

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Tribhovandas Bhimji Zaveri (Bombay) Limited

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Tribhovandas Bhimji Zaveri (Bombay) Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 financial statements under the provisions of the Act 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 audit opinion on the Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note 28 of the accompanying Ind AS financial statements which describes the uncertainties and impact of COVID-19 pandemic on the operations of the Company.

Our opinion is not modified in respect of this matter.

**Information Other than the 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 Director's report but does not include the Ind AS financial statements and our auditor's report thereon. The Director's 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 such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Tribhovandas Bhimji Zaveri (Bombay) Limited  
Audit Report on Ind AS Financial Statements for the year ended March 31, 2020

**Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 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. 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 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 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, management is responsible for 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the 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 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 control 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.





Tribhovandas Bhimji Zaveri (Bombay) Limited  
Audit Report on Ind AS Financial Statements for the year ended March 31, 2020

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

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.

**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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;



Tribhovandas Bhimji Zaveri (Bombay) Limited  
Audit Report on Ind AS Financial Statements for the year ended March 31, 2020

- (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
Vinay Maniar  
Partner

Membership Number: 36738  
UDIN No.: 20036738AAAADH2073  
Place of Signature: Mumbai  
Date: June 24, 2020





Tribhovandas Bhimji Zaveri (Bombay) Limited  
Audit Report on Ind AS Financial Statements for the year ended March 31, 2020

**Annexure 1 to the Independent Auditor's Report of even date on the Ind AS financial statements of Tribhovandas Bhimji Zaveri (Bombay) Limited ('the Company')**

With reference to the "Annexure 1" referred in the Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year March 31, 2020 we report that :

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (b) The Company has a regular programme of physical verification of its fixed assets (property, plant and equipment) by which all fixed assets (property, plant and equipment) are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets (property, plant and equipment) has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company.
- (ii) The Company is involved in the business of rendering services. Accordingly, it does not have physical inventory. Thus, the provisions of paragraph 3(ii) of the Order are not applicable to the company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments or granted any loans or security or guarantee covered under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company. Accordingly, paragraph 3(vi) of the order is not applicable and hence not commented upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. As explained the Company did not have any dues on account of sales tax, value added tax and duty of excise.



Tribhovandas Bhimji Zaveri (Bombay) Limited  
Audit Report on Ind AS Financial Statements for the year ended March 31, 2020

- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, customs duty, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (c) According to the records of the Company, there are no dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of custom, excise duty, goods and service tax, value added tax and cess on account of any dispute.
- (viii) According to information and explanations given by the management, we are of the opinion that the Company does not have any outstanding dues to financial institution, bank and government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable and hence not commented upon.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any monies by way of initial public offer / further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable and hence not commented upon.
- (x) 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 material fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the provision of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements as required under Indian Accounting Standard (Ind AS) 24. The provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) 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(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him/her as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable and hence not commented upon.



# **S R B C & CO LLP**

Chartered Accountants

Tribhovandas Bhimji Zaveri (Bombay) Limited  
Audit Report on Ind AS Financial Statements for the year ended March 31, 2020

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, paragraph 3 (xvi) of the order is not applicable.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
Vijay Maniar  
Partner

Membership No.: 36738  
UDIN: 20036738AAAADH2073  
Place: Mumbai  
Date: June 24, 2020





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF TRIBHOVANDAS BHIMJI ZAVERI (BOMBAY) LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies  
Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial reporting of Tribhovandas Bhimji Zaveri (Bombay) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year 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. 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 the 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Act, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgement, 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 over financial reporting with reference to these financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial  
Statements**

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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;





Tribhovandas Bhimji Zaveri (Bombay) Limited  
Audit Report on Ind AS Financial Statements for the year ended March 31, 2020

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 With Reference to the Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
Vijay Manjari  
Partner

Membership Number: 36738  
UDIN: 20036738AAAADH2073  
Place of Signature: Mumbai  
Date: June 24, 2020



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Balance sheet as at year ended 31 March 2020

(All amounts are in Indian rupees)

|   | Notes | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|-------|------------------------|------------------------|
| <b>ASSETS</b>   |       |                        |                        |
| <b>1 Non-current assets</b>   |       |                        |                        |
| a) Property, plant and equipment  | 3     | 3,06,00,512            | 3,25,80,700            |
| b) Right to use asset   | 4     | 74,47,471              | -                      |
| c) Intangible assets  | 5     | 1,82,069               | 1,96,284               |
| d) Financial assets   | 6     | 1,13,456               | 2,56,371               |
| (i) Investments   | 7     | 56,31,303              | 52,64,208              |
| (ii) Loans  | 8     | -                      | -                      |
| e) Deferred tax assets (net)  | 9     | 1,05,16,684            | 54,42,581              |
| f) Non current tax assets   | 10    | -                      | 2,86,734               |
| g) Other non-current assets   |       | -                      | -                      |
| <b>Total Non-current assets</b>   |       | <b>5,44,91,495</b>     | <b>4,40,26,878</b>     |
| <b>2 Current assets</b>   |       |                        |                        |
| a) Financial assets   | 11    | 7,72,066               | 12,24,806              |
| (i) Cash and cash equivalents   | 12    | 1,26,23,570            | 52,87,386              |
| b) Other current assets   |       | 1,33,95,636            | 65,12,192              |
| <b>Total Current assets</b>   |       | <b>6,78,87,131</b>     | <b>5,05,39,070</b>     |
| <b>Total Assets</b>   |       | <b>6,78,87,131</b>     | <b>5,05,39,070</b>     |
| <b>EQUITY AND LIABILITIES</b>   |       |                        |                        |
| <b>1 Equity</b>   |       |                        |                        |
| a) Equity share capital   | 13    | 5,02,000               | 5,02,000               |
| b) Other equity   | 14    | (7,78,60,518)          | (7,42,88,291)          |
| <b>Equity attributable to equity holders of the Company</b>                           |       | <b>(7,73,58,518)</b>   | <b>(7,37,86,291)</b>   |
| <b>2 Non-current liabilities</b>  |       |                        |                        |
| Provisions  | 15    | 1,14,61,356            | 92,11,056              |
| <b>Total Non-current liabilities</b>  |       | <b>1,14,61,356</b>     | <b>92,11,056</b>       |
| <b>3 Current liabilities</b>  |       |                        |                        |
| a) Financial liabilities  | 16    | 77,55,120              | -                      |
| (i) Lease liability   |       | -                      | -                      |
| (ii) Trade payables   |       | 1,07,262               | 1,53,782               |
| a) Total outstanding of Micro, Small and Medium Enterprises                           | 17    | 11,60,92,235           | 10,14,66,230           |
| b) Total outstanding dues other than Micro, Small and Medium Enterprises              | 18    | 20,000                 | 20,000                 |
| (iii) Security deposit  | 19    | 16,57,586              | 32,09,413              |
| b) Provisions   | 20    | 81,52,090              | 1,02,64,880            |
| c) Other current liabilities  |       | 13,37,84,293           | 11,51,14,305           |
| <b>Total Current liabilities</b>  |       | <b>6,78,87,131</b>     | <b>5,05,39,070</b>     |
| <b>Total Equity and liabilities</b>   |       | <b>6,78,87,131</b>     | <b>5,05,39,070</b>     |
| Summary of significant accounting policies  | 2     |                        |                        |
| The accompanying notes referred to above an integral part of the financial statements | 3-27  |                        |                        |

As per our report of even date  
For S R B C & CO LLP  
ICAI Firm's registration No.324982E/E300003

Vijay Meniar  
Partner  
Membership No: 36738

Place: Mumbai  
Date: 24 June 2020

For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643

Shrikant Zaveri  
Director  
DIN: 00263725

Place: Mumbai  
Date: 24 June 2020

Raashi Zaveri  
Whole Time Director  
DIN: 00713688



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Statement of Profit and Loss for the year ended 31 March 2020

(All amounts are in Indian rupees)

|   | Notes | Year end<br>31 March 2020 | Year end<br>31 March 2019 |
|---|-------|---------------------------|---------------------------|
| <b>1 INCOME</b>   |       |                           |                           |
| Revenue from service income   | 21    | 16,21,24,980              | 19,72,65,864              |
| Other income  | 22    | 10,20,306                 | 9,33,518                  |
| <b>Total Income</b>   |       | <b>16,31,45,286</b>       | <b>19,81,99,382</b>       |
| <b>2 EXPENSES</b>   |       |                           |                           |
| Employee benefits expense   | 23    | 4,66,44,347               | 4,94,61,503               |
| Finance costs   | 24    | 13,64,060                 | -                         |
| Depreciation and amortisation expenses  | 25    | 1,17,84,902               | 27,70,680                 |
| Other expenses  | 26    | 10,58,48,020              | 14,35,99,260              |
| <b>Total Expenses</b>   |       | <b>16,56,41,329</b>       | <b>19,58,31,443</b>       |
| <b>3 Profit before tax</b>  |       | (24,96,043)               | 23,67,939                 |
| <b>Income tax expense</b>   |       | (14,62,022)               | 1,59,957                  |
| - Tax in respect of earlier years   |       |                           |                           |
| <b>4 Total Tax expense</b>  |       | <b>(14,62,021)</b>        | <b>1,59,957</b>           |
| <b>Profit/(Loss) for the year</b>   |       | <b>(10,34,021)</b>        | <b>22,07,982</b>          |
| <b>5 Other Comprehensive Income / (Loss)</b>  |       |                           |                           |
| Items that will not be reclassified subsequently to profit or loss                    |       | (10,72,630)               | 7,47,534                  |
| a) Re-measurement gains on defined benefit plan                                       |       | (1,42,915)                | (80,419)                  |
| b) Re-measurement (loss)/profit on quoted investment                                  |       | <b>(12,15,545)</b>        | <b>6,67,115</b>           |
| <b>Other Comprehensive Income / (Loss)</b>  |       | <b>(22,49,566)</b>        | <b>28,75,097</b>          |
| <b>6 Total Comprehensive Income for the year</b>                                      |       |                           |                           |
| Earnings per equity share   |       |                           |                           |
| Basic & Diluted (₹)   | 27.7  | (205.98)                  | 439.84                    |
| Summary of significant accounting policies  | 2     |                           |                           |
| The accompanying notes referred to above an integral part of the financial statements | 3-27  |                           |                           |

As per our report of even date

For S R B C & CO LLP

ICAI Firm's registration No. 324982E/E300003



Vijay Maniar  
Partner

Membership No: 36738



Place: Mumbai  
Date: 24 June 2020

For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643



Shrikant Zaveri  
Director  
DIN: 00263725

Place: Mumbai  
Date: 24 June 2020



Raashi Zaveri  
Whole Time Director  
DIN: 00713688

# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Statement of Changes in Equity for the year ended 31 March 2020

(All amounts are in Indian rupees)

### A. Equity Share Capital

|  | As at 31 March 2020 |          | As at 31 March 2019 |          |
|--|---------------------|----------|---------------------|----------|
|  | No of shares        | Amount   | No of shares        | Amount   |
| Equity share of Rs. 100 each issued, subscribed and fully paid |                     |          |                     |          |
| As at the beginning of the year                                | 5,020               | 5,02,000 | 5,020               | 5,02,000 |
| Issue of share capital   |                     | -        |                     | -        |
| As at the end of the year                                      | 5,020               | 5,02,000 | 5,020               | 5,02,000 |

### B. Other Equity

|   | Reserve & Surplus                     |                                      | Other Comprehensive Income                                | Total Other Equity |
|---|---------------------------------------|--------------------------------------|---|--------------------|
|   | Securities premium (Refer note no 14) | Retained earnings (Refer note no 14) | Re-measurement of defined benefit plan (Refer note no 14) |                    |
| As at 1 April 2018  | 1,97,31,361                           | (10,03,56,222)                       | 34,61,473   | (7,71,63,388)      |
| Profit for the year   |                                       | 22,07,982                            | -   | 22,07,982          |
| Other comprehensive income for the year                         |                                       | -                                    | 6,67,115  | 6,67,115           |
| Total comprehensive income for the year                         | -                                     | 22,07,982                            | 6,67,115  | 28,75,097          |
| As at 31 March 2019   | 1,97,31,361                           | (9,81,48,240)                        | 41,28,588   | (7,42,88,291)      |
| As at 1 April 2019  | 1,97,31,361                           | (9,81,48,240)                        | 41,28,588   | (7,42,88,291)      |
| Effect of adoption of new accounting standard IND AS 116 Leases |                                       | (13,22,661)                          |   | (13,22,661)        |
| Adjusted balance as at 1 April 2019                             | 1,97,31,361                           | (9,94,70,901)                        | 41,28,588   | (7,56,10,952)      |
| Loss for the year   | -                                     | (10,34,021)                          | -   | (10,34,021)        |
| Other comprehensive income for the year                         | -                                     | -                                    | (12,15,545)   | (12,15,545)        |
| Total comprehensive income                                      | -                                     | (10,34,021)                          | (12,15,545)   | (22,49,566)        |
| Balance as at 31 March 2020                                     | 1,97,31,361                           | (10,05,04,921)                       | 29,13,043   | (7,78,60,518)      |

As per our report of even date

For S R B C & CO LLP  
ICAI Firm's registration No. 324982E/E300003

Vijay Maniar  
Partner  
Membership No: 36738

Place: Mumbai  
Date: 24 June 2020



For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643

Shrikant Zaveri  
Director  
DIN: 00263725

Place: Mumbai  
Date: 24 June 2020

Raashi Zaveri  
Whole Time Director  
DIN: 00713688



Tribhovandas Bhimji Zaveri (Bombay) Limited

Statement of Cash flows for the year ended 31 March 2020

(All amounts are in Indian rupees)

|   | Notes          | Year end<br>31 March 2020 | Year end<br>31 March 2019 |
|---|----------------|---------------------------|---------------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>  |                |                           |                           |
| Net profit before tax   |                | <b>(24,96,043)</b>        | <b>23,67,939</b>          |
| Depreciation and amortisation of property, plant & equipment and intangible assets and right to use asset | 25             | 1,17,84,902               | 27,70,680                 |
| Interest income on income tax refund  | 22             | -                         | (1,50,508)                |
| Dividend income   | 22             | (2,021)                   | (2,021)                   |
| Finance cost  | 24             | 13,64,060                 | -                         |
| Loss on sales of property, plant & equipment and intangible assets and right to use asset (Net)           | 26             | 61,698                    | 37,940                    |
| Rental income   |                | (70,000)                  | (65,000)                  |
| Liabilities/Provision no longer require written back (net)  |                | (3,45,067)                | -                         |
| <b>Operating profit before working capital changes</b>  |                | <b>1,02,97,529</b>        | <b>49,59,031</b>          |
| <b>Movements in working capital:</b>  |                |                           |                           |
| Decrease/(increase) in non current financial asset  | 7              | (3,67,095)                | (4,16,489)                |
| Decrease/(increase) in other non current asset  | 10             | 2,86,734                  | 3,77,825                  |
| Increase/(decrease) in non current provision  | 15             | 22,50,300                 | 6,59,718                  |
| Decrease/(increase) in other current asset  | 12             | (73,36,184)               | (19,09,220)               |
| Increase/(decrease) in trade payables   | 17             | 1,45,79,485               | 36,05,078                 |
| Increase/(decrease) in current provision  | 19             | (15,51,827)               | 49,484                    |
| Increase/(decrease) in other current liabilities  | 20             | (20,36,430)               | (12,77,981)               |
| <b>Cash flow from operations</b>  |                | <b>1,61,22,511</b>        | <b>60,47,447</b>          |
| Direct tax (paid)/ refund received  |                | (50,74,104)               | (30,76,021)               |
| <b>Net cash flow used in operating activities</b>   | <b>(A)</b>     | <b>1,10,48,407</b>        | <b>29,71,427</b>          |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>  |                |                           |                           |
| Addition to property, plant & equipment and intangible assets and right to use asset                      | 3              | (8,00,968)                | (31,91,341)               |
| Proceeds from sale property, plant and equipment  | 3              | 27,800                    | 84,000                    |
| Rental income   |                | 70,000                    | 65,000                    |
| Dividend received   | 22             | 2,021                     | 2,021                     |
| <b>Net cash flow used in investing activities</b>   | <b>(B)</b>     | <b>(7,01,147)</b>         | <b>(30,40,320)</b>        |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>  |                |                           |                           |
| Payment of lease liability  |                | (1,08,00,000)             | -                         |
| <b>Net cash flow used in financing activities</b>   | <b>(C)</b>     | <b>(1,08,00,000)</b>      | <b>-</b>                  |
| <b>Net increase in cash and cash equivalents</b>  | <b>(A+B+C)</b> | <b>(4,52,739)</b>         | <b>(68,895)</b>           |
| Cash and cash equivalent at beginning of year   | 11             | 12,24,806                 | 12,93,700                 |
| <b>Cash and cash equivalent at end of year</b>  |                | <b>7,72,066</b>           | <b>12,24,806</b>          |
| <b>Notes to cash flow statement</b>   |                |                           |                           |
| <b>1 Components of cash and cash equivalents:</b>   |                |                           |                           |
| Cash in hand  | 11             | 19,327                    | 4,518                     |
| Balances with banks   | 11             | 7,52,739                  | 12,20,288                 |
| - on current accounts   |                | <b>7,72,066</b>           | <b>12,24,806</b>          |

The accompanying notes referred to above an integral part of the financial statements

3 to 27

As per our report of even date attached

For S R B C & CO LLP

ICAI Firm's Registration No: 324982E/E300003

Chartered Accountants

Vijay Mahiar  
Partner  
Membership No: 36738

Place: Mumbai  
Date: 24 June 2020



For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643

Shrikant Zaveri  
Director  
DIN : 00263725

Place: Mumbai  
Date: 24 June 2020

Raashi Zaveri  
Whole Time Director  
DIN: 00713688

Notes to the financial statements for the year ended 31 March 2020

1 Corporate information

Tribhovandas Bhimji Zaveri (Bombay) Limited ("the Company") was incorporated on 24 April 1986, in Mumbai. The Company has been converted to a public limited company w.e.f. 27 December 2010. The Company is involved in the business of goldsmiths, silversmiths, gem merchants and other related activities.

2 Significant accounting policies

The accounting policies are set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of Preparation of financial statements

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2019, except for adoption of new standard or any pronouncement effective from 1 April 2019.

Ind AS 116 Leases, become mandatory for reporting periods beginning on or after 01 April 2019 replaces the existing lease standards. The Company has applied modified retrospective approach and accordingly has included the impact of Ind AS 116 applicable to these financial statements refer note 4.

Accounting policies and methods of computation followed in the Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2019, except for adoption of new standard or any pronouncements effective from 1 April 2019.

Going concern assumption

The company has incurred a loss of ₹ 24,96,043. in the current year and profit of ₹ 22,07,982 in the previous year, further the company has accumulated losses of ₹ 10,05,04,921 as at 31 March 2020 (31 March 2019: ₹ 981,48,240) against share capital and premium of ₹ 2,02,33,361 (31 March 2019: ₹ 2,02,33,361) for which the company assured of continual operational and financial support from its holding company. Based on the above, these financial statements have been prepared under a going concern assumption.

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015, and other relevant provisions of the Companies Act, 2013 ("the Act") as amended. The financial statements were authorized for issue by the Company's Board of Directors at their meeting held on 24th June 2020.

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

c. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Net defined benefit liability

d. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (regardless of whether that price is directly observable or estimated using another valuation technique). In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability, at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

e. Current -non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria :

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.





## Notes to the financial statements for the year ended 31 March 2020

## 2 Basis of Preparation of standalone financial statements and significant accounting policies (continued)

## 2.2 Significant accounting policies (continued)

## Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

## Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## 2.2 Significant accounting policies

## a) Property, Plant and Equipment ('PPE')

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the company.

Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress". CWIP Policy - Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Gains or losses arising from disposal or retirement of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation on PPE has been provided under pro-rata basis using straight line method over the estimated useful life of the assets. Freehold land is not depreciated.

| Property, plant and equipment | Management estimate of useful life | Useful life as per Schedule II |
|-------------------------------|------------------------------------|--------------------------------|
| Factory buildings             | 30 years                           | 30 years                       |
| Plant and machinery           | 15 years                           | 15 years                       |
| Computer                      | 3 years                            | 3 years                        |
| Furniture and fittings        | 10 years                           | 10 years                       |

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

Depreciation for the year is recognised in the Statement of Profit and Loss.

## b) Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

The Company's intangible assets comprise of Computer software which are being amortised on a straight line basis over their estimated useful life of five years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

## c) Impairment of non financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of profit and loss. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.





Notes to the financial statements for the year ended 31 March 2020

2 Basis of Preparation of standalone financial statements and significant accounting policies (continued)

2.2 Significant accounting policies (continued)

For assets excluding goodwill, 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 or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

d) Revenue recognition

Revenue is measured at fair value of consideration received or receivable net of returns, volume rebate excluding taxes or duties collected on behalf of the government.

i) Service Income :- Revenue from services is recognized upon rendering of services to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

ii) Interest Income :- Interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably. Interest Income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

iii) Dividend income is recognised when the right to receive payment is established.

iv) Rental Income arising from operating leases is accounted for on straight line basis over the base terms unless the rentals are structured to increase in line with expected general inflation and is included in revenue in the Statement of profit and loss account due to its operating nature.

e) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currency at the exchange rates at the reporting date. The resultant exchange differences are recognized in the Statement of Profit and Loss.

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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

f) Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund and employee state insurance, which are a defined contribution plan, at the prescribed rates. The Company's contribution is recognised as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

Gratuity

The Company's gratuity benefit scheme is a unfunded defined benefit plan. Provision towards gratuity are provided on the basis of an independent actuarial valuation carried out at the end of the year using the projected unit credit method and are debited to the Statement of Profit and Loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in other comprehensive income.

Other long-term employee benefits

Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on unavailed leave on the end of calendar year will be encashed on (Basic+FDA). Gains and losses are recognised in the Statement of profit and loss.

g) Leases

As per Ind AS 116- Lease, 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 and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.





Notes to the financial statements for the year ended 31 March 2020

2 Basis of Preparation of standalone financial statements and significant accounting policies (continued)

2.2 Significant accounting policies (continued)

**Where the Company is the lessee**

Finance leases are capitalised 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 recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated as per straight line method. 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.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**h) Income taxes**

Income tax expense comprises current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

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

Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of Profit & Loss and is considered as (MAT Credit Entitlement). Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

**i) Earnings per share (EPS)**

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**j) Provision, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.





Notes to the financial statements for the year ended 31 March 2020

2 Basis of Preparation of standalone financial statements and significant accounting policies (continued)

2.2 Significant accounting policies (continued)

k) Cash and cash equivalent

Cash and cash equivalent in the balance sheet and for the purpose of the cash flow statement comprise cash in hand and cash at bank are considered as integral part of the Company cash management.

l) Financial instruments

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Financial asset

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition except if and in the period the company changes its business model for managing financial assets.

A 'financial assets' is measured at the amortized cost if both the following conditions are met.

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit and loss.

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of profit and loss.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and financial assets measured at FVOCI. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss

Financial liabilities :

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.





Notes to the financial statements for the year ended 31 March 2020

2 Basis of Preparation of standalone financial statements and significant accounting policies (continued)

2.2 Significant accounting policies (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet, if the Company currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

m) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, 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 assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation, 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 has 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 that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that 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.

(b) Measurement and likelihood of occurrence of provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the financial statements.

(c) Recognition of taxes

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.

(d) Useful life of property, plant and Equipments

Useful lives of property, plant and equipment and intangible assets The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2019, there were no changes in useful lives of property plant and equipment and intangible assets other than those resulting from store closures / shifting of premises.

The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a store (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in profit or loss.

(e) Going concern

These financial statements have been prepared on a going concern basis notwithstanding the losses incurred by the Company. The Company has received a letter from its Holding Company, confirming its support for continued operations of the Company at least up to 31 March 2020. Management believes that the same will enable the Company to continue as a going concern and meet its financial obligations in the near future. These financial statements, therefore, do not include any adjustments relating to recoverability and classification of asset and classification of liabilities that may be necessary if the Company was unable to continue as a going concern.



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the Financial Statements as at 31 March 2020

(All amounts are in Indian rupees)

### 3 Property, plant and equipment

|                             | Freehold land    | Factory building   | Plant and machinery | Furniture and fittings | Computers       | Total              |
|-----------------------------|------------------|--------------------|---------------------|------------------------|-----------------|--------------------|
| <b>Cost</b>                 |                  |                    |                     |                        |                 |                    |
| As at 1 April 2018          | 24,37,840        | 1,10,04,560        | 1,98,10,939         | 26,00,054.00           | 5,32,763        | 3,63,86,156        |
| Additions during the year   | -                | 61,504             | 29,64,585           | 1,65,252               | -               | 31,91,341          |
| Deduction during the year   | -                | -                  | 1,76,372            | -                      | -               | 1,76,372           |
| <b>As at 31 March 2019</b>  | <b>24,37,840</b> | <b>1,10,66,064</b> | <b>2,25,99,152</b>  | <b>27,65,306</b>       | <b>5,32,763</b> | <b>3,94,01,125</b> |
| As at 1 April 2019          | 24,37,840        | 1,10,66,064        | 2,25,99,152         | 27,65,306              | 5,32,763        | 3,94,01,125        |
| Additions during the year   | -                | -                  | 5,02,918            | 1,18,050               | 1,80,000        | 8,00,968           |
| Deduction during the year   | -                | -                  | 1,44,087            | -                      | -               | 1,44,087           |
| <b>As at 31 March, 2020</b> | <b>24,37,840</b> | <b>1,10,66,064</b> | <b>2,29,57,983</b>  | <b>28,83,356</b>       | <b>7,12,763</b> | <b>4,00,58,005</b> |
| <b>Depreciation</b>         |                  |                    |                     |                        |                 |                    |
| As at 1 April 2018          | -                | 9,50,899           | 25,35,700           | 4,91,767               | 1,55,752        | 41,34,118          |
| Depreciation for the year   | -                | 4,78,129           | 18,37,248           | 3,08,594               | 1,16,769        | 27,40,740          |
| Deduction during the year   | -                | -                  | 54,433              | -                      | -               | 54,433             |
| <b>As at 31 March 2019</b>  | <b>-</b>         | <b>14,29,028</b>   | <b>43,18,515</b>    | <b>8,00,361</b>        | <b>2,72,521</b> | <b>68,20,425</b>   |
| As at 1 April 2019          | -                | 14,29,028          | 43,18,515           | 8,00,361               | 2,72,521        | 68,20,425          |
| Depreciation for the year   | -                | 4,79,625           | 18,28,923           | 2,72,425               | 1,13,485        | 26,94,458          |
| Deduction during the year   | -                | -                  | 57,389              | -                      | -               | 57,389             |
| <b>As at 31 March, 2020</b> | <b>-</b>         | <b>19,08,653</b>   | <b>60,90,048</b>    | <b>10,72,786</b>       | <b>3,86,006</b> | <b>94,57,493</b>   |
| <b>Net book value</b>       |                  |                    |                     |                        |                 |                    |
| <b>As at 31 March 2020</b>  | <b>24,37,840</b> | <b>91,57,411</b>   | <b>1,68,67,934</b>  | <b>18,10,570</b>       | <b>3,26,757</b> | <b>3,06,00,512</b> |
| <b>As at 31 March 2019</b>  | <b>24,37,840</b> | <b>96,37,036</b>   | <b>1,82,80,637</b>  | <b>19,64,945</b>       | <b>2,60,242</b> | <b>3,25,80,700</b> |

### 4 Right to Use Assets and Lease Liability

#### Company as a lessee

Effective 1st April, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application i.e. April 01, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

At the commencement date of a lease, the Company has recognised a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The Company has separately recognised the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company shall remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Company will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

The operating leases recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land and other identified assets representing right to use as per contracts excluding low value assets and short term leases of 12 months or less.

The Company has recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied since the inception of lease, apart from the use of incremental borrowing rate at the date of initial application. For new lease entered in current year, the right of use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company has also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The Company has adopted modified retrospective approach as per para C8 (c)(i) of IND AS 116 - Leases to its leases, effective from annual reporting period beginning April 01, 2019. This has resulted in recognizing a Right of Use assets of ₹ 15,868,399 in Financial Statements and Lease Liability of ₹ 17,191,060 in Financial statements as on April 1, 2019 and difference between Right of Use Assets and Lease Liability of ₹ 1,322,661 in Financial Statements has been adjusted in retained earnings. In the statement of profit and loss for the current year, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent performance for year ended March 31, 2020 is not comparable with previous year audited financial statements.





Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

|   | Amount             |
|---|--------------------|
| <b>As at 1 April 2019</b>                         | <b>1,58,68,399</b> |
| Reclassified on account of adoption of IND AS 116 | 6,40,299           |
| Deduction during the year                         | 1,873              |
| <b>As at 31 March, 2020</b>                       | <b>1,65,06,825</b> |
| <b>Depreciation</b>                               |                    |
| <b>As at 1 April 2019</b>                         | <b>-</b>           |
| Depreciation for the year                         | 90,76,229          |
| Deduction during the year                         | 16,875             |
| <b>As at 31 March, 2020</b>                       | <b>90,59,354</b>   |
| <b>Net book value</b>                             |                    |
| <b>As at 31 March 2020</b>                        | <b>74,47,471</b>   |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

|                            | Amount             |
|----------------------------|--------------------|
| <b>As at 1 April 2019</b>  | <b>1,71,91,060</b> |
| Additions                  | -                  |
| Accretion of interest      | 13,64,060          |
| Lease paid                 | 1,08,00,000        |
| <b>As at 31 March 2020</b> | <b>77,55,120</b>   |
| Non Current                | -                  |
| Current                    | 77,55,120          |

The following are the amounts recognised in statement of profit or loss:

|  | Amount             |
|--|--------------------|
| Depreciation expense of right-of-use assets                        | 90,76,229          |
| Interest expense on lease liabilities                              | 13,64,060          |
| Expense relating to short-term leases (included in other expenses) | 40,15,000          |
| Variable lease payments (included in other expenses)               | -                  |
| <b>Total amount recognised in profit or loss</b>                   | <b>1,44,55,290</b> |

The Company had total cash outflows for leases of ₹ 1,08,00,000 in 31 March 31 2020 . The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ NIL in 31 March 2020 .

##### 5 Intangible assets

|                             | Computer Software | Total            |
|-----------------------------|-------------------|------------------|
| <b>Cost</b>                 |                   |                  |
| As at 1 April 2018          | 11,53,044         | 11,53,044        |
| Additions during the year   | -                 | -                |
| Deduction during the year   | -                 | -                |
| <b>As at 31 March 2019</b>  | <b>11,53,044</b>  | <b>11,53,044</b> |
| As at 1 April 2019          | 11,53,044         | 11,53,044        |
| Additions during the year   | -                 | -                |
| Deduction during the year   | -                 | -                |
| <b>As at 31 March, 2020</b> | <b>11,53,044</b>  | <b>11,53,044</b> |
| <b>Amortisation</b>         |                   |                  |
| As at 1 April 2018          | 9,26,820          | 9,26,820         |
| Amortisation for the year   | 29,940            | 29,940           |
| Deduction during the year   | -                 | -                |
| <b>As at 31 March 2019</b>  | <b>9,56,760</b>   | <b>9,56,760</b>  |
| As at 1 April 2019          | 9,56,760          | 9,56,760         |
| Amortisation for the year   | 14,215            | 14,215           |
| Deduction during the year   | -                 | -                |
| <b>As at 31 March, 2020</b> | <b>9,70,975</b>   | <b>9,70,975</b>  |
| <b>Net book value</b>       |                   |                  |
| <b>As at 31 March 2020</b>  | <b>1,82,069</b>   | <b>1,82,069</b>  |
| <b>As at 31 March 2019</b>  | <b>1,96,284</b>   | <b>1,96,284</b>  |



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements as at 31 March 2020

(All amounts are in Indian rupees)

|  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>6 Investments</b>   |                        |                        |
| Investments at fair value through OCI (fully paid - Quoted)                                |                        |                        |
| Bank of Baroda   |                        |                        |
| 1903 (31 March 19 : 1903) Equity shares of ₹ 121.60 each (31 March 19 ₹ 128.65 each)       | 1,01,906               | 2,44,821               |
| Investments in equity instruments (Unquoted)   |                        |                        |
| Saraswat Co-operative Bank Ltd   |                        |                        |
| 1,150 (31 March 19: 1,150) Equity shares of ₹ 10.00 (31 March 19 ₹ 10.00 each)             | 11,550                 | 11,550                 |
|  | <b>1,13,456</b>        | <b>2,56,371</b>        |
| Aggregate book value of quoted investments   | 5,06,025               | 5,06,025               |
| Aggregate market value of quoted investments   | 1,01,906               | 2,44,821               |
| Aggregate book value of unquoted investments   | 11,550                 | 11,550                 |
| <b>7 Loans</b>   |                        |                        |
| (Unsecured considered good)  |                        |                        |
| To related parties   |                        |                        |
| Security deposits (Refer note 27.4)  | 50,08,683              | 46,41,588              |
| To parties other than related parties  |                        |                        |
| Security deposits  | 6,22,620               | 6,22,620               |
|  | <b>56,31,303</b>       | <b>52,64,208</b>       |
| <b>8 Deferred tax assets (net)</b>   |                        |                        |
| The following is the analysis of deferred tax assets/(liabilities)                         |                        |                        |
| Deferred tax assets (Refer note no 8b)   | 3,33,89,505            | 3,22,30,062            |
| Deferred tax Liability   | (20,76,502)            | (27,03,173)            |
| Net deferred tax assets*   | <b>3,13,13,003</b>     | <b>2,95,26,889</b>     |
| Deferred tax assets recognised in financial statements                                     | -                      | -                      |
| *in the absence of convincing evidence, the company has not recognised deferred tax assets |                        |                        |
| <b>8 (a): Income tax expense</b>   |                        |                        |
| (i) Amounts recognised in profit and loss  | -                      | -                      |
| Current income tax   | -                      | -                      |
| Changes in estimates relating to prior years   | -                      | -                      |
| Deferred income tax liability / (asset), net   | -                      | -                      |
| Origination and reversal of temporary differences  | -                      | -                      |
| Change in tax rate   | -                      | -                      |
| Deferred tax expense   | -                      | -                      |
| Tax expense for the year   | -                      | -                      |
| (ii) Amounts recognised in other comprehensive income                                      | -                      | -                      |
| Items that will not be reclassified to profit or loss                                      | -                      | -                      |
| Items that will be reclassified to profit or loss  | -                      | -                      |
| (iii) Reconciliation of effective tax rate   | -                      | -                      |
| Profit/(Loss) before tax   | (24,96,043)            | 23,67,939              |
| Company's domestic tax rate  | 25.17%                 | 25.75%                 |
| Tax using the company's domestic tax rate  | -                      | 6,09,744               |
| Tax effect of:   |                        |                        |
| Income not considered for tax purpose/ Exempt income                                       | 2,021                  | 2,021                  |
| Set off against earlier year carried forward losses  | -                      | (6,11,765)             |
| Current tax  | -                      | -                      |
| Deferred tax   | -                      | -                      |
| Total tax  | -                      | -                      |





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

### 8 Deferred tax assets (net)

#### 8 (b): Deferred tax

#### Movement in deferred tax balances for the year ended March 31, 2020

| Particulars  | Net balance<br>March 31, 2019 | Recognised in<br>profit or loss* | Recognised<br>in OCI | Net balance<br>March 31, 2020 |
|--|-------------------------------|----------------------------------|----------------------|-------------------------------|
| Property, plant and equipment, Right to use assets & Intangible assets | (27,03,173)                   | (6,26,671)                       | -                    | (20,76,502)                   |
| Employee Benefits  | 43,13,485                     | (1,17,722)                       | -                    | 44,31,207                     |
| Carried forward losses   | 2,48,07,223                   | 28,70,381                        | -                    | 2,19,36,842                   |
| Unabsorbed depreciation  | 58,72,665                     | (8,08,735)                       | -                    | 66,81,400                     |
| Deferred tax asset on adoption of Ind AS 116 Leases                    |                               | (3,40,056)                       |                      | 3,40,056                      |
| <b>Deferred tax asset/(liabilities)</b>                                | <b>3,22,90,200</b>            | <b>9,77,197</b>                  |                      | <b>3,13,13,003</b>            |
| <b>Net deferred tax assets restricted to*</b>                          | <b>-</b>                      | <b>-</b>                         | <b>-</b>             | <b>-</b>                      |

#### Movement in deferred tax balances for the year ended March 31, 2019

| Particulars                                       | Net balance<br>March 31, 2018 | Recognised in<br>profit or loss* | Recognised<br>in OCI | Net balance<br>March 31, 2019 |
|---|-------------------------------|----------------------------------|----------------------|-------------------------------|
| Property, plant and equipment & Intangible assets | (26,99,870)                   | 3,303                            | -                    | (27,03,173)                   |
| Employee Benefits                                 | 43,02,109                     | (11,376)                         | -                    | 43,13,485                     |
| Carried forward losses                            | 2,60,87,530                   | 12,80,307                        | -                    | 2,20,43,912                   |
| Unabsorbed depreciation                           | 52,72,095                     | (6,00,570)                       | -                    | 58,72,665                     |
| <b>Deferred tax asset/(liabilities)</b>           | <b>3,29,61,864</b>            | <b>6,71,664</b>                  |                      | <b>2,95,26,889</b>            |
| <b>Net deferred tax assets restricted to</b>      | <b>-</b>                      | <b>-</b>                         | <b>-</b>             | <b>-</b>                      |

#### Tax losses carried forward

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future capital gains profit will be available against which the company can use the benefits therefrom.

#### Tax losses carried forward

| Year ended | Amount       | Expiry date |
|------------|--------------|-------------|
| 31-Mar-20  | 11,13,11,711 | 31-Mar-28   |
| 31-Mar-19  | 11,29,95,200 | 31-Mar-27   |



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements as at 31 March 2020

(All amounts are in Indian rupees)

|   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>9 Other tax assets</b>   |                        |                        |
| Advance tax (net of provision ₹ 20,00,000 )<br>(31 March 2019: ₹ 53,68,804) | 1,05,16,684            | 54,42,581              |
|   | <u>1,05,16,684</u>     | <u>54,42,581</u>       |
| <b>10 Other non current assets</b>  |                        |                        |
| To related parties  |                        |                        |
| Prepayments (Refer note 27.4)   | -                      | 2,86,734               |
|   | <u>-</u>               | <u>2,86,734</u>        |
| <b>11 Cash and cash equivalents</b>   |                        |                        |
| Cash on hand  | 19,327                 | 4,518                  |
| Balances with banks   | 7,52,739               | 12,20,288              |
| -On current account   |                        |                        |
|   | <u>7,72,066</u>        | <u>12,24,806</u>       |
| <b>12 Other current assets</b>  |                        |                        |
| To parties other than related parties                                       |                        |                        |
| Prepayments   | 4,92,257               | 3,82,963               |
| Advances to others  | 70,64,142              | 8,709                  |
| Employee advances   | 14,000                 | 9,500                  |
| Balance with government authorities (Other than income tax)                 | 50,53,171              | 45,08,388              |
| To related parties  |                        |                        |
| Prepayments (refer note no. 27.4)   | -                      | 3,77,826               |
|   | <u>1,26,23,570</u>     | <u>52,87,386</u>       |

**13 Equity share capital**

**Authorised**

|                                 | As at 31 March 2020 |           | As at 31 March 2020 |           |
|---------------------------------|---------------------|-----------|---------------------|-----------|
|                                 | No. of shares       |           | No. of shares       |           |
| As at the beginning of the year | 10,000              | 10,00,000 | 10,000              | 10,00,000 |
| Increase during the year        | -                   | -         | -                   | -         |
| As at the end of the year       | 10,000              | 10,00,000 | 10,000              | 10,00,000 |

**Issued, subscribed and fully paid up**

|                                 | As at 31 March 2020 |          | As at 31 March 2020 |          |
|---------------------------------|---------------------|----------|---------------------|----------|
|                                 | No. of shares       |          | No. of shares       |          |
| As at the beginning of the year | 5,020               | 5,02,000 | 5,020               | 5,02,000 |
| Increase during the year        | -                   | -        | -                   | -        |
| As at the end of the year       | 5,020               | 5,02,000 | 5,020               | 5,02,000 |

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

|                                      | As at 31 March 2020 |          | As at 31 March 2020 |          |
|--------------------------------------|---------------------|----------|---------------------|----------|
|                                      | No. of shares       |          | No. of shares       |          |
| Equity shares                        |                     |          |                     |          |
| At the beginning and at the year end | 5,020               | 5,02,000 | 5,020               | 5,02,000 |
| At the end of the year               | 5,020               | 5,02,000 | 5,020               | 5,02,000 |





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements as at 31 March 2020

(All amounts are in Indian rupees)

### b. Terms / rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

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

### c. Details of shareholders holding more than 5% shares in the Company

|  | As at 31 March 2020 |                    | As at 31 March 2020 |                    |
|--|---------------------|--------------------|---------------------|--------------------|
|  | No. of shares       | % holding in class | No. of shares       | % holding in class |
| Equity shares of Rs. 100 each fully paid-up held by Tribhovandas Bhimji Zaveri Limited and nominee | 5,020               | 100%               | 5,020               | 100%               |

|  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
|--|------------------------|------------------------|

## 14 Other equity

### Securities premium

|   |             |             |
|---|-------------|-------------|
| As at the beginning of the year                   | 1,97,31,361 | 1,97,31,361 |
| Add: Securities premium collected during the year | -           | -           |
| As at the end of the year                         | 1,97,31,361 | 1,97,31,361 |

### Retained earnings

|  |                |                |
|--|----------------|----------------|
| As at the beginning of the year                | (9,81,48,240)  | (10,03,56,222) |
| Add/Less: Opening impact of Ind AS 116: Leases | (13,22,661)    | -              |
| Adjusted balance as at 01 April 2019           | (9,94,70,901)  | (10,03,56,222) |
| Add: Profit/(Loss) for the year                | (10,34,021)    | 22,07,982      |
| As at the end of the year                      | (10,05,04,921) | (9,81,48,240)  |

### Other comprehensive Income

|  |               |               |
|--|---------------|---------------|
| As at the beginning of the year                        | 41,28,588     | 34,61,473     |
| Add: Re-measurement gains/ (losses) on defined benefit | (12,15,545)   | 6,67,115      |
| As at the end of the year                              | 29,13,043     | 41,28,588     |
|  | (7,78,60,518) | (7,42,88,291) |

### Securities premium

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserves is restricted by the Companies Act, 2013.

### Retained earnings

Retained earnings comprise of the Company's undistributed profits/(losses) after taxes.

### Other comprehensive income

Items of other comprehensive income consist of re-measurement of defined benefit plan.

### Other comprehensive income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

## 15 Non-current provisions

### Provision for employee benefits

|  |             |           |
|--|-------------|-----------|
| Provision for gratuity (refer note 27.3 (b)) | 1,14,61,356 | 92,11,056 |
|  | 1,14,61,356 | 92,11,056 |

## 16 Current Lease liability

|                                |           |   |
|--------------------------------|-----------|---|
| Lease liability (Refer note 4) | 77,55,120 | - |
|                                | 77,55,120 | - |



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements as at 31 March 2020

(All amounts are in Indian rupees)

|  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>17 Trade payables</b>                                 |                        |                        |
| Due to   |                        |                        |
| - To related parties (refer note 27.4)                   | 10,54,73,449           | 9,50,41,172            |
| - Micro, Small and Medium Enterprises (refer note 27.2)  | 1,07,262               | 1,53,782               |
| - Due to other (refer note 27.5)                         | 1,06,18,786            | 64,25,058              |
|  | <u>11,61,99,497</u>    | <u>10,16,20,012</u>    |
| <b>18 Security deposit</b>                               |                        |                        |
| To parties other than related parties                    |                        |                        |
| - Deposits   | 20,000                 | 20,000                 |
|  | <u>20,000</u>          | <u>20,000</u>          |
| <b>19 Current provisions</b>                             |                        |                        |
| <b>Employee benefits obligation</b>                      |                        |                        |
| Provision for gratuity (Refer note 27.3 (b))             | 9,71,151               | 9,78,890               |
| Provision for compensated absences (Refer note 27.3 (c)) | 6,86,435               | 22,30,523              |
|  | <u>16,57,586</u>       | <u>32,09,413</u>       |
| <b>20 Other current liabilities</b>                      |                        |                        |
| <b>Other payables</b>                                    |                        |                        |
| Accrual for expenses                                     | 5,62,071               | 17,96,487              |
| Employee benefits payable                                | 68,54,075              | 74,10,819              |
| Statutory dues#  | 7,35,944               | 10,57,574              |
|  | <u>81,52,090</u>       | <u>1,02,64,880</u>     |

#Statutory liabilities includes Tax deducted at source, Employee state insurance, Goods and service tax, Provident fund and Profession tax.

Other current liabilities are non-interest bearing and have an average of 12 months terms

Undisputed statutory dues are generally settled in the next months





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

|  | Year end<br>31 March 2020 | Year end<br>31 March 2019 |
|--|---------------------------|---------------------------|
| <b>21 Revenue from operations</b>  |                           |                           |
| Service income (refer note 24.5)   |                           |                           |
| -Labour charges  | 16,21,24,980              | 19,69,64,146              |
| -Melting & refining  | -                         | 3,01,718                  |
|  | <b>16,21,24,980</b>       | <b>19,72,65,864</b>       |
| India  | 16,21,24,980              | 19,72,65,864              |
| Outside india  | -                         | -                         |
| <b>Reconciliation of revenue as recognised in Statement of Profit and Loss</b>   |                           |                           |
| Revenue as per contracted price  | 16,21,24,980              | 19,72,65,864              |
| <b>Revenue as per Statement of Profit and Loss</b>   | <b>16,21,24,980</b>       | <b>19,72,65,864</b>       |
| <b>Refund assets and Refund liabilities:</b>   |                           |                           |
| Refund assets  | -                         | -                         |
| Refund liabilities   | -                         | -                         |
| Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has impacted the Company's accounting for revenue wherein the company has accounted for refund liability basis the past trend and there are no adjustments required to the retained earnings as at April 1, 2018. |                           |                           |
| <b>22 Other income</b>   |                           |                           |
| Dividend income  | 2,021                     | 2,021                     |
| Interest income on income tax refund   | -                         | 1,50,508                  |
| Interest income on security deposit  | 6,03,218                  | 3,83,250                  |
| Rent Income  | 70,000                    | 65,000                    |
| Liabilities/Provisions no longer required written back   | 3,45,067                  | 3,32,739                  |
|  | <b>10,20,306</b>          | <b>9,33,518</b>           |
| <b>23 Employee benefits expenses</b>   |                           |                           |
| Salaries, wages and bonus  | 4,04,77,178               | 4,24,01,066               |
| Contributions to provident and other funds   | 34,40,978                 | 26,92,326                 |
| Gratuity expenses (Refer note 27.3 (b))  | 18,71,343                 | 17,39,777                 |
| Compensated absences (Refer note 27.3 (c))   | (12,42,059)               | 2,45,961                  |
| Staff welfare expenses   | 20,96,907                 | 23,82,373                 |
|  | <b>4,66,44,347</b>        | <b>4,94,61,503</b>        |
| <b>24 Finance costs</b>  |                           |                           |
| Interest expense on lease liability (Refer note 4)   | 13,64,060                 | -                         |
|  | <b>13,64,060</b>          | <b>-</b>                  |
| <b>25 Depreciation and amortisation expenses</b>   |                           |                           |
| Depreciation on property, plant and equipment (Refer note 3)   | 26,94,458                 | 27,40,740                 |
| Depreciation on right to use assets (Refer note 4)   | 90,76,229                 | -                         |
| Amortisation of intangible assets (Refer note 5)   | 14,215                    | 29,940                    |
|  | <b>1,17,84,902</b>        | <b>27,70,680</b>          |



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

|                                | Year end<br>31 March 2020 | Year end<br>31 March 2019 |
|--------------------------------|---------------------------|---------------------------|
| <b>26 Other expenses</b>       |                           |                           |
| Stores and spares consumed     | 2,76,80,320               | 2,96,93,704               |
| Job work charges               | 5,41,97,098               | 7,72,10,913               |
| Power and fuel                 | 61,42,897                 | 71,31,543                 |
| Rent (Refer note 4)            | 40,15,000                 | 1,51,70,326               |
| Rates and taxes                | 25,79,118                 | 21,60,392                 |
| Repairs and maintenance:       |                           |                           |
| - Plant and machinery          | 5,77,373                  | 9,79,703                  |
| - Others                       | 5,81,115                  | 9,67,203                  |
| Insurance                      | 51,169                    | 45,358                    |
| Travelling and conveyance      | 1,04,698                  | 1,21,974                  |
| Payment to auditors:           |                           |                           |
| -Statutory audit               | 8,00,000                  | 8,00,000                  |
| -Limited review                | 1,60,000                  | -                         |
| -Out of pocket expense         | 64,000                    | 30,400                    |
| Legal and professional fees    | 43,08,358                 | 40,01,700                 |
| Printing and stationery        | 2,16,139                  | 2,59,435                  |
| Telephone and postage expenses | 1,68,935                  | 2,53,090                  |
| Security charges               | 17,83,194                 | 20,82,988                 |
| Bank charges                   | 1,485                     | 3,408                     |
| Housekeeping Charges           | 14,10,553                 | 12,19,148                 |
| Miscellaneous expenses         | 10,06,568                 | 14,67,975                 |
|                                | <b>10,58,48,020</b>       | <b>14,35,99,260</b>       |





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

### 27.1 Contingent liabilities and commitments

#### (i) Contingent Liabilities

The Company does not have any pending litigations as on 31st March 2020 requiring disclosure of contingent liabilities. (31 March 2019 : Rs Nil)

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

#### (ii) Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2020 is ₹ Nil, (31 March 2019 : ₹ Nil) (not of advances)

#### (iii) Leases

##### Operating lease commitment as a lessee

The company has entered into agreements for taking on lease industrial premises & plant & machinery. These lease have terms of between two to five years. All lease include a clause to enable upward revision of the rental charge on the annual basis to the prevailing market condition.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2020 are as follows -

| Particulars  | 31-Mar-20          | 31-Mar-19          |
|--|--------------------|--------------------|
| Amount due within one year from the balance sheet date         | 1,10,70,000        | 1,47,60,000        |
| Amount due for the period after one year and before five years | -                  | 1,10,70,000        |
| Amount due for the period after five years                     | -                  | -                  |
| <b>Total</b>   | <b>1,10,70,000</b> | <b>2,58,30,000</b> |

The initial non-cancellable period of lease contracts have been taken for the disclosure above.

Note: w.e.f 1st April, 2019, IND AS 116 "Leases" supersedes IND AS 17 "Leases". Refer note 4 for disclosures

### 27.2 Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprise.

On the basis of the information and records available with management, there are no dues to Micro, Small and Medium enterprises who have registered with the competent authorities.

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each  |               |               |
| Principal amount due to Micro and Small Enterprises.  | 1,07,262      | 1,53,782      |
| Interest due on the above   | -             | -             |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.  | -             | -             |
| 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 Micro, Small and Medium Enterprises Development Act, 2006.  | -             | 10,086        |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and   | -             | -             |
| 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 of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -             | -             |

### 27.3 Gratuity and Other Post-employment benefit plans

#### a) Defined contribution plans

The Company operates gratuity plan unfunded trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A part of the gratuity plan is unfunded and managed within the Company, hence the liability has been bifurcated into unfunded.

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to ₹ 34,40,978 (31 March 2019: ₹ 2,692,326) which is shown under notes to financial statements 23 - 'Employee benefits expenses'.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, and the funded status and amounts recognised in the Balance Sheet for the respective plans:

#### b) Defined benefit plans

| I Change in Benefit Obligation   | Gratuity (unfunded) |                    |
|--|---------------------|--------------------|
|  | 31 March 2020       | 31 March 2019      |
| Liability at the beginning of the year   | 1,01,89,946         | 93,36,753          |
| Current Service Cost   | 11,00,365           | 10,26,023          |
| Interest cost  | 7,70,978            | 7,13,754           |
| Re-measurement (or Actuarial) (gain) / loss arising  |                     |                    |
| change in demographic assumptions  | 7,563               | -                  |
| experience variance (i.e. Actual experience vs   | 10,40,401           | 90,614             |
| others   | 24,666              | (8,38,148)         |
| Benefit paid   | (7,01,412)          | (1,39,050)         |
| Liability at the end of the year   | <b>1,24,32,507</b>  | <b>1,01,89,946</b> |
| <b>Bifurcation of Present value of obligation at the end of the year as per revised Schedule III of the Companies Act,</b> |                     |                    |
| Current liabilities (Short term)   | 9,71,151            | 9,78,890           |
| Non-Current liabilities (Long term)  | 1,14,61,356         | 92,11,056          |
| <b>Present value of obligation</b>   | <b>1,24,32,507</b>  | <b>1,01,89,946</b> |



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

|  |                    |                    |
|--|--------------------|--------------------|
| <b>II Amount recognised in the Balance Sheet</b>   |                    |                    |
| Liability at the end of the year   | 1,24,32,507        | 1,01,89,946        |
| Fair value of plan assets at the end of the year   | -                  | -                  |
| Amount recognised in the Balance Sheet   | <b>1,24,32,507</b> | <b>1,01,89,946</b> |
| Current provision  | 9,71,151           | 9,78,890           |
| Non current provision  | 1,14,61,356        | 92,11,056          |
|  | <b>1,24,32,507</b> | <b>1,01,89,946</b> |
| <b>III Expenses Recognised in the Statement of Profit &amp; Loss</b>                           |                    |                    |
| Current service cost   | 11,00,365          | 10,26,023          |
| Past service cost  | -                  | -                  |
| Loss/(Gain) on settlement  | -                  | -                  |
| Net interest Cost/ (Income) on net defined benefit liability/(Asset)                           | 7,70,978           | 7,13,754           |
| Expenses Recognised in the Statement of Profit & Loss  | <b>18,71,343</b>   | <b>17,39,777</b>   |
| <b>IV Other Comprehensive Income</b>   |                    |                    |
| Actuarial (gains) / losses   |                    |                    |
| change in demographic assumptions  | 7,563              | -                  |
| change in financial assumptions  | 10,40,401          | 90,614             |
| experience variance (i.e. Actual experience vs assumptions)                                    | 24,666             | (8,38,148)         |
| others   | -                  | -                  |
| Return on plan assets, excluding amount recognised in net interest expense                     | -                  | -                  |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | -                  | -                  |
| Components of defined benefit costs recognised in other comprehensive income                   | 10,72,630          | (7,47,534)         |
| <b>V Balance sheet reconciliation</b>  |                    |                    |
| Opening net liability  | 1,01,89,946        | 93,36,753          |
| Adjustment to opening balance  | -                  | -                  |
| Expense recognized in the Statement of Profit and Loss   | 18,71,343          | 17,39,777          |
| Expense recognized in the Statement of OCI   | 10,72,630          | (7,47,534)         |
| Contribution paid  | (7,01,412)         | (1,39,050)         |
| Amount recognised in balance sheet   | <b>1,24,32,507</b> | <b>1,01,89,946</b> |

**VI Sensitivity analysis**

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2020.

|                               | As at 31 March 2020 |             | As at 31 March 2019 |             |
|-------------------------------|---------------------|-------------|---------------------|-------------|
|                               | Decrease            | Increase    | Decrease            | Increase    |
| Discount rate (- / + 1%)      | 1,36,98,023         | 1,13,38,207 | 1,11,72,523         | 93,37,395   |
| Salary growth rate (- / + 1%) | 1,13,60,670         | 1,36,44,188 | 93,47,979           | 1,11,39,783 |
| Attrition Rate (- / + 1%)     | 1,34,06,140         | 1,18,08,406 | 1,07,73,739         | 98,06,520   |
| Mortality Rate (- / + 1%)     | 1,24,41,748         | 1,24,23,309 | 1,01,95,702         | 1,01,84,218 |

|  |  |   |   |
|--|--|---|---|
| <b>VII Principal actuarial assumptions</b>                       |  | <b>31 March 2020</b>                              | <b>31 March 2019</b>                              |
| Discount rate per annum  |  | 6.60%   | 7.55%   |
| Salary escalation rate per annum                                 |  | 10.00%  | 10.00%  |
| Normal retirement age  |  | 60  | 60  |
| Mortality  |  | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Attrition / Withdrawal rate (per annum)                          |  | Based on past service: 19%                        | Based on past service: 19%                        |
| <b>VIII Maturity Profile of Defined Benefit Obligation</b>       |  |   |   |
| Weighted average duration (based on discounted cashflows)        |  | 10 years  | 10 years  |
| Expected cash flows over the next (valued on undiscounted basis) |  |   |   |
| 1 year   |  | 9,71,551  | 9,78,890  |
| 2 to 5 years   |  | 33,76,763   | 29,97,798   |
| 6 to 10 years  |  | 60,61,912   | 49,33,470   |
| More than 10 years   |  | 1,57,48,394                                       | 1,45,51,956                                       |

**c) Other long-term employee benefits**

**Compensated absences**

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based unavailed leave on end of calendar year will be encashed on (Basic+FDA). Gains and losses are recognised in the Statement of profit and loss.





Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

27.4 Information on related party transactions as required by the Indian Accounting Standard (Ind AS) 24 for the year ended 31 March 2020

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

I. Name of related parties

Holding Company

1. Tribhovandas Bhimji Zaveri Limited

Key Managerial Personnel

1. Shrikant Zaveri, Director
2. Binaisha Zaveri, Director
3. Raashi Zaveri, Director
4. Mayur Choksi, Director



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

### 27 Notes to Accounts (Continued)

#### 27.4 Information on related party transactions as required by the Indian Accounting Standard (IND AS) - 24 for the year ended 31 March 2020 (Continued)

Transactions during the year and balances as at year end with related parties (Holding company):

| Nature of transaction                | 31 March 2020 | 31 March 2019 |
|--------------------------------------|---------------|---------------|
| <b>Transaction during the period</b> |               |               |
| Service income                       | 16,21,24,980  | 19,72,65,864  |
| Rent paid                            | 1,47,60,000   | 1,47,60,000   |
| Reimbursement of expenses            | 4,65,876      | -             |
| <b>Balance as at 31 March 2020</b>   |               |               |
| Security deposits given              | 50,08,683     | 46,41,588     |
| Advance received from customer       | 10,54,73,449  | 9,50,41,172   |
| Prepaid lease                        | -             | 6,64,559      |

#### Notes:

##### Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: ₹ Nil). 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.

#### 27.5 Earning per share (EPS)

| Particulars  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Profit/(Loss) after taxation   | (10,34,021)   | 22,07,982     |
| Weighted average number of equity shares                                 | 5,020         | 5,020         |
| Basic and diluted earning/(loss) per share (face value Rs 100 per share) | (205.98)      | 439.84        |

#### 27.6 Segment reporting

The Company has only one reportable business of rendering labour service for manufacture of jewellery and only one reportable geographical segment which is India. Accordingly, the company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment".





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements for the year ended 31 March 2020

### Financial Instruments - Fair values and risk management (Continued)

#### Financial risk management

##### A: Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

##### Trade receivables and other deposits

The company is involved in the business of manufacturing of goldsmiths, silversmiths, gem merchants, ornaments and other related activities. The Company is 100% Subsidiary of Tribhovandas Bhimji Zaveri Limited and the company dealing with only one customer ie holding company. The Company also given lease security deposits to its parent company.

##### Other financial assets

The Company held cash and cash equivalents of ₹ 7,72,066 as at March 31, 2020 (₹ 12,24,806 as at March 31, 2019). The cash and cash equivalents are held with bank.

##### B: Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2020 and 31 March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

##### Exposure to liquidity risk

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

| March 31, 2020                      | Carrying amount | Total        | Less than 1 year | More than 1 year |
|-------------------------------------|-----------------|--------------|------------------|------------------|
| Trade payables                      | 11,61,99,497    | 11,61,99,497 | 11,59,95,437     | 2,04,060         |
| Other current financial liabilities | 20,000          | 20,000       | 20,000           | -                |
| March 31, 2019                      | Carrying amount | Total        | Less than 1 year | More than 1 year |
| Trade payables                      | 10,16,20,012    | 10,16,20,012 | 10,16,20,012     | -                |
| Other current financial liabilities | 20,000          | 20,000       | 20,000           | -                |



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees)

### 27.7 Financial Instruments - Fair values and risk management

#### 27.7.1 Financial Instruments - Fair values

##### Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

a) The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

| 31 March 2020                        | Carrying amount |                |              | Fair value |         |         |          |
|--------------------------------------|-----------------|----------------|--------------|------------|---------|---------|----------|
|                                      | FVTPL           | Amortised cost | Total        | Level 1    | Level 2 | Level 3 | Total    |
| <b>Non-current financial assets</b>  |                 |                |              |            |         |         |          |
| Investments                          | 1,13,456        | -              | 1,13,456     | 1,13,456   | -       | -       | 1,13,456 |
| Security deposit                     | -               | 56,31,303      | 56,31,303    | -          | -       | -       | -        |
| Others                               | -               | -              | -            | -          | -       | -       | -        |
| <b>Current financial assets</b>      |                 |                |              |            |         |         |          |
| Cash and cash equivalents            | -               | 7,72,066       | 7,72,066     | -          | -       | -       | -        |
| <b>Current financial liabilities</b> |                 |                |              |            |         |         |          |
| Trade payables                       | -               | 11,61,99,497   | 11,61,99,497 | -          | -       | -       | -        |

  

| 31 March 2019                        | Carrying amount |                |              | Fair value |         |         |          |
|--------------------------------------|-----------------|----------------|--------------|------------|---------|---------|----------|
|                                      | FVTPL           | Amortised cost | Total        | Level 1    | Level 2 | Level 3 | Total    |
| <b>Non-current financial assets</b>  |                 |                |              |            |         |         |          |
| Investments                          | 2,56,371        | -              | 2,56,371     | 2,56,371   | -       | -       | 2,56,371 |
| Security deposit                     | -               | 52,64,208      | 52,64,208    | -          | -       | -       | -        |
| <b>Current financial assets</b>      |                 |                |              |            |         |         |          |
| Cash and cash equivalents            | -               | 12,24,806      | 12,24,806    | -          | -       | -       | -        |
| <b>Current financial liabilities</b> |                 |                |              |            |         |         |          |
| Trade payables                       | -               | 10,16,20,012   | 10,16,20,012 | -          | -       | -       | -        |

#### 27.7.2 Financial risk management

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

- Credit risk;
- Liquidity risk;
- Market risk

##### Risk management framework

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

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

The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements for the year ended 31 March 2020

### C: Market risk

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

#### i. Currency risk

Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. There are no exposure to currency risk as on 31 March 2020 and 31 March 2019.

#### ii. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### iii. Price risk

Exposure from investments in quoted equity instruments

The Company's exposure to price risk arises from investment in quoted equity held by the company and classified in the balance sheet as fair value through profit and loss.

### 28. Impact assessment of Covid 19

The retail industry as a whole has been adversely impacted by the spread of COVID-19 and consequently the lockdown resulting out of it. The Company has faced significant headwinds due to COVID-19 which have impeded the operations of the Company adversely beginning from the latter half of March 2020 onwards due to complete lockdown and accordingly it has adversely affected production of the Company. This unprecedented disruption has had a negative impact on the performance of the company and continues to impact the business and financial statement. In this crisis, our priorities are to protect the employees and their families from COVID-19.

The Company has reopened its factory operations from the first week of June as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate and stringent hygiene measures and following the directions of regulatory authorities.

The Company believes that the pandemic is not likely to impact the carrying value of its assets. The Company continues to closely monitor the developments and possible effects that may result from the current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statement.

29. The previous year figures have been audited by an audit firm S R B C & CO LLP. The previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date

For S R B C & CO LLP

ICAI Firm's registration No.324982E/E300003

  
Vijay Mahajan  
Partner

Membership No: 36738



Place: Mumbai

Date: 24 June 2020

For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643

  
Shrikant Zaveri  
Director

DIN: 00263725

Place: Mumbai

Date: 24 June 2020

  
Raashi Zaveri  
Whole Time Director

DIN: 00713688