment dated 25 & 26 May 2015 and 9 February 2016 declared that acquisition process initiated deemed to have been lapsed. The Hon'ble Supreme Court of India pursuant to Appeal filed by Delhi Development Authority and Land & Building Authority of NCT of Delhi has also upheld that acquisition process initiated deemed to have been lapsed vide their orders dated 31.08.2016 and 04.05.2017. Subsequent to the order of the Hon'ble Supreme Court, the Company will get the land registered with appropriate authority, mutation and change of land use etc upon issue of requisite Notification by the Government. The Company has transferred the Land to Inventories as on 31.03.2018. However, the Company does not intend to do any business activities or development of property for the purpose of resale and intends to hold the land for long term capital appreciation and for rental yields. Lease Agreement has been entered into by the Company which is effective from 01.09.2018. Therefore, the said land has been transferred as Investment Property from Inventories during the year.

**15 Disclosure as per "Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors"**

During the year ended, the Parent Company reviewed the status of Reusable/standby spares which have a life longer than one year. These are items like blades/Cutters which require sharpening from time to time, Motors, Gear Box etc which requires rewinding/ other refurbishing to make it usable continuously. Also, these spares are generally expected to be used longer than one accounting period. In earlier years, these items were expensed off when put to use. The same have been treated as prior period in accordance with Ind As- 8 "Accounting Policies, Change in Accounting Estimates and Errors" and the effect of the same on financial statements are as under:-

	(Amount in ₹ lakhs)	
	As at 01.04.2017 (Earlier Reported Period)	Year Ended 31st March 2018
The effect of the above on financial statements is as under:		
(i) Increase in Fixed Assets/ Reduction in Maintenance Expenses	92.04	13.77
(ii) Increase in Depreciation	19.83	10.22
(iii) Net Increase/ (Decrease) in the Reserve & Surplus/ Profit and Loss	72.21	3.55

For the financial year 2017-18, the said adjustment has also resulted in decrease in earning per share (Basic & Diluted) by Rs.0.04/- per equity share of Nominal value of Rs.10/- each.

- 16 Ind As 115 "Revenue from Contracts with Customers" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind As related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earnings as at April 01, 2018. Also the application of Ind As-115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements for the year ended 31st March, 2019.

- 17 Under the previous GAAP, the Parent Company had adjusted the government grant received in from of EPCG License from the cost of Property, Plant and Equipments. Under Ind AS, the government grants are classified as deferred revenue which are amortised over the useful life of the Property, plant and equipments in accordance with "Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance". This resulted in an increase in Property, plant and equipments by Rs.181.76 lakhs, Rs. 345.57 lakhs and Rs.355 Lakhs as at April 1, 2016, March 31, 2017 and March 31, 2018 and corresponding increase in Deferred income under Other liabilities (non-current and current)

## 18 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category	Carrying Value		(Amount in ₹ lakhs) Fair Value	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial assets at amortized cost</b>				
Investment in Property	530.39	-	1,122.05	-
Investments (non-current)	2,351.69	2,486.09	2,351.69	2,486.09
Loans and advances (non current)	5.10	4.73	5.10	4.73
Other financial assets (non-current)	149.90	144.04	149.90	144.04
Investments (current)	6.05	5.25	6.05	5.25
Trade receivables (current)	2,359.14	2,735.85	2,359.14	2,735.85
Cash and cash equivalents	16.42	12.82	16.42	12.82
Other bank balances	213.48	202.54	213.48	202.54
Loans and advances (current)	13.58	5.24	13.58	5.24
Other financial assets (current)	116.93	110.92	116.93	110.92
	<u>5,762.68</u>	<u>5,707.48</u>	<u>6,354.34</u>	<u>5,707.48</u>
<b>Financial Liabilities at amortized cost</b>				
Borrowings (non-current)	3,148.87	3,097.16	3,148.87	3,097.16
Borrowings (current)	3,995.88	4,473.88	3,995.88	4,473.88
Trade payables (current)	874.13	775.36	874.13	775.36
Other financial liabilities (current)	1,451.89	1,613.42	1,451.89	1,613.42
	<u>9,470.77</u>	<u>9,959.82</u>	<u>9,470.77</u>	<u>9,959.82</u>

(\*excluding investments in associates)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- 1) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- 2) The fair values of the Parents Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.



- 3) Long-term receivables/ payables are evaluated by the Parent Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 4) The significant unobservable inputs used in the fair value measurement categorized within Level 1 and Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at end of each year, are as shown below:

**Fair value hierarchy**

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

**Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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

	Carrying Value	(Amount in ₹ lakhs)		
		Level 1	Fair Value Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investment Property	530.39	-	-	1,122.05
Investments (non-current)	2,351.69	-	-	2,351.69
Loans and advances (non current)	5.10	-	-	5.10
Other financial assets (non-current)	149.90	-	-	149.90
Investments (current)	6.05	6.05	-	-
Trade receivables (current)	2,359.14	-	-	2,359.14
Cash and cash equivalents	16.42	-	-	16.42
Other bank balances	213.48	-	-	213.48
Loans and advances (current)	13.58	-	-	13.58
Other financial assets (current)	116.93	-	-	116.93
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (non-current)	3,148.87	-	-	3,148.87
Borrowings (current)	3,995.88	-	-	3,995.88
Trade payables (current)	874.13	-	-	874.13
Other financial liabilities (current)	1,451.89	-	-	1,451.89

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018**

	Carrying Value	(Amount in ₹ lakhs)		
		Level 1	Fair Value Level 2	Level 3
<b>Assets carried at amortized cost for which fair value are disclosed</b>				
Investments (non-current)	2,486.09	-	-	2,486.09
Loans and advances (non current)	4.73	-	-	4.73
Other financial assets (non-current)	144.04	-	-	144.04
Investments (current)	5.25	5.25	-	-
Trade receivables (current)	2,735.85	-	-	2,735.85
Cash and cash equivalents	12.82	-	-	12.82
Other bank balances	202.54	-	-	202.54
Loans and advances (current)	5.24	-	-	5.24
Other financial assets (current)	110.92	-	-	110.92
<b>Liabilities carried at amortized cost for which fair value are disclosed</b>				
Borrowings (non-current)	3,097.16	-	-	3,097.16
Borrowings (current)	4,473.88	-	-	4,473.88
Trade payables (current)	775.36	-	-	775.36
Other financial liabilities (current)	1,613.42	-	-	1,613.42

**Note:**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**19 Financial risk management objectives and policies**

The group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The group's financial risk management is an integral part of how to plan and execute its business strategies. The group is exposed to market risk, credit risk and liquidity risk.

The Parent Company senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

**(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the

following sections relate to the position as at March 31, 2019. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD & Euro exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Currency	Currency Symbol	March 31, 2019		Gain/ (loss) Impact on profit/ (loss) before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% increase
Change in United States Dollar Rate	\$				
Export trade receivables		1.40	96.56	0.97	-0.97
Other receivables		0.09	6.23	0.06	-0.06
Capital Advances		0.79	54.74	0.55	-0.55
Advances against material and services		2.37	163.88	1.64	-1.64
Trade payables		3.04	210.03	2.10	-2.10
Change in Euro Rate	€				
Trade payables		0.59	45.61	-0.46	0.46

Currency	Currency Symbol	March 31, 2018		Gain/ (loss) Impact on profit/ (loss) before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% increase
Change in United States Dollar Rate	\$				
Export trade receivables		1.46	94.86	0.95	-0.95
Other receivables		0.09	5.85	0.06	-0.06
Bank accounts (EEFC)		0.01	0.65	0.01	-0.01
Capital Advances		0.89	57.87	0.58	-0.58
Advances against material and services		3.55	231.18	2.31	-2.31
Trade payables		3.18	207.10	-2.07	2.07
Creditors for capital goods		0.32	20.67	-0.21	0.21
Buyer's credit		9.50	617.63	-6.18	6.18

**(ii) Commodity Price Risk**

The group is exposed to the risk of price fluctuation of raw material as well as finished goods. The group manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. To counter raw material risk, the group works with various suppliers working in domestic and international market with the objective to moderate raw material cost, enhance application flexibility and increased product functionality and also invests in product development and innovation. To counter finished

goods risk, the group deals with wide range of vendors and manages these risks through inventory management and proactive vendor development practices. The group also passes on the Commodity price hike in case of several customers when the group have fixed price contracts. Fixed price contracts are entered into after due consideration of the Commodity price volatility during the delivery / contract period.

**(b) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade Receivables**

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Out of that, the group has 10 customers that owed the approx. Rs.914.97 lakhs (March 31, 2018: Rs.1131.50 lakhs) and accounted for 38.78% (March 31, 2018: 40.85%) of total trade receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 is the carrying amounts. The maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Loans and advances (non current)	5.10	4.73
Other financial assets (non-current)	149.90	144.04
Cash and cash equivalents	16.42	12.82
Other bank balances	213.48	202.54
Loans and advances (current)	13.58	5.24
Other financial assets (current)	116.93	110.92
	<u>515.41</u>	<u>480.29</u>
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade receivables (current)	2,403.90	2,769.95
	<u>2,403.90</u>	<u>2,769.95</u>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

**(i) The ageing analysis of trade receivables has been considered from the date the invoice falls due**

<b>Particulars</b>	<b>(Amount in ₹ lakhs)</b>	
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Neither past due nor impaired	1,166.86	1,173.66
0 to 365 days due past due date	670.01	956.65
More than 365 days past due date	567.03	639.64
<b>Total Trade Receivables</b>	<b>2,403.90</b>	<b>2,769.95</b>

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

<b>Particulars</b>	<b>(Amount in ₹ lakhs)</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
As at the beginning of year	34.09	22.27
Provision during the year	13.72	11.83
Reversal of earlier provision credited to other Income (Excess Provision written back)	-3.06	-
<b>As at the end of year</b>	<b>44.75</b>	<b>34.10</b>

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at reasonable price. The group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to below:

**Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

<b>As at March 31, 2019</b>	<b>(Amount in ₹ lakhs)</b>		
	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Borrowings (non-current)	-	3,148.87	3,148.87
Borrowings (current)	3,995.88	-	3,995.88
Trade payables (current)	874.13	-	874.13
Other financial liabilities (current)	1,451.89	-	1,451.89
<b>As at March 31, 2018</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Borrowings (non-current)	-	3,097.16	3,097.16
Borrowings (current)	4,473.88	-	4,473.88
Trade payables (current)	775.36	-	775.36
Other financial liabilities (current)	1,613.42	-	1,613.42

**(d) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Parent Company's exposure to the risk of changes in market interest rates relates primarily to the group's short-term borrowings obligations in the form of cash credit carrying floating interest rates.

	(Amount in ₹ lakhs)	
	As at	As at
	March 31, 2019	March 31, 2018
Fixed rate borrowing	1,541.27	3,673.39
Variable rate borrowing	6,271.87	4,594.82
	<u>7,813.14</u>	<u>8,268.21</u>

**Sensitivity analysis:** For floating rates liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	(Amount in ₹ lakhs)	
Sensitivity on variable rate borrowings	Year ended	Year ended
	March 31, 2019	March 31, 2018
<b>Impact on statement of profit and loss</b>		
Interest rate increase by 0.25%	-13.58	-12.19
Interest rate decrease by 0.25%	13.58	12.19

**(e) Equity Price Risk**

The Parent Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 2,351.69 lakhs as on 31 March 2019 (March 31, 2018: Rs.2,536.76 lakhs).

20 The Following Table summarises movemnt in indebtedness as on the reporting date :

	(Amount in ₹ lakhs)					
Change in Liabilities arising from financing activites						
Particulars	As on	Net	Foreign	Transfer	Change in	As on
	April 1, 2018	Cashflow	Exchange		fair values	April 1, 2019
			Management			
<b>LONG TERM BORROWINGS</b>						
<b>Secured</b>						
Term loan from Bank	1,732.27	-467.85	-	150.91	-	1,415.33
Buyer's Credit Facility from Bank	149.98	-	0.93	-150.91	-	
Finance Lease Obligations						
From Banks	79.92	75.45	-	-	-	155.37
From Others	16.12	-8.95	-	-	-	7.17
<b>Unsecured</b>						
Term loans from others parties	1,816.05	423.34	-	-	-	2,239.39
<b>SHORT TERM BORROWINGS</b>						
<b>Secured</b>						
Cash credit facility from bank	2,241.26	375.90	-	-	-	2,617.16
Buyer's credit facility from bank	471.31	-471.31	-	-	-	-
<b>Unsecured</b>						
Loan from Related Parties	45.33	-24.98	-	-	-	20.35
Loan from others	1,715.97	-357.61	-	-	-	1,358.36
	<u>8,268.21</u>	<u>-456.01</u>	<u>0.93</u>	<u>-</u>	<u>-</u>	<u>7,813.13</u>

Change in Liabilities arising from financing activities					(Amount in ₹ lakhs)	
Particulars	As on April 1, 2017	Net Cashflow	Foreign Exchange Management	Transfer	Change in fair values	As on April 1, 2019
<b>LONG TERM BORROWINGS</b>						
<b>Secured</b>						
Term loan from Bank	1,558.42	-605.99	-	779.84	-	1,732.27
Buyer's Credit Facility from Bank	925.31	-	4.51	-779.84	-	149.98
Finance Lease Obligations						
From Banks	163.22	-83.29	-	-	-	79.92
From Others	24.31	-8.18	-	-	-	16.12
<b>Unsecured</b>						
Term loans from others parties	1,934.85	-118.79	-	-	-	1,816.05
<b>SHORT TERM BORROWINGS</b>						
<b>Secured</b>						
Cash credit facility from bank	2,302.38	-61.12	-	-	-	2,241.26
Buyer's credit facility from bank	370.66	92.39	5.55	-	2.70	471.31
<b>Unsecured</b>						
Loan from Related Parties	189.18	-143.85	-	-	-	45.33
Loan from others	1,891.04	-175.07	-	-	-	1,715.97
	<b>9,359.37</b>	<b>-1,103.90</b>	<b>10.06</b>	<b>-</b>	<b>2.70</b>	<b>8,268.21</b>

## 21 Capital Management

For the purposes of capital management, Capital includes equity attributable to the equity holders of the group and all other equity reserves. The primary objective of the capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders or issue new shares. The group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The calculation of the capital for the purpose of capital management is as below:

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Borrowings	7,813.14	8,268.21
Cash and cash equivalents	-16.42	-12.82
Net Debt	<u>7,796.72</u>	<u>8,255.39</u>
Equity share capital	856.48	856.48
Other equity	6,272.23	6,275.09
<b>Total Capital</b>	<u>7,128.71</u>	<u>7,131.57</u>
<b>Capital and Net Debt</b>	14,925.43	15,386.96
<b>Gearing Ratio (Net Debt/Capital and Debt)</b>	<b>52.24%</b>	<b>53.65%</b>

**Additional Explanatory Information forming part of the financial statement for the period ended 31st March, 2019**

		(Amount in ₹ lakhs)	
		As at	As at
		March 31, 2019	March 31, 2018
<b>22</b>	<b>CIF Value of Imports (excluding Goods in transit)</b>		
	Raw Material	1,272.42	1,250.66
	Traded goods	328.93	34.58
	Capital goods	45.28	78.78
	Spares parts for capital goods	21.25	25.35
		<u>1,667.88</u>	<u>1,389.37</u>
<b>23</b>	<b>Earnings in Foreign Currency</b>		
	<b>F.O.B Value of Exports</b>		
	Sale of Crumb Rubber	289.12	214.15
	Sale of Ultrafine Crumb Rubber	93.74	33.52
		<u>382.86</u>	<u>247.67</u>
<b>24</b>	<b>Expenditure in Foreign Currency</b>		
	Foreign Travelling	50.35	19.12
	Interest on Buyers Credit	0.23	29.38
	Training Expenses	42.42	33.97
	Commission	7.03	-
	Business promotion, Seminar and marketing expenses	4.87	-
		<u>104.90</u>	<u>82.47</u>

**25 Earnings per share**

		(Amount in ₹ lakhs)	
		Year ended	Year ended
		March 31, 2019	March 31, 2018
<b>a)</b>	<b>Basic Earnings per share</b>		
	Numerator for earnings per share		
	Profit/ (loss) after taxation	(Rs.) (3.72)	(499.80)
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	(Nos.) 85,64,750	85,64,750
	Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.) (0.04)	(5.84)
<b>b)</b>	<b>Diluted Earnings per share</b>		
	Numerator for earnings per share		
	Profit/ (loss) after taxation	(Rs.) (3.72)	(499.80)
	Denominator for earnings per share		
	Weighted number of equity shares outstanding during the year	(Nos.) 85,64,750	85,64,750
	Earnings per share-Basic (one equity share of Rs.10/- each)	(Rs.) (0.04)	(5.84)

Note: There are no instruments issued by the Company which have effect of dilution of basic earning per share.



		(Amount in ₹ lakhs)	
		Year ended March 31, 2019	Year ended March 31, 2018
<b>26</b>	<b>Dividend on Equity Shares</b>		
	<b>Dividend on equity shares declared and paid during the year</b>		
	Final dividend of Rs.Nil per share (March 31, 2018: Rs. Nil per share)	-	-
	<b>Proposed dividend on equity shares not recognised as liability</b>		
	Final dividend of Rs.Nil per share (March 31, 2018: Rs. Nil per share)	-	-
	<b>Dividend payout ratio</b>	-	-
<b>27</b>	<b>Dividend Received</b>		
	Dividend received on equity shares held as non trade, non current investments	-	-
	Dividend received on equity shares held as trade, current investments	0.02	0.03
		<u>0.02</u>	<u>0.03</u>
<b>28</b>	<b>Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013:</b>		

**(i) Particulars of Investments made:** (Amount in ₹ lakhs)

Sr. No	Name of the Investee	Opening Balance	Investment Made	Impact of Equity Method of Accounting	Investment Sold	Outstanding Balance
1	TP Buidtech Private Limited	212.52	-	*10.9	-	223.42
2	Keerthi International Agro Private Limited	11.01	-	-	-	11.01
3	BGK Infratech Private Limited	2,184.50	-	-	-134.40	2,050.10
4	Puja Infratech LLP	170.59	-	-	-	170.59

\*In case of TP Buildtech Private Limited, the impact of Rs 10.90 lakhs is on account of share in Profit/(loss) for the year.

**(ii) Particulars of Loan given:** (Amount in ₹ lakhs)

Sr. No	Name of the Entity	Year ended March 31, 2019		Year ended March 31, 2018	
		Loan Given	Outstanding Balance (including interest)	Loan Given	Outstanding Balance (including interest)
1	Tinna Trade Limited	-	-	17.00	-

## (iii) Particulars of Corporate guarantee outstanding:

(Amount in ₹ lakhs)

Sl.	Particulars	Purpose	As at	As at
			March 31, 2019	March 31, 2018
a)	The Parent Company has extended corporate guarantee for credit facility taken by TP Buildtech Private Limited (Associate company) from Syndicate Bank. The Company has extended 2nd charge (UREM) on land measuring 13,500 sq. metres situated at Gult No 113/2 and 114/2 Village Pali Taluka Wada, District Thane- Maharashtra towards credit facility sanctioned to TP Buildtech Private Limited.	For working capital limits	700.00	700.00
b)	The Parent Company has extended corporate guarantee for credit facility taken by B.G.K. Infrastructure Developers Private Limited from ICICI Bank Limited.	For Term loan facility	1,565.00	1,565.00
c)	The Parent Company has extended corporate guarantee for credit facility taken by Tinna Trade Limited from Syndicate Bank.	For working capital limits	3,000.00	3,000.00
d)	The Parent Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from ICICI Bank Limited.	For working capital limits	2,500.00	2,500.00
e)	The Parent Company has given corporate guarantee for credit facility taken by Tinna Trade Limited from State Bank of India.	For working capital limits	2,000.00	2,000.00
f)	The Parent Company has given corporate guarantee for credit facility taken by Fratelli Wines Private Limited, a related party from Syndicate Bank.	For working capital limits	360.00	360.00
<b>Total</b>			<b>10,125.00</b>	<b>10,125.00</b>

**29** Amounts in the Consolidated Financial Statements are presented in Indian Rupees in lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

**30** Note No. 1 to 33 form integral part of the Consolidated Balance Sheet and Statement of Profit and Loss.

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

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

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

**Rajan Bansal**  
Partner  
M. No.: 93591

**Bhupinder Kumar Sekhri**  
Managing Director  
DIN: 00087088

**Promila Kumar**  
Director  
DIN: 07998889

Place: New Delhi  
Date: 29/05/2019

**Vaibhav Pandey**  
Company Secretary  
M. No.: A-53653

**Ravindra Chhabra**  
CFO & G.M. Accounts

**FORM-MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

**TINNA RUBBER AND INFRASTRUCTURE LIMITED**

**Regd. Office :** Tinna House, No. 6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030  
Tel. : 011-49518530 Fax : 011-26807073, E-mail: investor@tinna.in, www.tinna.in  
**CIN No.:** L51909DL1987PLC027186

**32nd ANNUAL GENERAL MEETING - 6th SEPTEMBER, 2019 at 12.00 P.M.**

**Name of member(s)**

**Registered address:**

**E Mail ID:**

**Folio No. /DP ID-Client ID:**

I/ We, being the member(s) of ..... holding ..... shares of  
the above named Company, hereby appoint:

- 1) Name ..... E.Mail .....  
Address.....  
Signature..... or failing him/her.
- 2) Name ..... E.Mail .....  
Address.....  
Signature.....

As my/ our proxy to attend and vote (on a poll) for me/ us and on my /our behalf at the 32nd Annual General Meeting of the Company to be held on Friday, the 6th September, 2019 at 12.00 p.m. at A-35 Chattarpur Central Village Satbari, Chattarpur New Delhi-110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Resolutions*	
		For	Against
1.	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors there on for the Financial Year ended on 31st March, 2019		
2.	To appoint a Director in place of Mrs. Promlia Kumar who retires by rotation and being eligible, offers her self for re-appointment.		
3.	To consider Ratification of appointment of the Statutory Auditors of the Company for the Financial Year 2019-20 and fix their remuneration		
<b>Special Business:</b>			
4.	To appoint Cost Auditor for the Financial Year 2019-20 and Fix their Remuneration		
5.	To Appoint Mr. Gaurav Sekhri as a Non-Executive Director of the Company		
6.	To Re-Appoint Mr. Vivek Kohli as Independent Director of the Company		
7.	To Re-Appoint Mr. Ashish Madan as Independent Director of the Company		
8.	To Re-Appoint Mr. Bhupinder Kumar Sekhri as Managing Director of the Company		
9.	To Give Corporate Guarantee under Section 185 to Fratelli Wines Private Limited		
10.	To Appoint Mr. Nirmal Jyoti Chatterjee as Whole Time Director of the Company		

Signed this .....day of .....2019

Affix a  
₹ 1  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Proxy Holder(s)

**NOTE:**

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 32nd Annual General Meeting.
- \*It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she think appropriate.
- Please complete all details including detail of member(s) in above box before submission.

(Tear Here)

# TINNA RUBBER AND INFRASTRUCTURE LIMITED

**Regd. Office :** Tinna House, No. 6, Sultanpur, Mandi Road, Mehrauli, New Delhi-110030  
Tel. : 011-49518530 Fax : 011-26807073, E-mail: investor@tinna.in, www.tinna.in  
**CIN No.: L51909DL1987PLC027186**

## ATTENDANCE SLIP

**32nd ANNUAL GENERAL MEETING  
6th SEPTEMBER, 2019, at 12.00 P.M.**

**Folio No./DPID-Client ID:**

**Number of Shares Held:**

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company at **A-35 Chattarpur Central Village Satbari, Chattarpur New Delhi –110074** on Friday, 6<sup>th</sup> September, 2019 at 12.00 P.M.

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*Name of the Member/ Proxy  
(in BLOCK letters)*

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*Signature of the Member / Proxy*

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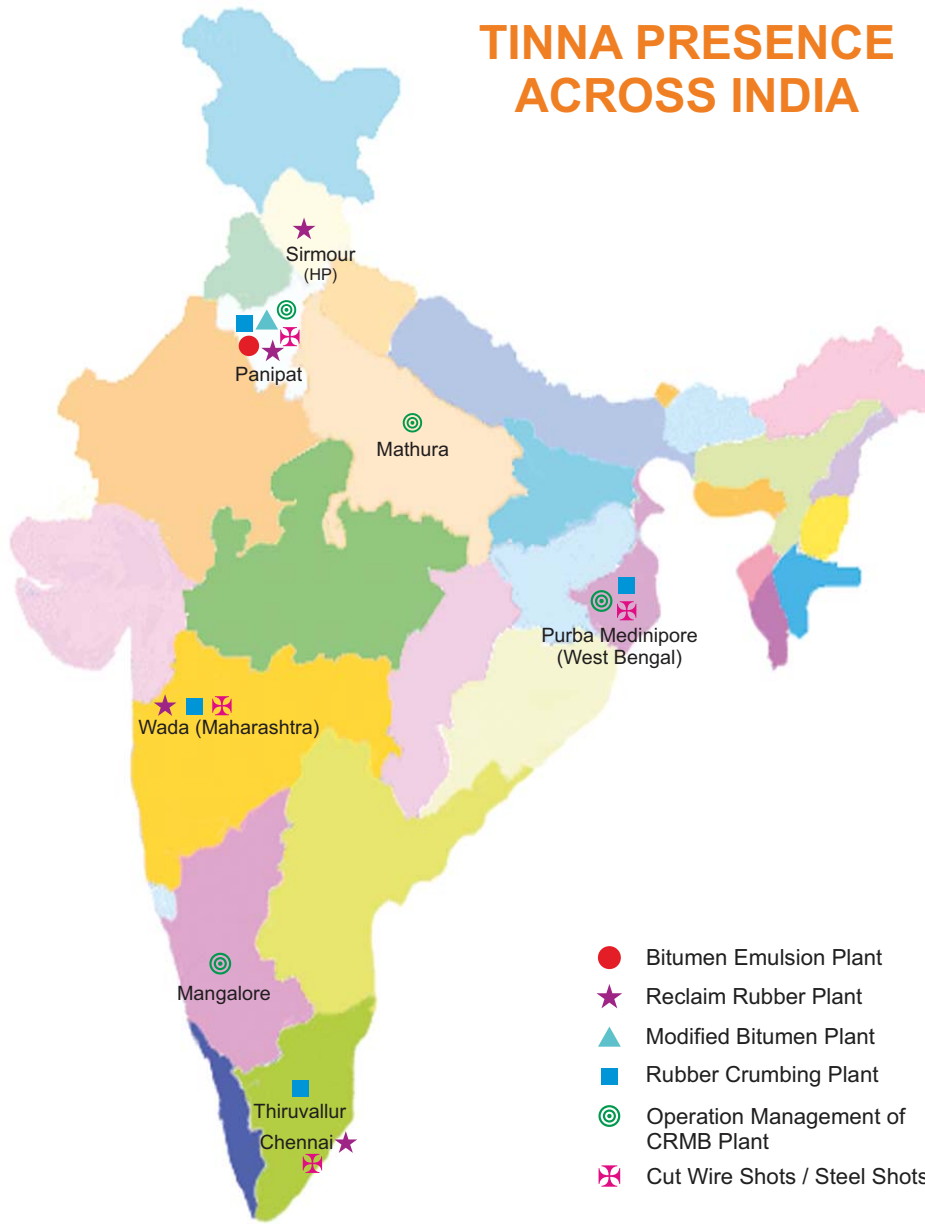
### NOTE:

1. Please complete the Folio/ DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.
2. Physical copy of the Annual Report for the financial period year ended on 31st March, 2019 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are sent in the permitted mode(s) to all members.





# TINNA PRESENCE ACROSS INDIA



- Bitumen Emulsion Plant
- ★ Reclaim Rubber Plant
- ▲ Modified Bitumen Plant
- Rubber Crumbing Plant
- ◎ Operation Management of CRMB Plant
- ✠ Cut Wire Shots / Steel Shots

## ESTEEMED CUSTOMERS



REGISTERED POST / COURIER

TINNA  
**3R**  
Reinforcing Recycled Rubber

*Tinna*  
**TENSO  
FLEX**

**FLEXI  
PAVE**  
For strong roads

**tinnaturf**

If undelivered, please return to :

**Tinna Rubber And Infrastructure Limited**

Regd. Office :

Tinna House, No.-6, Sultanpur (Mandi Road), Mehrauli, New Delhi-110030 (India)

E-mail : [investor@tinna.in](mailto:investor@tinna.in) Website : [www.tinna.in](http://www.tinna.in)

CIN : L51909DL1987PLC027186