



**PANKAJ PRITI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of **Tradezeal International Private Limited**

We have audited the accompanying interim standalone Ind AS financial statements of **Tradezeal International Private Limited** ("the Company"), which comprise the interim standalone Balance Sheet as at September 30, 2019, and the interim standalone Statement of Profit and Loss, including other comprehensive income, interim standalone Cash Flow Statement and the interim standalone Statement of Changes in Equity for the three -month period then ended, and notes to the interim standalone 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 interim standalone Ind AS financial statements give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

- (a) in the case of the interim standalone Balance Sheet, of the state of affairs of the Company as at September 30, 2019;
- (b) in the case of the interim standalone Statement of Profit and Loss including other comprehensive income, of the profit for the three-month period ended on that date;
- (c) in the case of the interim Cash Flow Statement, of the cash flows for the three -month period ended on that date; and
- (d) In the case of the interim Statement of Changes in Equity, of the changes in equity for the three -month period ended on that date.

**Basis for Opinion**

We conducted our audit of the interim standalone 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 Interim Standalone 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the interim standalone Ind AS financial statements.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial period ended September 30, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Management's Responsibility for the Interim Standalone Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these interim standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone 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. The Board of Directors are also responsible for 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; the 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim standalone 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 interim standalone financial statements, Board of Directors are responsible for assessing the ability of the Company's 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 Interim Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the interim standalone 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 interim standalone 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 interim standalone 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim standalone financial statements, including the disclosures, and whether the interim standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial period ended September 30, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For Pankaj Priti & Associates**

Chartered Accountants

Firm's Registration No. 016461N

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**KUMAR**  
**JAIN**

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**Pankaj Jain (Partner)**

Membership No. 095412

Place: DELHI

Date: 21-10-2019

UDIN- 19095412AAAAGK2393

## **Annexure A to the Independent Auditor's Report to the Members of Tradezeal International Private Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **Tradezeal International Private Limited** ("the Company") as of 30<sup>th</sup> September 2019 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 (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 30<sup>th</sup> September 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

**For Pankaj Priti & Associates**  
Chartered Accountants  
Firm's Registration No. 016461N

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**Pankaj Jain (Partner)**  
Membership No. 095412

Place: DELHI  
Date: 21-10-2019

**Annexure B to the Independent Auditor's Report to the Members of Tradezeal International Private Limited**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.**

- i. The Company has no Fixed Assets, hence clause 3(i)(a) to (c) of the order is not applicable to the company.
- ii. In our opinion and according to the information and explanations given to us, the Company is not having any inventory. Accordingly clause 3(ii) of the Order is not applicable.
- iii.
  - (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly clauses 3(iii) (a) & (b) of the Order are not applicable.
  - (b) Since there are no such loans, the comments regarding repayment of the principal amount & interest due thereon and overdue amounts are not required.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning 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 belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii.
  - a. The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable
  - b. There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute:
- viii. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and Company has not raised any term loans. Accordingly provisions of clause (ix) of the Order is not applicable on the Company.
- x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. In our opinion, and according to the information and explanations given to us, managerial remuneration has not been paid / provided. Therefore, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and on an overall examination of the books of account, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence not commented upon.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- 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.

**For Pankaj Priti & Associates**  
Chartered Accountants  
Firm's Registration No. 016461N

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**Pankaj Jain (Partner)**  
Membership No. 095412

Place: DELHI  
Date: 21-10-2019

**Tradezeal International Private Limited**  
**Balance Sheet as at 30th September 2019**  
(Amounts in INR "Thousands" , unless otherwise stated)

	Notes	As at 30 September 2019	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets			
(i) Investments	4	-	-
(i) Loan	4	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Financial assets			
(i) Trade receivables	5	-	-
(ii) Cash and cash equivalents	6	205.68	241.49
Other current assets	7	-	57.52
<b>Total current assets</b>		<u>205.68</u>	<u>299.01</u>
<b>Total assets</b>		<u><u>205.68</u></u>	<u><u>299.01</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8	1,100.00	1,100.00
Other equity	8	(22,390.86)	(20,733.27)
<b>Total equity</b>		<u>(21,290.86)</u>	<u>(19,633.27)</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	9	21,484.15	19,915.78
<b>Total non-current liabilities</b>		<u>21,484.15</u>	<u>19,915.78</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables	10	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		12.39	16.50
<b>Total current liabilities</b>		<u>12.39</u>	<u>16.50</u>
<b>Total liabilities</b>		<u>21,496.54</u>	<u>19,932.28</u>
<b>Total equity and liabilities</b>		<u><u>205.68</u></u>	<u><u>299.01</u></u>

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Pankaj Priti & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 016461N

per Pankaj Jain  
Partner  
Membership No.: 095412



Place: Noida  
Date: 21st October, 2019

UDIN - 19095412AAAA GK2393

For and on behalf of the Board of Directors  
**Tradezeal International Private Limited**

Sudhir Gupta  
(Director)  
DIN: 08267484

Manoj Bhargava  
(Director)  
DIN - 08267536

Place: Noida  
Date: 21st October, 2019



Tradezeal International Private Limited  
Statement of profit and loss for the period ended 30th September 2019  
(Amounts in INR "Thousands" , unless otherwise stated)

		For the quarter ended		For the period ended	
	Notes	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>Income:</b>					
Other income	11	-	-	-	6.41
<b>Total income</b>		-	-	-	6.41
<b>Expense:</b>					
Finance costs	12	788.47	97.55	1,568.37	194.05
Other expenses	13	4.08	6.38	89.22	8.65
<b>Total expenses</b>		792.55	103.93	1,657.59	202.70
<b>Loss before tax</b>		(792.55)	(103.93)	(1,657.59)	(196.29)
<b>Income tax expense</b>					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Total tax expense</b>		-	-	-	-
<b>Loss for the period</b>		(792.55)	(103.93)	(1,657.59)	(196.29)
<b>Other comprehensive income (OCI)</b>					
Items that will not be reclassified to profit or loss in subsequent period					
Re-measurement gains/(losses) on defined benefit plans		-	-	-	-
Income tax effect		-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>		-	-	-	-
<b>Total comprehensive loss for the period</b>		(792.55)	(103.93)	(1,657.59)	(196.29)
<b>Earnings per equity share:</b>	14				
Basic earnings per equity share (INR)		(7.20)	(0.94)	(15.07)	(1.78)
Diluted earnings per equity share (INR)		(7.20)	(0.94)	(15.07)	(1.78)
<b>Summary of significant accounting policies</b>	2				

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Pankaj Priti & Associates  
Chartered Accountants  
ICAI Firm Registration No. 01646

*Pankaj Jain*

per Pankaj Jain  
Partner  
Membership No.: 095412



For and on behalf of the Board of Directors  
Tradezeal International Private Limited

*Sudhir Gupta*

Sudhir Gupta  
(Director)  
DIN: 08267484

*Manoj Bhargava*

Manoj Bhargava  
(Director)  
DIN - 08267536

Place: Noida  
Date: 21st October, 2019

Place: Noida  
Date: 21st October, 2019

UDIN - 19095412AAAAAQK2393

Tradezeal International Private Limited  
Statement of cash flows for the period ended 30th September 2019  
(Amounts in INR "Thousands" , unless otherwise stated)

Particulars	For the period ended 30 September 2019	For the period ended 30 September 2018
Loss before tax	(1,657.59)	(196.29)
Adjustments for:		
Balances written off (included in rates & taxes)	57.52	-
Finance costs	1,568.37	194.05
<b>Operating (loss) before working capital changes</b>	<b>(31.70)</b>	<b>(2.24)</b>
<b>Movement in working capital</b>		
(Decrease) in trade and other payables	(4.11)	(8.18)
<b>Cash generated from operations</b>	<b>(35.81)</b>	<b>(10.42)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash generated/used in operating activities</b>	<b>(35.81)</b>	<b>(10.42)</b>
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from Preference share capital	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(35.81)</b>	<b>(10.42)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>241.49</b>	<b>259.37</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>205.68</b>	<b>248.95</b>
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	0.35	0.35
Balances with banks:		
- On current accounts	205.33	248.60
<b>Total cash and cash equivalents (note 6)</b>	<b>205.68</b>	<b>248.95</b>
Summary of significant accounting policies		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Pankaj Priti & Associates  
Chartered Accountants  
ICAI Firm Registration No. 016461N

per Pankaj Jain  
Partner  
Membership No.: 095412

Place: Noida  
Date: 21st October, 2019



For and on behalf of the Board of Directors  
Tradezeal International Private Limited

Sudhir Gupta  
(Director)  
DIN: 08267484

Place: Noida  
Date: 21st October, 2019

Manoj Bhargava  
(Director)  
DIN - 08267536

UDIN - 19095412AAAA GK 2393

Tradezeal International Private Limited  
Statement of changes in equity for the period ended 30th September 2019  
(Amounts in INR "Thousands", unless otherwise stated)

(a) Equity share capital (refer note 8)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2017	1,100.00
Changes in equity share capital	
As at 30 September 2018	1,100.00
As at 1 April 2019	1,100.00
Changes in equity share capital	-
As at 30 September 2019	1,100.00

(b) Other equity (refer note 8)

Particulars	Other equity		Total
	Equity portion of OCCRPS (refer note 9)	Reserves and surplus	
As at 1 April 2018	2,047.93	(20,037.41)	(17,989.48)
Loss for the period	-	(196.29)	(196.29)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(196.29)	(196.29)
Balance as at 30 September 2018	2,047.93	(20,233.70)	(18,185.77)
As at 1 April 2019	19.77	(20,753.04)	(20,733.27)
Loss for the period	-	(1,657.59)	(1,657.59)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(1,657.59)	(1,657.59)
Balance as at 30 September 2019	19.77	(22,410.63)	(22,390.86)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Pankaj Priti & Associates  
Chartered Accountants  
ICAI Firm Registration No. 016461N

per Pankaj Jain  
Partner  
Membership No.: 095412

Place: Noida  
Date: 21st October, 2019



For and on behalf of the Board of Directors  
Tradezeal International Private Limited

Sudhir Gupta  
(Director)  
DIN: 08267484

Manoj Bhargava  
(Director)  
DIN - 08267536

Place: Noida  
Date: 21st October, 2019

UDIN - 1909 5412 AAAA GK 2393

## **1. Corporate Information**

Tradezeal International Private Limited ("the Company") is a public company domiciled in India and was incorporated on May 31, 2005 under the provision of the Companies Act applicable in India. The Company is engaged in providing the services including Domestic trade and International Business facilitation services including sales, management, Operational, commercial, Financial, communication, promotional, information processing or any other trade and business related all over the world. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The interim financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 21<sup>st</sup> October 2019.

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

The interim financial statements of the Company for the period ended 30th September 2019 have been prepared in accordance with Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ("MCA").

All amounts disclosed in the interim financial statements and notes have been rounded off to the nearest INR thousand as per the requirement of Schedule III, unless otherwise stated.

The interim financial statements have been prepared on the historical cost basis as explained in the accounting policies below, except certain financial assets and liabilities measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments).

The preparation of these interim financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the interim financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

### **2.2 Summary of significant accounting policies**

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, to all the periods presented in these interim financial statements.

#### **a) Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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



**Tradezeal International Private Limited**  
**Notes to financial statements for the period ended 30<sup>th</sup> September 2019**  
(Amounts in "Thousands")

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The Company classifies all other liabilities as non-current.

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

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

**b) Fair value measurement**

The Company measures financial instruments, such as Investment in optionally convertible cumulative redeemable preference shares (OCCRPS), Investment in mutual funds, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim financial statements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 — Unobservable inputs for the asset or liability reflecting Company's assumptions about pricing by market participants

For assets and liabilities that are recognised in the interim financial statements on fair value on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant estimates and assumptions (Note 3)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 15)





**Tradezeal International Private Limited**

**Notes to financial statements for the period ended 30<sup>th</sup> September 2019**

(Amounts in "Thousands")

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**c) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

The specific recognition criteria described below must also be met before revenue is recognised.

Income from Sale of Goods

Revenue comprises income from sale of goods and services after deduction of any price reductions, quantity discounts or cash discounts. Sale are recognised in the period in which the risk related to the goods and services passes to the customer or in which the services is rendered, and the amounts can be reliably measured and are expected to be received.

Other Income

Other income comprises income of a secondary nature which includes gains on the sale of non-current investments & interest income.

**d) Taxes**

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



**Tradezeal International Private Limited**

**Notes to financial statements for the period ended 30<sup>th</sup> September 2019**

(Amounts in "Thousands")

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Sales/ value added taxes/ Service tax/ Goods and service tax (GST) paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**e) Provisions and contingent liabilities**

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Company does not recognise a contingent liability but discloses its existence in the interim financial statements.

**f) Retirement and other employee benefits**

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other current financial liabilities in the balance sheet.



**g) Financial Instruments**

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

**Financial assets**

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

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

Debt instruments at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset’s contractual cash flows represent SPPI

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

Debt instrument at FVTPL

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





**Tradezeal International Private Limited****Notes to financial statements for the period ended 30<sup>th</sup> September 2019**(Amounts in "Thousands")

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

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

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

**Impairment of financial assets**

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

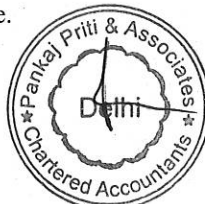
- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



**Tradezeal International Private Limited****Notes to financial statements for the period ended 30<sup>th</sup> September 2019**

(Amounts in "Thousands")

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities**Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include, share buyback obligation, trade payables, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has designated convertible preference shares issued with share buyback obligation, to be measured at fair value through profit or loss.



**Tradezeal International Private Limited**  
**Notes to financial statements for the period ended 30<sup>th</sup> September 2019**  
(Amounts in “Thousands”)

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Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

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

**Convertible preference shares**

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent periods.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**h) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**i) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



**j) Segment reporting**

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company activities are considered to be a single business segment. The analysis of geographical segments is based on the areas in which customers are based.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the interim financial statements of the Company as a whole.

**k) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3. Significant accounting estimates and assumptions**

The preparation of interim financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Company based its assumptions and estimates on parameters available when the interim 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.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. 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.

The Company has not recognised deferred tax assets on the unused tax losses.



	As at 30 September 2019		As at 31 March 2019	
	No of units	Amount	No of units	Amount
<b>4 Non Current assets</b>				
<b>Non Current Investment</b>				
Trade investment valued at cost unless stated otherwise				
Investment other than subsidiaries				
0.001% Optionally Convertible redeemable Preference Shares of Rs. 10 each in Instant Procurement Services Private Limited	12,446	-	12,446	-
0.001% Compulsory Convertible Preference Shares of Rs. 10 each in Instant Procurement Services Private Limited	3,764	-	3,764	-
		-		-
<b>Loans</b>				
Loans inter corporate (Instant Procurement Services Private Limited )		5,000.00		5,000.00
		5,000.00		5,000.00
Less : Provision for diminution in the value of investment		(5,000.00)		(5,000.00)
		-		-
<b>5 Trade receivables</b>				
Considered good- Unsecured (B)		-		-
Trade receivables which have significant increase in credit risk		25.91		25.91
Provision for doubtful debts		(25.91)		(25.91)
Total		-		-
<b>Notes:</b>				
No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.				
<b>6 Cash and cash equivalents</b>				
Cash on hand		0.35		0.35
Balance with bank				
- On current accounts		205.33		241.14
Cash and cash equivalents as per statement of cash flows		205.68		241.49
<b>Notes:</b>				
(i) Cash and cash equivalents for the purpose of cash flow statement comprise cash and cash equivalents as shown above.				
<b>7 Other assets</b>				
Current (Unsecured, considered good unless otherwise stated)				
Balances with government authorities		-		57.52
Total		-		57.52



8 Share capital  
Equity share capital

Authorised equity share capital

At 1 April 2018	
Increase/(Decrease) during the year	
At 31 March 2019	
Increase/(Decrease) during the period	
At 30 September 2019	

Number of shares	Amount
5,00,000	5,000.00
-	-
5,00,000	5,000.00
-	-
5,00,000	5,000.00

Issued equity share capital (subscribed and fully paid up)

At 1 April 2018	
Shares issued during the year	
At 31 March 2019	
Shares issued during the period	
At 30 September 2019	

Number of shares	Amount
1,10,000	1,100.00
-	-
1,10,000	1,100.00
-	-
1,10,000	1,100.00

a) Terms/ rights attached to equity shares:

- 1) The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity is entitled to one vote per share.
- 2) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Equity shares of INR 10 each fully paid  
Indiamart Intermesh Limited

30 September 2019		31 March 2019	
Number	Percentage	Number	Percentage
1,10,000	100%	1,10,000	100%

d) Details of shareholders holding more than 5% equity shares in the Company

Equity shares of INR 10 each fully paid  
Indiamart Intermesh Limited

30 September 2019		31 March 2019	
Number	Percentage	Number	Percentage
1,10,000	100%	1,10,000	100%

e) Other equity

Retained earnings  
Equity portion of OCCRPS (refer note 9)  
Total other equity

30 September 2019	31 March 2019
(22,410.63)	(20,753.04)
19.77	19.77
(22,390.86)	(20,733.27)





9 Borrowings

Measured at amortised cost

Non-current

Liability component of compound financial instrument

Optionally convertible cumulative redeemable preference shares (unsecured)

Total non-current borrowings

As at 30 September 2019	As at 31 March 2019
21,484.15	19,915.78
21,484.15	19,915.78

Terms of conversion/ redemption of 0.01% Optionally convertible redeemable preference share (OCRPS)

The Company has issued 2 classes of preference shares i.e. 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) and Redeemable Preference Shares (RPS). The OCRPS shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of a winding up; the OCRPS shall be participating in the surplus funds; the OCRPS shall be participating in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid; the OCRPS will be entitled to dividend, if declared by the Board of Directors, on cumulative basis. The OCRPS holders have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Companies Act 2013.

Series 'Optionally Convertible Redeemable Preference Shares : INR 13,700 The OCRPS shall be Convertible Redeemable (in whole or in part) at the option of the holder of the OCRPS at any time within 20 years from the allotment of the respective OCRPS. Series 'Redeemable Preference Share : INR 5,000.00 Redeemable Preference shares (RPS) will be Redeemable (in whole or in part) either at the option of the company or at the option of the holder of the preference shares after the expiry of 5 years from the date of allotment but before any time within 20 years from the date of allotment of preference shares at par.

With effect from 22 February 2019, the Company has converted its series Redeemable Preference Share and Optionally Convertible Redeemable Preference Shares into Optionally Convertible Cumulative Redeemable Preference Shares (OCRPS). And also changed terms of all OCRPS to fix the tenure to 30 April, 2026 and amount of redemption of preference shares to Rs. 30 per share including Rs 20 per share for premium on redemption at the option of the holder and in case of conversion shall be converted at a ratio of 1:1 with the equity shares.

Authorised preference share capital

At 1 April 2018

Increase/(Decrease) during the year

At 31 March 2019

Increase/(Decrease) during the period

At 30 September 2019

Optionally Convertible Cumulative Redeemable Preference Shares (Face value INR 10 per share)		Redeemable Preference Shares (Face value INR 10 per share)	
Number of shares	Amount	Number of shares	Amount
20,00,000	20,000	5,00,000	5,000
5,00,000	5,000	(5,00,000)	(5,000)
25,00,000	25,000	-	-
-	-	-	-
25,00,000	25,000	-	-

Issued preference share capital (subscribed and fully paid up)

At 1 April 2018

Shares issued during the year

At 31 March 2019

Shares issued during the period

At 30 September 2019

Optionally Convertible Cumulative Redeemable Preference Shares (Face value INR 10 per share)		Redeemable Preference Shares (Face value INR 10 per share)	
Number of shares	Amount	Number of shares	Amount
13,70,000	13,700	5,00,000	5,000
5,00,000	5,000	(5,00,000)	(5,000)
18,70,000	18,700	-	-
-	-	-	-
18,70,000	18,700	-	-

a) Shares held by holding company

Optionally Convertible Cumulative Redeemable Preference Shares of INR 10 each fully paid

Indiamart Internesh Limited

30 September 2019		31 March 2019	
Number of shares	Percentage	Number of shares	Percentage
18,70,000	100%	18,70,000	100%

b) Details of shareholders holding more than 5% preference shares in the Company

Optionally Convertible Cumulative Redeemable Preference Shares of INR 10 each fully paid

Indiamart Internesh Limited

30 September 2019		31 March 2019	
Number of shares	Percentage	Number of shares	Percentage
18,70,000	100%	18,70,000	100%

10 Trade payables

Current

-Dues to other than MSMEDs

- others

Total

As at 30 September 2019	As at 31 March 2019
-	-
12.39	16.50
12.39	16.50



	For the quarter ended		For the period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>11 Other income</b>				
Other income	-	-	-	6.41
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.41</b>

	For the quarter ended		For the period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>12 Finance costs</b>				
Interest on Optionally cumulative convertible redeemable preference shares	788.47	97.55	1,568.37	194.05
<b>Total</b>	<b>788.47</b>	<b>97.55</b>	<b>1,568.37</b>	<b>194.05</b>

	For the quarter ended		For the period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>13 Other expenses</b>				
Legal and professional fees	0.89	3.00	4.43	3.00
Rates and taxes	0.60	1.20	79.83	1.20
Auditor's remuneration	2.06	2.07	4.13	4.13
Collection charges	0.53	0.12	0.83	0.32
<b>Total</b>	<b>4.08</b>	<b>6.39</b>	<b>89.22</b>	<b>8.65</b>

	For the quarter ended		For the period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>Payment to Auditors</b>				
As auditor:				
- Audit fee	2.06	2.07	4.13	4.13
	<b>2.06</b>	<b>2.07</b>	<b>4.13</b>	<b>4.13</b>

#### 14 Earnings per share

Basic EPS amounts are calculated by dividing the loss for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS are calculated by dividing the loss for the period attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

	For the quarter ended		For the period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>Basic</b>				
Loss for the period	(792.55)	(103.93)	(1,657.59)	(196.29)
Weighted average number of equity shares in calculating basic EPS	1,10,000	1,10,000	1,10,000	1,10,000
<b>Basic earning (loss) per share</b>	<b>(7.20)</b>	<b>(0.94)</b>	<b>(15.07)</b>	<b>(1.78)</b>
<b>Diluted</b>				
Loss for the period	(792.55)	(103.93)	(1,657.59)	(196.29)
Weighted average number of equity shares in calculating basic EPS	1,10,000	1,10,000	1,10,000	1,10,000
Potential equity shares in the form of convertible preference shares	18,70,000	18,70,000	18,70,000	18,70,000
<b>Total no. of shares outstanding (including dilution)</b>	<b>19,80,000</b>	<b>19,80,000</b>	<b>19,80,000</b>	<b>19,80,000</b>
<b>Diluted earning (loss) per share</b>	<b>(7.20)</b>	<b>(0.94)</b>	<b>(15.07)</b>	<b>(1.78)</b>

There are potential equity shares which are anti-dilutive, hence they are ignored in the calculation of diluted loss per share and accordingly the diluted loss per share is the same as basic loss per share





## 15 Financial instruments

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

	Level	30 September 2019	31 March 2019
<b>Financial liabilities</b>			
Measured at Amortised cost			
- Borrowings	Level 3	21,484.15	19,915.78
<b>Total financial liabilities</b>		<u>21,484.15</u>	<u>19,915.78</u>

b) The following methods / assumptions were used to estimate the fair values:

- The carrying value of cash and cash equivalents and trade payables measured at amortised cost approximate their fair value.
- The fair value of non current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable input, including own credit risk

## 16 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, and all other equity reserves attributable to the equity shareholder of the Company.

The Company manages its capital to ensure that the company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company is neither subject to externally imposed capital requirements nor exposed to external borrowings. For the purpose of the capital management, the management considers the share buy back obligation pertaining to OCCRPS as part of the Capital.

The Company reviews the capital structure on a regular basis. As part of this review, the Company considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

## 17 Financial risk management objectives and policies

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

The Company's board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### i) Credit risk management

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 cash and bank balances, employee loans, financial assets carried at amortised cost and trade receivables.

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

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

### Cash and cash equivalents

The Company holds cash and cash equivalents of INR 205.86 as on 30th September 2019 (INR 241.49 as on 31 March 2019). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. Bank balances are held with reputed and creditworthy banking institutions.

### ii) Liquidity risk management

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.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

#### Contractual maturities of financial liabilities

	Within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>30 September 2019</b>				
Trade payables	12.39	-	-	12.39
Borrowings	-	-	21,484.15	21,484.15
<b>31 March 2019</b>				
Trade payables	16.50	-	-	16.50
Borrowings	-	-	19,915.78	19,915.78



## 18 Related party transactions

### a) Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not

#### Holding Company

Indiamart Intermesh Limited

#### Key management personnel

Mr. Sudhir Gupta, Director  
Mr. Praveen Kumar Goel, Director  
Mr. Manoj Bhargava , Director

### Terms and conditions of transactions with related parties

The transactions with related parties are entered 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 provided or received for any related party receivables or payables. 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.

## 19 Details of dues to micro and small enterprises as defined under MSMED Act 2006:

The Company has during the year not received any intimation from any of its suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures , if any, relating to amount unpaid as at the year end along with interest paid/payable as required under the said Act have not been given. Based on the information available with the Company there are no principal / Interest amounts due to micro and small enterprises.

## 20 Going concern

The parent company shall provide financial support to the Company, so as to meet its liabilities and commitments as and when the same is required.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Pankaj Priti & Associates  
Chartered Accountants  
ICAI Firm Registration No. 016487N

per Pankaj Jain  
Partner  
Membership No.: 095412



Place: Noida  
Date: 21st October, 2019

For and on behalf of the Board of Directors  
Tradezeal International Private Limited

Sudhir Gupta  
(Director)  
DIN: 08267484

Place: Noida  
Date: 21st October, 2019

Manoj Bhargava  
(Director)  
DIN - 08267536

UDIN - 19095412AAAA GK 2393